Exhibit A

MDL Master File No. 2022 CI 02879

	§	In the District Court of
	§	
In Re CPS Energy Gas Supplier Litigation	§	Bexar County, Texas
	§	
	§	407th Judicial District

Cause No. 2021 CI 05138

CPS Energy,	§	In the District Court of
Plaintiff–Counter-defendant,	§	
	§	
v.	§	Bexar County, Texas
	§	
Houston Pipe Line Company, LP and	§	
Oasis Pipeline, LP,	§	
Defendants–Counterclaimants.	§	407th Judicial District

DECLARATION OF DAVID SHANK

1. My name is David Shank, my date of birth is October 26, 1983, and my office address is 303 Colorado, Suite 2400, Austin, Texas 78701. I am of sound mind and duly qualified and capable to make this Declaration. I have never been convicted of a felony or a crime involving moral turpitude. I make this Declaration based upon personal knowledge.

2. I am counsel for Defendant/Counter-Plaintiff City of San Antonio, acting by and through its City Public Service Board ("**CPS Energy**"), in *CPS Energy v. Houston Pipe Line Company, LP and Oasis Pipeline, LP*, Cause No. 2021-CI-05138, 407th Judicial District, Bexar County, which has been transferred for consolidated pretrial proceedings in *In re CPS Energy Gas Supplier Litigation*, Master File No. 2022-CI-02879, 407th Judicial District, Bexar County, Texas. I am a partner at the law firm of Scott Douglass & McConnico LLP in Austin, Texas.



A. CPS Energy's ICE Chat Logs

3. On August 31, 2021, I contacted Michael Maydick, CPS Energy's Account Manager at the Intercontinental Exchange ("**ICE**"). ICE operates a real-time messaging platform used by CPS Energy and other buyers and sellers in the natural gas industry.

4. I requested that Mr. Maydick provide CPS Energy with a complete ICE chat message log for six CPS Energy user accounts for the time period from January 1 to March 18, 2021. The user accounts I requested chat message logs for included: Paul Vinson (pvinson1), Ken Skaer (kskaer1), Bruce Bordovsky (bbordovsky), Amber Irving (amirving), Candy Horner (chorner), and Buck Guinn (bguinn1).

5. On September 14, 2021, CPS Energy received an agreement from Mr. Maydick for a one-time pull of the six chat users listed above. On September 16, 2021, CPS Energy executed the agreement.

6. On September 22, 2021, CPS Energy received a consolidated chat log containing all ICE chat messages sent or received by the six users identified above, including for each message the sender, recipient, message content, and date and time sent (in Eastern Standard Time).

7. On September 30, 2021, I forwarded a copy of the consolidated chat log to Sam Merritt, Senior Consultant at HaystackID, CPS Energy's e-discovery vendor for the above-captioned case. To facilitate CPS Energy's review of ICE chat messages for relevance and privilege, and ultimate production of relevant, non-privileged messages, I asked Mr. Merritt to extract from the consolidated log individual logs containing all ICE chat messages exchanged between any two individuals.

8. Without modifying the content of any messages, Mr. Merritt proceeded to extract the individual chat logs for review and possible production. Each extracted log includes that entire chat history from January 1, 2021, to March 18, 2021, between each CPS Energy user and their chat counterparty, identifying each message's sender, recipient, message content, and date and time sent (in Eastern Standard Time).

9. After appropriate review, the relevant individual chat logs were produced with bates numbers and, when appropriate, redactions.

10. The documents attached as **Exhibits 44, 55, 56, 59–67, 92**, and **162–166** to this Declaration are true and correct copies of certain produced chat logs from ICE and reflect real-time communications made by employees of CPS Energy over the ICE messaging platform with various other CPS Energy employees or counterparties.

B. ICE Transaction and Offer/Bid Data

11. On July 22, 2022, CPS Energy issued a subpoena to ICE that requested, among other things, production of the data for all bids and offers posted by any Energy Transfer Entity (as defined in the Subpoena) on ICE's trading platforms for the purchase or sale of physical natural gas to be delivered on any day(s) during February 10, 2021, through February 28, 2021, at any delivery point in Texas (the "Relevant Bids/Offers"). A true and correct copy of that subpoena is attached as **Exhibit 90E** to this Declaration.

12. On September 1, 2022, ICE produced, among other data, a file containing tab delineated data for the Relevant Bids/Offers, bates labeled ICE-Energy_Transfer000011. ICE also provided a business records affidavit for that data. A true and correct copy of the September 1, 2022 cover letter from ICE and the enclosed business records affidavit are attached as **Exhibit 90D** to this Declaration.

13. The file labeled ICE-Energy_Transfer000011 includes 2997 rows of data. For each row, it provides several columns of information, including ORIGINAL_ORDER_NO. (the order number assigned to the bid or offer), MODIFICATION_TIME (the date and time in GMT time zone of the order activity reflected in the row), MARKET (identifying the relevant location and whether the bid or offer is for next-day or same-day and fixed-price or index-price), STRIP_BEGIN_DATE (the first flow date), STRIP_END_DATE (the last flow date), BID_OFFER (whether it is a bid or offer), QUANTITY (quantity in MMBtu of the bid or offer), RESERVE_QUANTITY (the quantity held in reserve by the party posting the offer), OR-

DER_PRICE, STATUS (whether the status of the offer reflected in the row, such as active, withdrawn, or consummated), TRADER_FULL_NAME, AND COMPANY_NAME.

14. I imported the data from ICE-Energy_Transfer000011 into a Microsoft Excel file without modifying it. Once imported, I added two columns that, by Excel formula, translated the MODIFICATION_TIME to display in Eastern Standard Time and Central Standard Time: MODIFICATION_TIME (EST) and MODIFICATION_TIME (CST).

15. From the imported Excel file, I then made three relevant excerpts that are attached as **Exhibits 90A, 90B,** and **90C** to this Declaration. Each excerpt includes columns identified in paragraph 13 and 14 for the excerpted bids and offers.

a. **Exhibit 90A** includes all bids and offers that any Energy Transfer Entity posted on February 12 for fixed-price, next-day gas at HSC-HPL Pool.

b. **Exhibit 90B** includes all bids and offers that any Energy Transfer Entity posted on February 16 for fixed-price, next-day gas at HSC-HPL Pool, Katy-Oasis, Katy-Lonestar Intrastate, or Katy-Enstor Pool.

c. **Exhibit 90C** includes all bids and offers that any Energy Transfer Entity posted on February 18 for fixed-price, next-day gas at HSC-HPL Pool, Katy-Oasis, Katy-Lonestar Intrastate, or Katy-Enstor Pool.

16. On September 19, 2022, CPS Energy issued a subpoena to ICE that requested among other things, production of the data for all purchases or sales executed on ICE's trading platforms for physical natural gas to be delivered on any day(s) during February 2021 at any delivery point in Texas (the "Relevant Deals"). A true and correct copy of that subpoena is attached as **Exhibit 91E** to this Declaration.

17. Because the definition of Relevant Deals was not limited to deals in which an Energy Transfer Party or an Enterprise Party was involved, the subpoena permitted ICE to provide anonymous unique identifiers for the parties to each deal. But the subpoena requested a key identifying the anonymous unique identifiers used for each of the Energy Transfer Entities and Enterprise Entities.

18. On October 19, 2022, ICE produced a file containing tab delineated data for each of the Relevant Deals, labeled ICE-ET-EP000001. ICE also produced a Microsoft Excel file labeled ICE-ET-EP000002 that identified the anonymous unique identifiers used for the Energy Transfer Entities and Enterprise Entities in ICE-ET-EP000001. ICE also provided a business records affidavit. A true and correct copy of the October 19, 2022 cover letter from ICE and the enclosed business records affidavit are attached as **Exhibit 91D** to this Declaration.

19. The file labeled ICE-ET-EP-000001 includes 20,543 rows of data. For each row, it provides several columns of information, including TRADE_TIME (the date and time in GMT time zone that the trade was consummated), MARKET (identifying the relevant location and whether the bid or offer is for next-day or same-day and fixed-price or index-price), STRIP_BEGIN (the first flow date), STRIP_END (the last flow date), QUANTITY_IN_LOTS (the total quantity of the transactions across all flow days, expressed in "lots" where 100 lots equals 10,000 MMBtu), TRADE_PRICE, BUYER_PARTICIPANT (the anonymous unique identifier of the buyer), and SELLER_PARTICIPANT (the anonymous unique identifier of the buyer).

20. I imported the data from ICE-ET-EP000001 into a Microsoft Excel file without modifying it. Once imported, I added two columns that, by Excel formula, translated the TRADE_TIME to display in Eastern Standard Time and Central Standard Time: TRADE_TIME (EST) and TRADE_TIME (CST). I also added a column labeled DAILY QUANTITY that, via Excel formula, translates the data from QUANTITY_IN_LOTS to express the daily quantity of gas in MMBtu for each deal. Finally, I added columns labeled BUYER and SELLER that, via Excel formula referencing the key in ICE-ET-EP00002, replace the anonymous unique identifiers for the Energy Transfer Entities and the Enterprise Entities with their names but otherwise include the data from BUYER_PARTICIPANT AND SELLER_PARTICIPANT.

21. From the imported Excel file, I then made three relevant excerpts that are attached as **Exhibits 91A**, **91B**, and **91C** to this Declaration. Each excerpt includes columns identified in paragraphs 19 and 20 for the excerpted bids and offers.

a. **Exhibit 91A** includes all fixed-price, next-day deals consummated on February 12, 2021, at HSC-HPL Pool, Katy-Oasis, Katy-Lonestar Intrastate, or Katy-Enstor Pool.

b. **Exhibit 91B** includes all fixed-price, next-day deals consummated on February 16, 2021, at HSC-HPL Pool, Katy-Oasis, Katy-Lonestar Intrastate, or Katy-Enstor Pool.

c. **Exhibit 91C** includes all fixed-price, next-day deals consummated on February 12, 2021, at HSC-HPL Pool, Katy-Oasis, Katy-Lonestar Intrastate, or Katy-Enstor Pool.

C. Summary Judgment Evidence

22. Attached as **Exhibits 1–182** to this Declaration are true and correct copies of the following documents:

Exhibit	Description
1.	CEP Utility Primer, CPSE-MDL_000008619
2.	Excerpts from the deposition of Bruce Bordovsky
3.	Excerpts from the deposition of Craig Eugster
4.	Excerpts from the deposition of Paul Barham
5.	Excerpts from the deposition of Ray Perryman
6.	Excerpts from the deposition of Ken Skaer
7.	Excerpts from the deposition of Corey Kuchinsky
8.	Excerpts from the deposition of Kent Bayazitoglu
9.	CPSE-HPL NAESB Contract, ETP_000000689
10.	CPSE-Oasis NAESB Contracts, ETP_000000020 & ETP_000000036
11.	Excerpts from the deposition of Amber Irving
12.	Notice of Assignment of NAESB, CPSE-MDL_000028613
13.	Excerpts from the deposition of Jonathan Ochoa
14.	Excerpts from the deposition of Tim Small
15.	Purchase Summary Report, CPSE-MDL_000030155
16.	ICE, North American Physical Gas Hubs, https://www.ice.com/publicdocs/NA_Phys_Gas_hubs.pdf
17.	CPSE-HPL Firm Intrastate Transportation Agreement, CPSE-MDL_000026189
18.	CPSE-HPL Transport Agreement, ETP_000000001
19.	Amendment to CPSE-HPL Transport Agreement, ETP_000000032
20.	Second Amendment to CPSE-HPL Transport Agreement, ETP_000000669
21.	Third Amendment to CPSE-HPL Transport Agreement, ETP_000000080

Exhibit	Description
22.	Fourth Amendment to CPSE-HPL Transport Agreement, ETP_000000092
23.	Oasis Transport Agreement, ETP_000000038
24.	Oasis Transport Confirm, ETP_000000085
25.	Third Amendment to CPSE-Enterprise Texas Pipeline Transport Agreement for Intra-state Service No. 5546FTSA, CPSE-MDL_000001517
26.	Third Amendment to CPSE-Enterprise Texas Pipeline Transport Agreement for NGPA Section 311 Service No. 5547FTSE, CPSE-MDL_000001495
27.	Third Amendment to CPSE-Enterprise Texas Pipeline Transport Agreement for Intra-state Service No. 7921FTSA, CPSE-MDL_000001533
28.	Third Amendment to CPSE-Enterprise Texas Pipeline Transport Agreement for NGPA Section 311 Service No. 7921FTSE, CPSE-MDL_000001508
29.	Third Amendment to CPSE-Enterprise Texas Pipeline Transport Agreement for Intra-state Service No. 7304FTSA, CPSE-MDL_000012712
30.	Third Amendment to CPSE-Enterprise Texas Pipeline Transport Agreement for NGPA Section 311 Service No. 7304FTSE, CPSE-MDL_000001514
31.	CPSE-TPL SouthTex Transport Agreement, CPSE-MDL_000032359
32.	CPSE-TPL SouthTex Transport Agreement, CPSE-MDL_000032326
33.	CPSE-Enterprise West Texas Intrastate Transport, CPSE-MDL_000001517
34.	Master Storage Agreement, CPSE-MDL_000028821
35.	Excerpts from the deposition of Buck Guinn
36.	Excerpts from the deposition of Jennifer Merritt
37.	Excerpts from the deposition of CPS Energy Corporate Representative, Buck Guinn
38.	Platts Methodology and Specifics Guide, CPSE-MDL_000035497
39.	*Gas Daily*, Feb. 5, 2021, CPSE-MDL_000020017
40.	HPL Submission to Platts, Feb. 4, 2021, ETP_000027599
41.	Energy Transfer LP, Annual Report (Form 10-K), Feb, 12, 2021
42.	Excerpts from the deposition of Mario Rivera
43.	FERC Order to Show Cause and Notice of Proposed Penalties, July 26, 2007
44.	ICE Chat between Jennifer Merritt and Bruce Bordovsky, CPSE-MDL_000009514, (Jennifer Merritt Deposition Exhibit 9)
45.	Feb. 12, 2021 Gov. Abbott Declaration, CPSE-MDL_000062050
46.	Feb. 12, 2021 Railroad Commission Order, ETP_000000162
47.	Excerpts from the deposition of Keith Albers
48.	Transaction Confirmation, ETP_000000166
49.	Transaction Confirmation, ETP_000000167
50.	Transaction Confirmation, ETP_000000168
51.	Transaction Confirmation, ETP_000000169
52.	Transaction Confirmation, ETP_000000170
53.	Transaction Confirmation, ETP_000000171
54.	Transaction Confirmation, ETP_000000172
55.	ICE Chat between Bruce Bordovsky and DCP, CPSE-MDL_000009617
56.	ICE Chat between Bruce Bordovksy and Amber Irving, CPSE-MDL_000009666

Exhibit	Description
	(Bruce Bordovsky Deposition Exhibit 23)
57.	Message log between Kevin Pollo, Keith Albers, Mike Hale, Ken Skaer, Paul Vinson and Bruce Bordovsky, CPSE-MDL_000010339
58.	Feb. 15, 2021 Public Utilities Commission of Texas Order
59.	Conoco ICE Chat, CPSE-MDL_000009766
60.	Macquerie ICE Chat, CPSE-MDL_000009724
61.	Symmetry ICE Chat, at CPSE-MDL_000009993
62.	Oxy ICE Chat, CPSE-MDL_000009096
63.	Tenaska ICE Chat, CPSE-MDL_000009400
64.	Targa ICE Chat, CPSE-MDL_000009634
65.	EOG ICE Chat, CPSE-MDL_000009837
66.	CIMA ICE Chat, CPSE-MDL_000009952
67.	Vitol ICE Chat, CPSE-MDL_000009332
68.	Transaction Confirmation, ETP_000000196
69.	Transaction Confirmation, ETP_000000197
70.	Transaction Confirmation, ETP_000000229
71.	Transaction Confirmation, ETP_000000230
72.	Transaction Confirmation, ETP_000000234
73.	Transaction Confirmation, ETP_000000233
74.	*Fossil Fuel Executives Gloat About Profits, PR From Winter Storm Crisis*, THE INTERCEPT, Feb. 23, 2021
75.	M. Rivera Email to B. Hickey, ETP_000012085 (Jennifer Merritt Deposition Exhibit 11)
76.	Energy Transfer LP, Current Report (Form 8-K) Ex. 99.1 (May 6, 2021)
77.	Energy Transfer LP, Quarterly Report (Form 10-Q) (May 7, 2021)
78.	Energy Transfer LP, Quarterly Report (Form 10-Q) (May 11, 2020)
79.	B. Riley Email to B. Hickey, ETP_000022094
80.	ET Demand for Adequate Assurance, ETP_000000252
81.	Oasis February 2021 Invoice, ETP_000025683
82.	J. Castrejana Email to O. Flores, ETP_000000579
83.	J. Kuo Email to J. Castrejana, ETP_000000280
84.	J. Castrejana Email to T. Small, ETP_000025062
85.	C. Riegler Email to B. Riley, et al., ETP_000009014
86.	Excerpts from the deposition of Chris Riegler
87.	B. Riley Email to C. Riegler, et al., ETP_000008924
88.	Excerpts from the deposition of Brian Riley
89.	B. Riley Email to C. Riegler, et al., ETP_000010060

Exhibit	Description
90.	A. Excerpts from ICE-Energy_Transfer000011 – Trade Date Feb. 12, 2024 B. Excerpts from ICE-Energy_Transfer000011 – Trade Date Feb. 16, 2024 C. Excerpts from ICE-Energy_Transfer000011 – Trade Date Feb. 18, 2024 D. ICE Cover Letter and Business Records Declaration for ICE-Energy_Transfer000011 E. Subpoena to ICE dated July 22, 2022
91.	A. Excerpts from ICE-ET-EP000001 – Trade Date Feb. 12, 2024 B. Excerpts from ICE-ET-EP000001 – Trade Date Feb. 16, 2024 C. Excerpts from ICE-ET-EP000001 – Trade Date Feb. 18, 2024 D. ICE Cover Letter and Business Records Declaration for ICE-ET-EP000001 E. Subpoena to ICE dated Sept. 19, 2022
92.	ICE Chat between Targa and Kent Skaer, CPSE-MDL_000009416
93.	Excerpts of the deposition of Kevin Pollo
94.	Excerpts of the deposition of Beth Hickey
95.	Storage Injection and Withdrawals spreadsheet, ETP_000027542
96.	Trades Executed spreadsheet, ETP_000012086
97.	Revenue by Month spreadsheet, ETP_000041223
98.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040567
99.	Text Messages between Chris Riegler and Jonathan Ochoa, et al., ETP_000031789
100.	Transaction Confirmation, ETP_00030388
101.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040423
102.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040502
103.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040506
104.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040526
105.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040532
106.	B. Riley Email to C. Riegler, et al., ETP_000010205
107.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040542
108.	Text Messages between Ryan Lee, Chris Riegler and Brian Riley, ETP_000039814
109.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040561
110.	Text Messages between Chris Riegler, Jonathan Ochoa and Brian Riley, ETP_000039469
111.	M. Chambers Email to C. Riegler, et al., ETP_000010106
112.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040434
113.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jen-

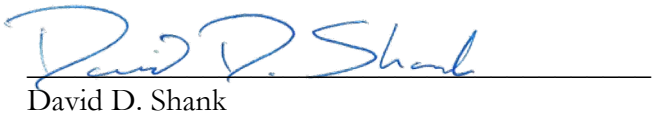
Exhibit	Description
	nifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040438
114.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040444
115.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040448
116.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040552
117.	Text Messages between Chris Riegler, Jonathan Ochoa and Ryan Lee, et al., ETP_000031795
118.	Text Messages between Chris Riegler, Jonathan Ochoa and Ryan Lee, et al., ETP_000031790
119.	Text Messages between Chris Riegler and Jonathan Ochoa, et al., ETP_000031818
120.	Text Messages between Chris Riegler and Jonathan Ochoa, et al., ETP_000031820
121.	Text Messages between Dave Simpson and Brian Riley, ETP_000039795
122.	Text Messages between Ryan Lee, Chris Riegler and Brian Riley, ETP_000039817
123.	Text Messages between Beth Hickey and Nick Moshou, ETP_000039901
124.	Text Messages between Beth Hickey and Nick Moshou, ETP_000039907
125.	Text Messages between Beth Hickey and Nick Moshou, ETP_000031699
126.	Text Messages between Tim Small, Brian Riley and Jonathan Ochoa, ETP_000039438
127.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040333
128.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040337
129.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040342
130.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040369
131.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040373
132.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040406
133.	Excerpts from the deposition of Steven Chambers, Energy Transfer Corporate Representative
134.	C. Casmedes Email to L. DeLaRosa, et al., ETP_000010509
135.	Excerpts from the deposition of Alex Thom
136.	Text Messages between Beth Hickey and Brian Riley, ETP_000039587
137.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040606
138.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040417
139.	Houston Pipe Line Company Storage Confirmation Letter to City of Sam Antonio, CPSE-MDL_000004510

Exhibit	Description
140.	Text Messages between Brian Riley and unknown, ETP_000040127
141.	Text Messages between Brian Riley and Janet Wallis, ETP_000039914
142.	Text Messages between Jonathan Ochoa, Chris Riegler, Brian Riley and Tim Small, ETP_000040113
143.	Text Messages between Beth Hickey and Nick Moshou, ETP_000039904
144.	A. Irving et al. Text Thread, CPSE-MDL_000010372
145.	Text Messages between Kevin Pollo, Bruce Bordovsky, Keith Albers, Mike Hale, Ken Skaer and Paul Vinson, CPSE-MDL_000010809
146.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040638
147.	February 25 P& L, ETP_000022097
148.	Text Messages between Brian Riley and unknown, ETP_000039927
149.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040654
150.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040658
151.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040687
152.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040696
153.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040721
154.	Text Messages between Brian Riley, Jonathon Ochoa, Chris Riegler, Tim Small, Beth Hickey, Jennifer Merritt, Ryan Lee and Mark McCoy, ETP_000040725
155.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040730
156.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040739
157.	Text Messages between Jonathan Ochoa, Chris Riegler, Ryan Lee, Beth Hickey, Jennifer Merritt, Brian Riley, Tim Small, and Mark McCoy, ETP_000040953
158.	Text Messages between Amber Irving, Ken Skaer, Paul Vinson and Bruce Bordovsky, CPSE-MDL_000010380
159.	Text Messages between Chris Riegler, Jennifer Merritt and Brian Riley, ETP_000040047
160.	T. Small Email to M. McCrea, ETP_000022096
161.	CPS Energy Response to Request for Information from City of San Antonio, CPSE-MDL_000008776
162.	ICE Chat between Ken Skaer and Ryan Hinze, CPSE-MDL_000009053
163.	ICE Chat between Ken Skaer and Cindy Bishop, CPSE-MDL_000009744
164.	ICE Chat between Ken Skaer and Aaron Hank, CPSE-MDL_000009601
165.	ICE Chat between Bruce Bordovsky and Chris Walters, CPSE-MDL_000009617
166.	ICE Chat between Amber Irving and Brent Herzog, CPSE-MDL_000009260

Exhibit	Description
167.	Text Messages between Brian Riley and Alex Thom, ETP_000039522
168.	Excerpts from the deposition of Frank Almaraz
169.	Transaction Confirmation, ETP_000000226
170.	Transaction Confirmation, ETP_000000227
171.	Transaction Confirmation, ETP_000000228
172.	Text Messages between Bruce Bordovsky and Brian Riley, ETP_000039658
173.	Text Messages between Ryan Lee, Chris Riegler and Brian Riley, ETP_000039858
174.	Excerpts of the deposition of Michael De Laval
175.	Excerpts of the deposition of Jeffrey Basara
176.	Text Messages between Chris Riegler, Jonathan Ochoa and Brian Riley, ETP_000040033
177.	HPL February 2021 Invoice, ETP_0000629
178.	Excerpts from the deposition of Paula Gold-Williams
179.	Compilation of orders in price gouging actions by the Attorney General.
180.	Attorney General Civil Investigative Demand to Energy Transfer
181.	Attorney General Civil Investigative Demand to Energy Transfer Fuel
182.	Attorney General Civil Investigative Demand to Oasis Pipeline

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Travis County, State of Texas, on March 1, 2024.



David D. Shank

Exhibit A-1

Paul S. Barham
Chief Grid Optimization & Resiliency Officer (CGORO)

May 19, 2021

Mr. Reed Williams - Chairman
City of San Antonio
Committee on Emergency Preparedness (CEP)

RE: CoSA CEP RFI #1.B – Revised Utility Primer

Dear CEP Chairman Williams,

In response to your request for information regarding the **inclusion of the supply chain process from fuel source (solar, wind, gas, coal, etc.) to power generation for all fuel source types expected to be in use during the winter storm as requested in RFI 1.1 and a description of each of the ancillary services provided by ERCOT into the basic primer**, we have attached two updated documents.

1. **CPS Energy & the Texas Electric Market Revised** – This is an informative document we created and have shared on our website that outlines the flow of the electric market. It explains how the market functions, our participation in the market, and how the winter weather event impacted the market. This document has been updated to include information on CPS Energy's power generation fleet, renewable portfolio, fuel considerations and ancillary services.
2. **Glossary Revised** – This is a glossary of terms that are used in industry. This glossary was used in our recently published ***Flexible Path***^{SM} Resource Plan document. We have also updated this document for additional definitions needed.

Please let us know if you have any questions or require additional information.

CPSE Response in Opp to ET MSJ
Exhibit A-1
MDL-2022-CI-02879
exhibitsticker.com

500 McCullough • San Antonio, Texas 78215

Sincerely,

Paul

PSB:gtw

Copy City of San Antonio:
Chief Financial Officer & Supervisor of Public Utilities, B. Gorzell
City Attorney, A. Segovia

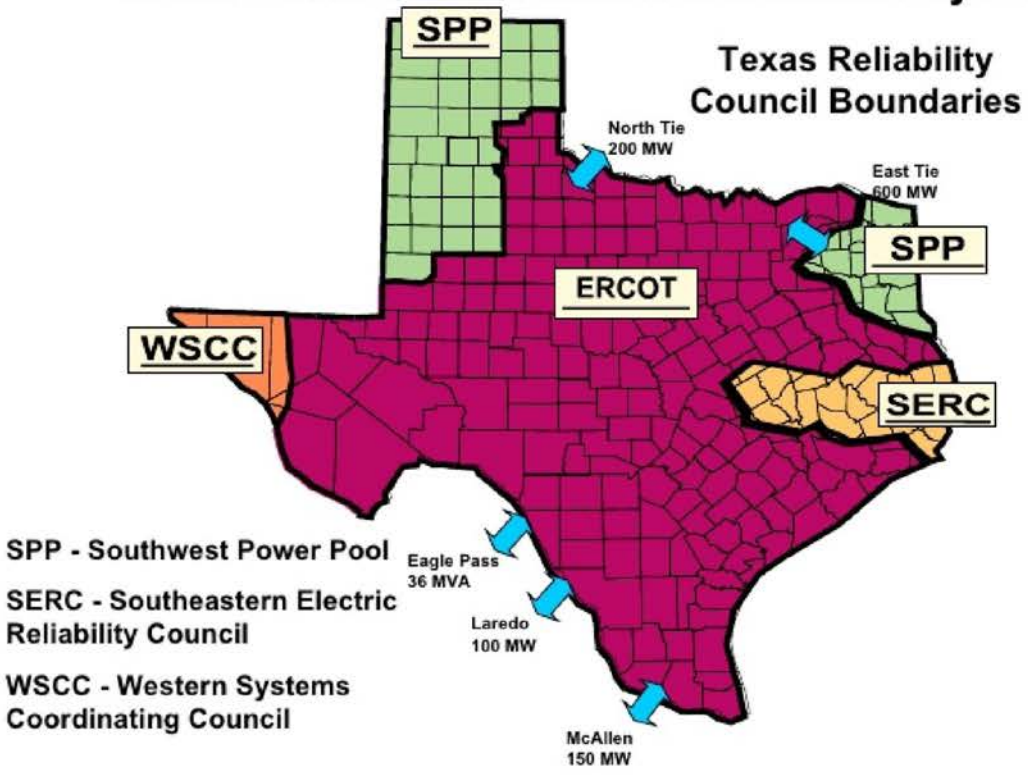
Copy CPS Energy:
Board Members
President & CEO, P. Gold-Williams
Senior Chiefs
Request for Information Coordinator, G. Williams
Board Relations
Citizens Advisory Committee

Attachments:
CPS Energy and the Texas Electric Market Revised
Glossary Revised

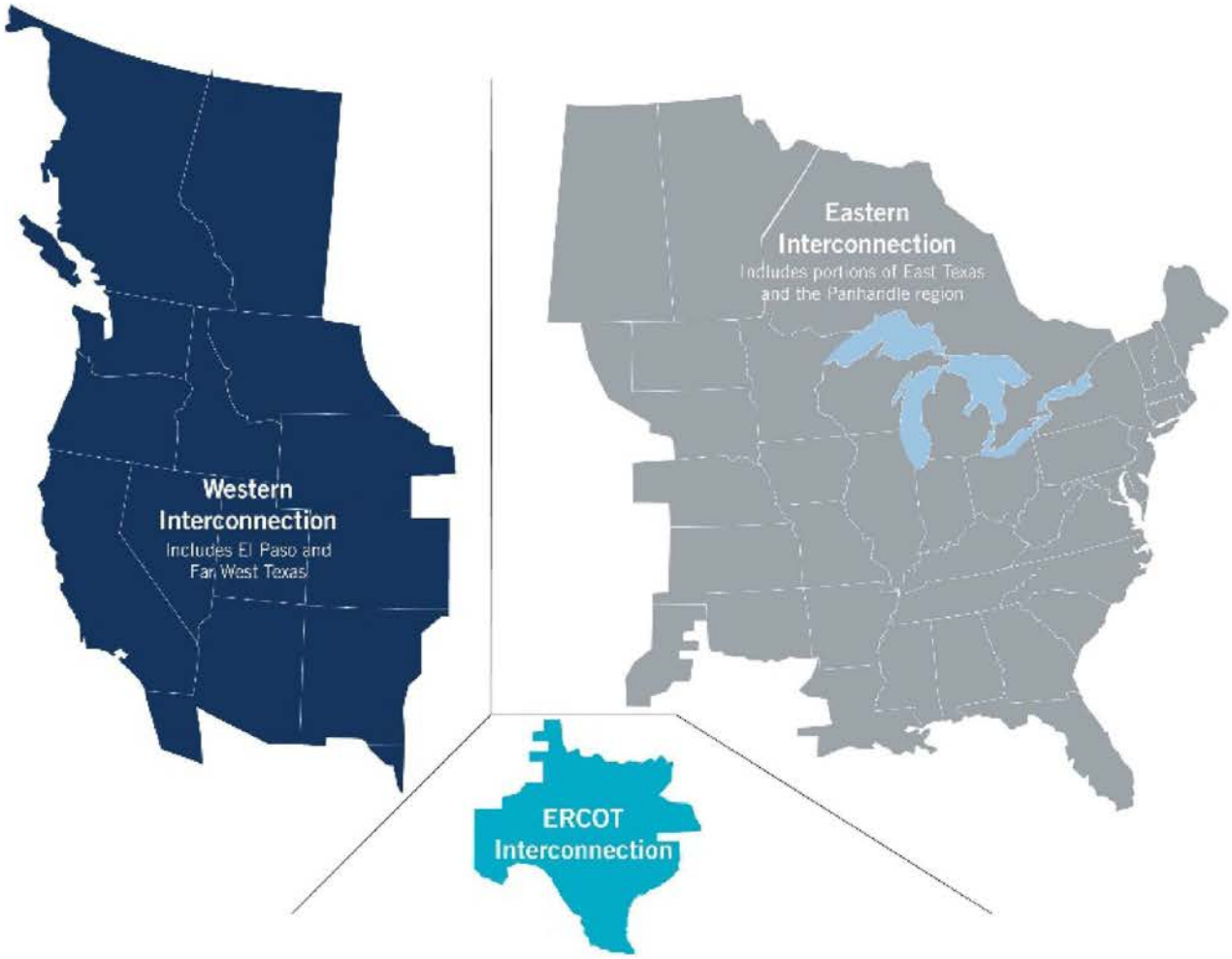
CPS ENERGY & THE TEXAS ELECTRIC MARKET

OVERVIEW: The flow of electric power for more than 26 million customers in Texas is managed by the Electric Reliability Council of Texas (ERCOT). This represents about 85% of the state's electric load, including San Antonio as shown below.

Within Texas, the ERCOT grid serves 85% of the electric load, and covers 75% of the land. ERCOT is connected to the Eastern Interconnect and Mexico by DC ties.

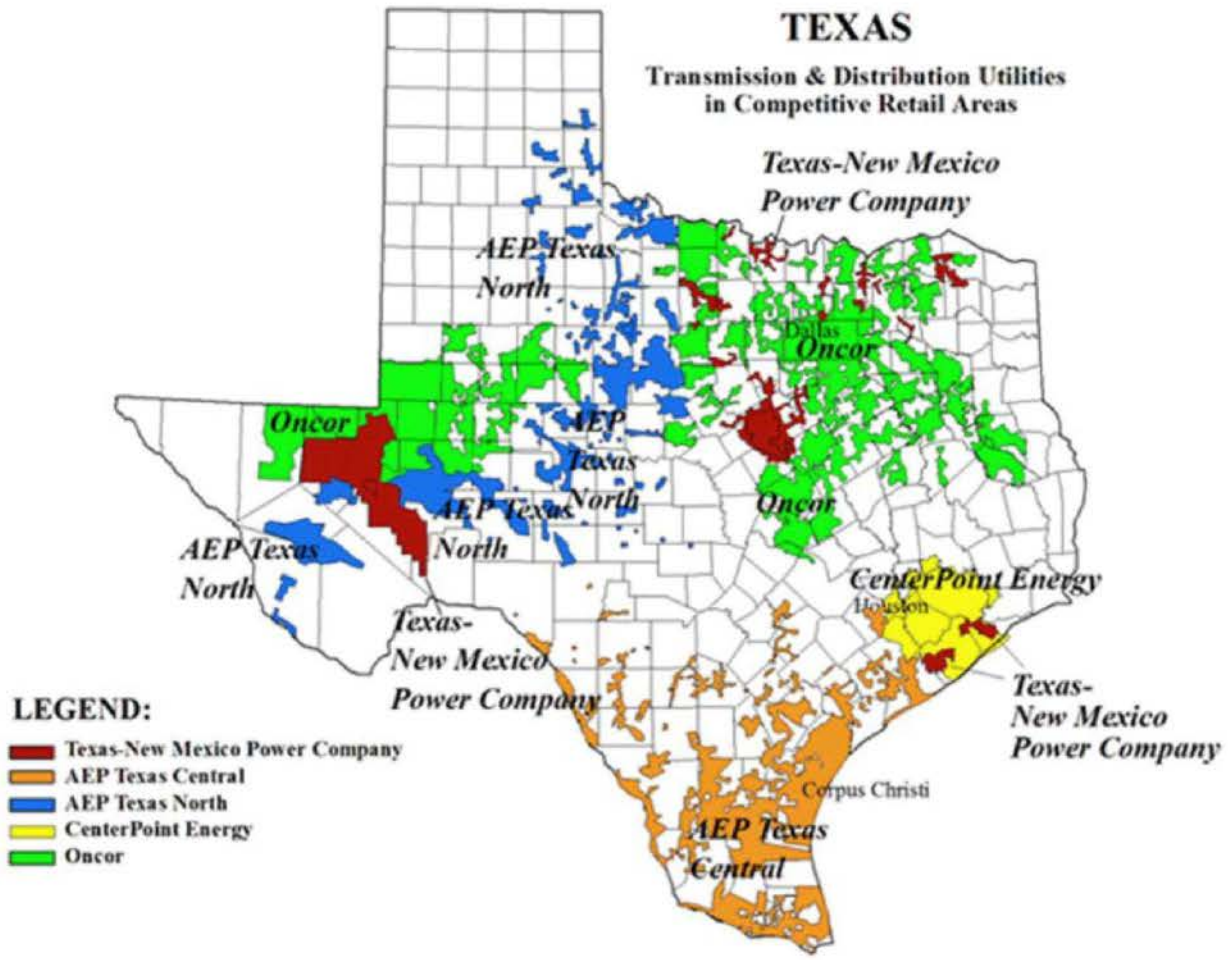


Nationally, ERCOT is one of several councils that manage the flow of electricity in the transmission systems. ERCOT is tied to other national and international grids but only for minimal amounts of power to be imported or exported.

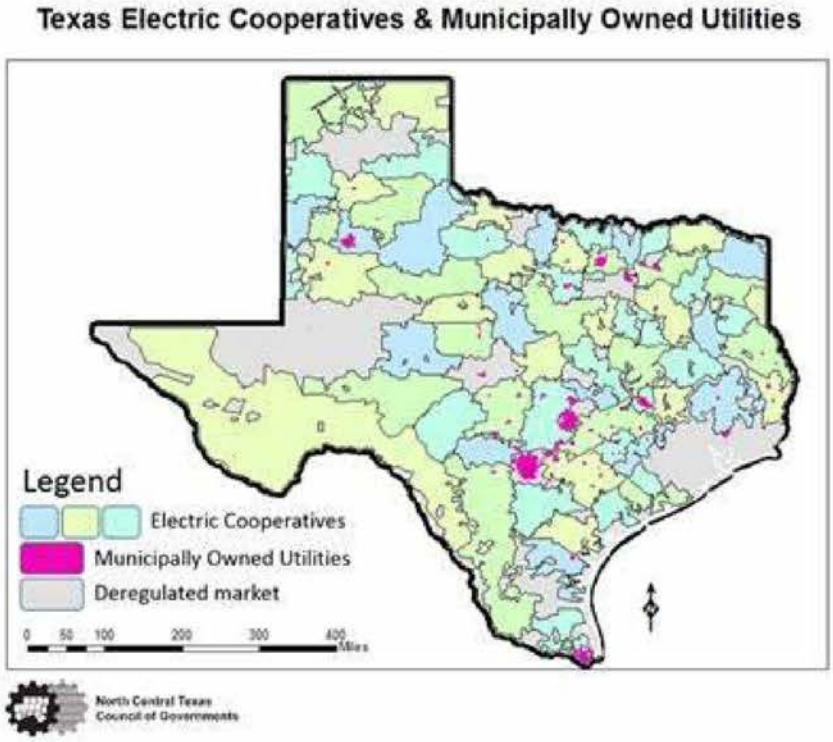


There are several types of entities that serve Texas's electrical needs such as not-for-profit municipally owned utilities (MOUs), not-for-profit electric cooperatives (Co-ops), and investor owned utilities (IOUs). CPS Energy is the largest MOU in Texas and has served the San Antonio area for 161 years. A breakdown of the largest deregulated areas shows most of the State is open to competition.

Transmission & Distribution Utilities in Competitive Retail Areas



Texas Electric Cooperatives & Municipally Owned Utilities

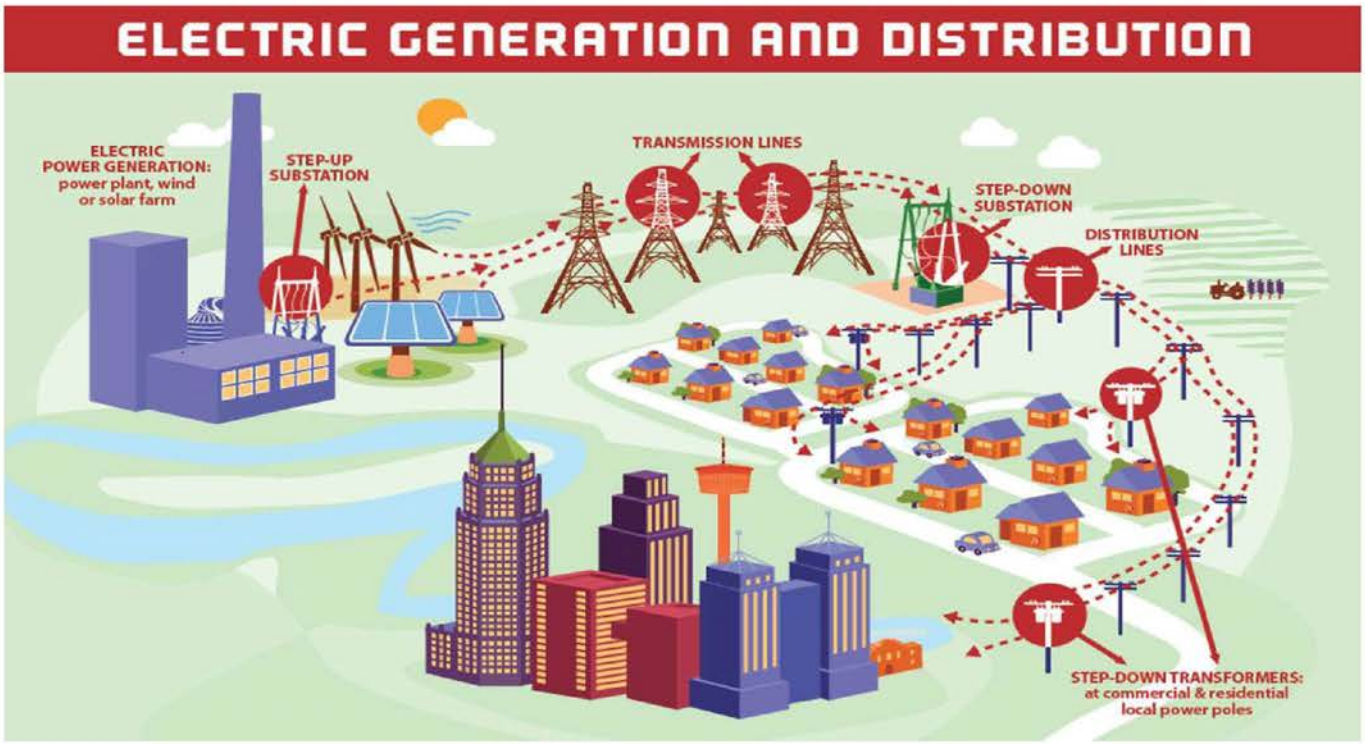


Responsibilities: ERCOT, a non-profit corporation, is responsible for two things:

(1) managing the flow of electric power over the transmission grid to customers; and

(2) managing the sale of electricity under regulation by the Public Utility Commission of Texas (PUC) and the laws of the State of Texas.

Overview of the Electric System:



ERCOT Market Participants: Since 2001, when a competitive retail market design in Texas was created within ERCOT, electricity has been managed under laws adopted by the Legislature and PUC rules. There are several kinds of participants in the market:

- **Generators** that produce and sell electricity;
- **Transmission companies** that own and operate the high voltage lines over which the electricity moves across the state;
- **Distribution companies** that own low voltage lines that deliver electricity from the transmission system to our homes across neighborhood utility poles; and
- **Retail Electric Providers** (REPs) that buy electricity from generators and sell it to customers, which is delivered over the transmission and distribution lines owned by others.

MOUs & CO-OPs: MOUs, like CPS Energy, and Co-ops can participate in each market function if they have the capabilities and choose to do so. This is because in 2001, the law allowed Co-ops and cities that own MOUs to skip participation in the competitive electric market, unless they chose to opt-in.

How the market functions: Every day, ERCOT asks market participants who serve retail customers how much electricity they need to buy. They also ask Generators how much electricity they have to sell and at what price. In this day-ahead market, the transactions are made and the next day the power is delivered to customers. CPS Energy provides retail service to customers and is a generator of power. So, in the day-ahead ERCOT market, CPS Energy commits available generation to serve the amount of electricity needed by our customers, and if there is excess generation available, we sell that power into the ERCOT wholesale market to serve the needs of Texas, which our customers benefit from in terms of revenue.

In addition to the day-ahead market, there is also a real-time market. CPS Energy participates in both markets. In the real-time ERCOT market, if Generators have problems delivering the electricity they promised to sell, they must buy that electricity from ERCOT while ERCOT works with other Generators to identify where reserve electricity is available (ancillary services). In addition, for market participants who chose not to buy or sell electricity in the day-ahead market, those with retail customers will buy their electricity and generators will sell their electricity in the real-time market through coordinating the same kind of buy/sell transactions that were done as part of the day-ahead process.

All these daily transactions are settled (reconciled) and payments are made through ERCOT.

A simple way to think of how electricity flows on the grid is to imagine that electrons are like marbles and the grid is like a jar. All of the Generators put their marbles in the jar, and each utility takes out the marbles they will need for their customers on a daily basis. ERCOT is responsible for checking that there are enough marbles in the jar, and that those who take marbles pay for them, and those who put marbles in get paid.

Ancillary Services: Since ERCOT's primary responsibility is to ensure the day-to-day reliability of the ERCOT transmission grid, ERCOT must match generation output and system demand, and make sure that the transmission system is operating within its established limits. In addition to matching system demand with generation, ERCOT must also be able to respond quickly to ever-changing system conditions, including rapidly increasing or decreasing

demand or sudden loss of generation. To meet this grid reliability need, ERCOT procures and reserves additional capacity from certain generators that can respond quickly enough to meet changing system conditions. Capacity reserves procured for this purpose are called Ancillary Services.

ERCOT has four types of Ancillary Services: Regulation Down Service, Regulation Up Service, Responsive Reserve Service, and Non-Spinning Reserve. Each of these services has distinct performance requirements for response if ERCOT calls on the reserved capacity to be deployed as energy in response to system conditions as described in the table below.

Ancillary Service Type	Definition
Regulation Down Service	An Ancillary Service that provides capacity that can respond to signals from ERCOT within five seconds to respond to changes in system frequency.
Regulation Up Service	An Ancillary Service that provides capacity that can respond to signals from ERCOT within five seconds to respond to changes in system frequency.
Responsive Reserve Service	An Ancillary Service that provides operating reserves that is intended to: (a) Arrest frequency decay within the first few seconds of a significant frequency deviation; (b) After the first few seconds of a significant frequency deviation, help restore frequency to its scheduled value to return the system to normal; (c) Provide energy or continued load interruption during the implementation of the Energy Emergency Alert (EEA); and (d) Provide backup regulation.
Non-Spinning Reserve	An Ancillary Service that can be synchronized and ramped to a specified output level within 30 minutes and that can operate at a specified output level for at least one hour.

Ancillary Service capacity that is reserved for responding quickly to changing conditions is above and beyond what is required to meet the forecasted system demand. Market participants are allowed, but not required to self-provide ancillary services as part of their regular private transactions. This means that the market will rely on ERCOT to procure additional ancillary services to resolve grid problems. ERCOT procures ancillary services from generators and load resources, and retail electric providers are charged for the services on a load ratio share. Load ratio share is a percentage of the total ERCOT load.

How CPS Energy fits into the ERCOT market: CPS Energy, as a MOU, does not participate in the competitive market at the retail level, so we provide ALL the market services listed above to our retail customers. We generate electricity. We buy electricity under long term contracts for renewables. We transmit power over our transmission lines. To complete the process, we deliver it to customers over our distribution grid. We are the retail connection with our customers, providing information, sending bills, taking calls from customers, etc.

We do participate in the ERCOT wholesale market, which means we buy and sell power every day like the other market participants. As a generator of power and a retail provider to customers, what happens in the wholesale market impacts CPS Energy and ultimately our customers. This allows us to buy and sell power to provide the lowest cost possible and ensure we have sufficient power to meet projected customer needs. Most days, we generate enough power to serve our customers. When our plants are unavailable due to maintenance, we sometimes buy power from the ERCOT market to ensure reliable service for our customers.

CPS Energy's Power Generation Fleet: CPS Energy has a diverse fleet of electric power generating resources consisting of nuclear, gas, coal, wind, solar, landfill gas, and battery storage. This diverse portfolio helps us manage the risk associated with reliance on any single generation type. The diversity also balances the strengths and weaknesses that vary across the generating types regarding cost, variability in output, reliability, flexibility, and emissions. The high availability and controllability of CPS Energy's traditional fleet of nuclear, coal, and gas generation enables CPS Energy to integrate a large set of variable renewable resources into the portfolio.

CPS Energy's Renewable Portfolio: CPS Energy has over 1,600 MW of wind, solar, and landfill gas renewable capacity, totaling over 20% of our power generation fleet (see figure below). The renewable power is acquired through long-term contracts with third parties that own and operate the renewable plants. The majority of the renewable resources are located outside of the San Antonio area where the sun and wind provide the most economical output. These remotely located renewable resources deliver their electricity to the grid though a connection to the high voltage transmission system.

OUR RENEWABLE PORTFOLIO

Over 20% of our capacity is from renewable resources



Diversifying with renewables is beneficial, but comes with the challenges of:

- ***Intermittency***
- ***Congestion***
- ***Forecasting***

Since renewable output is dependent on wind and sun patterns, CPS Energy uses any renewable output that is available at the time, while filling in any gaps with our traditional generating resources. On an annual average basis, solar will output about 25% to 30% of its maximum capability and wind will output about 35% to 40% of its maximum capability. During winter events, freezing rain and snow can greatly reduce wind and solar output until weather conditions improve.

Fuel Considerations: CPS Energy's traditional fleet of nuclear, coal, and gas generation rely on a diverse set of fuel types. Wind and solar do not require fuel as their output is dependent on wind and sun patterns. Each fuel type is summarized below.

Nuclear Fuel

South Texas Project Nuclear Operating Company (STPNOC) operates the South Texas Project nuclear plant on behalf of the owners, of which CPS Energy owns 40%. STPNOC manages all aspects of nuclear fuel procurement as part of their duties. Each load of nuclear fuel lasts about 18 months.

Coal

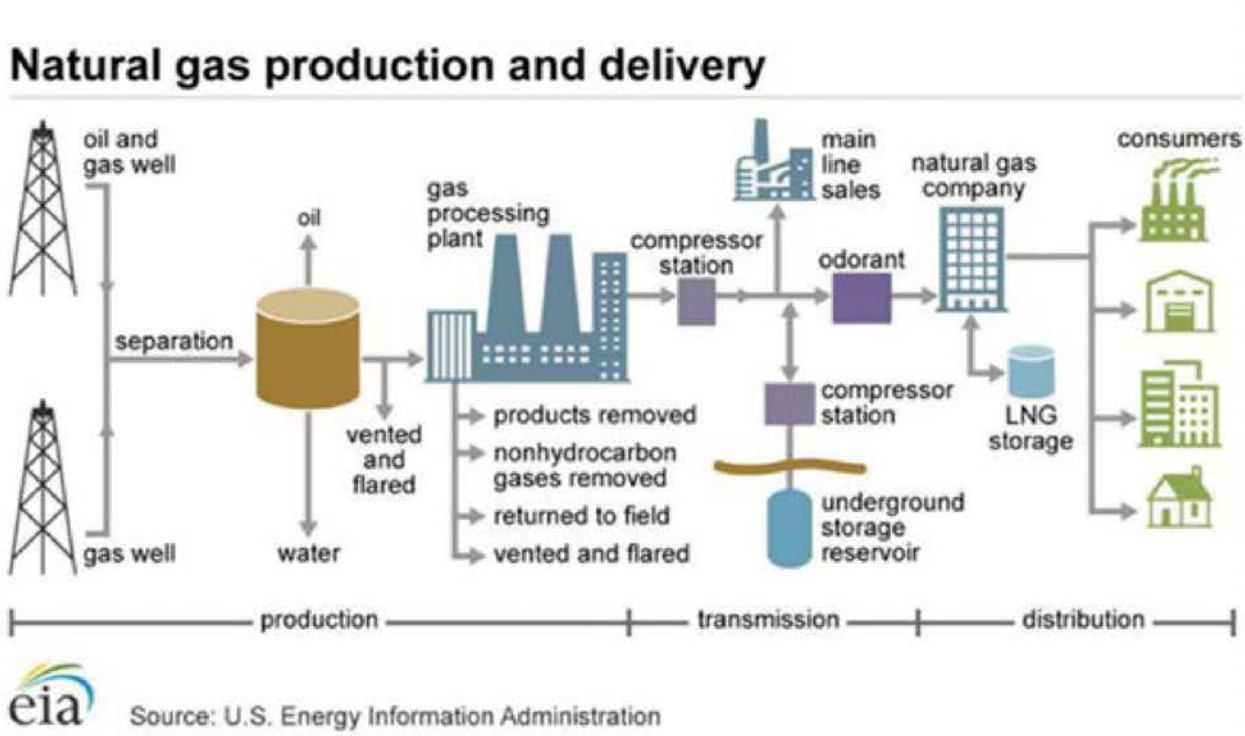
CPS Energy sources coal from mines in the southern Powder River Basin (PRB) in Wyoming. There are master enabling agreements in place with the four main PRB producers. Delivery of coal to San Antonio is by railroad. There are two railroads with access to CPS Energy facilities and the service is solicitated for on a routine basis. CPS Energy maintains an onsite inventory of several weeks of coal burn.

Fuel Oil

CPS Energy maintains an inventory of fuel oil to provide a backup fuel for its gas fired generating units that can burn fuel oil. Fuel oil is utilized in the event of limited natural gas supplies and for testing and training purposes. The oil utilized is ultra-low sulfur diesel, it is sourced from local San Antonio area terminals, and delivered by truck. CPS Energy maintains an onsite inventory of several days of fuel oil burn.

Natural gas

Natural gas is typically an abundant, affordably-priced fuel. CPS Energy purchases natural gas supply for our power plants and to serve our retail natural gas system from many suppliers through a competitive market place. Most natural gas is produced in locations outside of the San Antonio area. As shown in the figure below, and there are several steps required to produce, process, transport, and deliver natural gas to customers.



While CPS Energy planned for natural gas supply for our power plants and to serve our retail natural gas system, it was necessary to purchase additional fuel during this event, which we used to generate power or be a direct source of energy. We have a lot of natural gas under contract all the time, but the projected demand for gas during the February weather event far exceeded what was anticipated across the entire State of Texas. When we purchased this gas, we found that the prices were much higher than the market had ever seen.

With the support of the San Antonio City Council and our Board, we remain committed to pay all reasonable and legitimate costs. We are working to determine how we can pay for this gas without imposing excessive, unlawful, and unconscionable charges to our customers. As a statewide issue, this is a difficult problem that a number of utilities across the state are dealing with, including CPS Energy.

Participation in the Wholesale Market – Winter Weather Event:

CPS Energy generated as much electricity as it could throughout the February

winter weather event. Some of our generation units had difficulty due to the extreme weather, creating a need to purchase some electricity from the market for some hours during the winter weather event. That is one reason being in ERCOT helps us – it gives us a source of electric power when we need it, not just a market into which we can sell excess power when we have it.

Every MOU & Co-op in Texas (most of which are not participants in the Texas competitive retail market, whether they own generation or buy power from other generation companies) is still impacted by wholesale market prices in Texas.

Load Shed Requirement: As cold weather descended upon the entire State of Texas in the early morning hours on Monday, February 15, generation forced off the system totaled over 30,000 MW due to equipment challenges caused by the severity of freezing temperatures.

When generation shortfalls happen, the grid must be protected to avoid catastrophic failure of the system. To stabilize the grid, when ordered by ERCOT, CPS Energy, along with other market participants, must take the necessary steps to alleviate the emergency situation and return the ERCOT grid to a more stable state. All market participants must cut power to some circuits, or shed load. The required amount of customer load is set by ERCOT and will create customer outages to try to reduce the length of customer interruptions to a minimum. The outages are intended as rolling in the beginning and ultimately end up controlled, as required.

During the February 2021 event, ERCOT required as much as **20,000 MW** of load shed across the State at one time, an event which lasted from Monday morning (2/15 at 1:07 am) through Wednesday evening (2/17 at 11:55 pm), a time period just under 72 hours. This was about 10 times the impact of load shed in 2011.

This was the highest amount of load shed experienced for the longest period of time in history and five times the largest load shed event previously experienced in ERCOT. This challenged utility systems across the state, including CPS Energy.

Previous Load Shed Events:

- Dec. 22, 1989, extreme cold during morning peak, ERCOT directed utilities to shed **500 MW** for 30 minutes

- April 17, 2006, extreme heat during afternoon peak, ERCOT directed utilities to shed **1,000 MW** for almost 2 hours
- February 2, 2011, after a major snow and ice storm, the unplanned loss of generation during a period of high demand forced ERCOT to direct utilities to shed **4,000 MW** of load for over 7 hours.

ERCOT Load Shed Table

Transmission Operator	2019 Total Transmission Operator Load (%MW)
AEP Texas Central Company	8.67
Brazos Electric Power Cooperative Inc.	4.96
Brownsville Public Utilities Board	0.37
Bryan Texas Utilities	0.51
CenterPoint Energy Houston Electric LLC	24.85
City of Austin DBA Austin Energy	3.71
City of College Station	0.28
City of Garland	0.79
CPS Energy (San Antonio)	6.79
Denton Municipal Electric	0.48
GEUS (Greenville)	0.15
LCRA Transmission Services Corporation	5.97
Oncor Electric Delivery Company LLC	36.07
Rayburn Country Electric Cooperative Inc. DBA Rayburn Electric	1.3
South Texas Electric Cooperative Inc.	2.48
Texas-New Mexico Power Company	2.62
ERCOT Total	**100.00**

CPS Energy will continue to share helpful information and updates about our operations. We welcome any questions you have. Please send questions to feedback@cpsenergy.com.

Glossary

Terms/Acronyms	Definition/Clarification
Accelerated Depreciation	Accelerated Depreciation - a depreciation method whereby an asset loses book value at a faster rate than the traditional straight-line method.
ADSC	Adjusted Debt Service Coverage - measurement of available cash flow to pay current debt obligations.
Affordable Clean Energy (ACE)	Establishes emission guidelines for states to use when developing plans to limit carbon dioxide (CO2) at their coal-fired electric generating units (EGUs).
Ancillary Services	Products used by ERCOT to maintain reliability minute-by-minute, 365 days per year. There are four main ancillary service products: Regulation Service – Up, Regulation Service – Down, Responsive Reserve Service, and Non-spinning Reserve Service.
Baseload	Is the minimum level of demand on an electrical grid over a span of time. Baseload power plants are designed to meet this minimum level of demand.
Behind-the-meter	Reference point to what occurs on the energy user's side of the utility meter.
BESS	Battery Energy Storage System - are rechargeable battery systems that store energy from solar arrays or the electric grid and provide that energy to a home or business.
CAAP	Climate Action and Adaptation Plan - provides a roadmap to achieve equitable climate mitigation and resilience goals for San Antonio, Texas - one of the largest and fastest growing cities in the U.S. The City of San Antonio aims to be carbon neutral by 2050 and the CAAP identifies mitigation strategies intended to advance that goal, inclusive of adaptive ecosystem restoration and social equity strategies.
Cash on Hand	Funds available to a company that can be spent as necessary.
Calendar Year (CY)	January 1 to December 31
Capacity Factor	The ratio of actual electric energy produced over the maximum possible electric energy that could be produced.
Carbon Intensity	The total amount of Carbon Dioxide (CO_2) emitted by fossil fuel power generation units (coal & natural gas) in pounds (lbs) divided by the total power generation (mwhs) from all generation sources including coal, natural gas, nuclear, and renewables.
Clean Air Act (CAA)	The Clean Air Act of 1963 is a United States federal law designed to control air pollution on a national level.
CO_2	Carbon Dioxide, the most commonly produced greenhouse gas.
Combined-Cycle (CC)	A type of power plant (typically natural gas fueled) where power is generated using two thermal cycles, typically a CT (see definition) and a ST (see definition).
Congestion	There are limitations on the electrical grid that prevent the flow of power from one location to the next. These limitations create costs for moving power through limited transmission lines.
Credit Downgrade	Debt is classified by Credit Rating Agencies based on the risk of the borrower not being able to repay. The Credit Rating Agencies downgrade a credit when they think a borrower has more risks, not as credit worthy.
CT	Combustion Turbine - a machine in which air enters, becomes compressed, and is mixed with gas or oil before being ignited. Combustion turbine units are typically used to supplement power supply during peak demand periods when

Terms/Acronyms	Definition/Clarification
	electricity use is highest.
D/C	Debt to Capitalization - the total D/C ratio is a measure that shows the proportion of debt a company uses to finance its assets, relative to the amount of cash (equity) used for the same purpose.
Discount Rate	See WACC.
DCOH	Days Cash on Hand - represents the number of days a company can continue to pay its operating expenses with the current cash available.
DDP	Distribution Development Plan - a plan to manage distribution systems and ensure continuous, reliable, and affordable electricity service to customers through identification of infrastructure requirements.
Decay (Energy Efficiency)	Dec the estimated degradation of EE programs over time as products like LED lighting, solar and HVAC equipment reach the end of their engineered life span.
Demand Response (DR)	Demand Response is a change in the power consumption of electric customers to better match the demand for power with the supply. Customers may adjust power demand by reducing or shifting tasks that require large amounts of electric power.
Depreciation	An accounting reduction in the value of an asset with the passage of time, due in particular to wear and tear.
Econometric Regression Computer model	A multiple variable regression model that has application of statistical methods to economic data.
ELG	Effluent Limitation Guidelines - are national regulatory standards for wastewater discharged to surface waters and municipal sewage treatment plants. EPA issues these regulations for industrial categories, based on the performance of treatment and control technologies.
Energy Efficiency (EE)	Using technology or services that requires less energy to perform the same function.
EOY	End of Year
EPA	Environmental Protection Agency - an independent executive agency of the United States federal government tasked with protecting people and the environment from significant health risks, sponsoring and conducting research, and developing and enforcing environmental regulations.
ERCOT	Electric Reliability Council of Texas - operates the electric grid and manages the deregulated market for 75 percent of the state of Texas.
ESG	Environmental, Social and Corporate Governance - refers to the three central factors in measuring the sustainability and societal impact of an investment in a company or business. These criteria help to better determine the future financial performance of companies (return and risk).
Fiscal Year (FY)	For CPS Energy, February 1 to January 31.
Flexible Path[SM]	CPS Energy's strategic approach to thoughtfully discover, explore, and implement new power generation and demand-side solutions to transform the utility to lower and non-emitting energy resources over the next 20 years and beyond.
FlexPOWER Bundle[SM]	An initiative supporting the ***Flexible Path***[SM] strategy; envisioning adding 900 Megawatts of generation capacity by adding solar, storage, and firming capacity to the utility's power generation mix.
FlexSTEP[SM]	A dynamic, flexible program for promoting energy efficiency, conservation, and new technology that builds on CPS Energy's Save for Tomorrow Energy Plan's (**STEP**) proven model for delivering energy savings and empowering customer choice.

Terms/Acronyms	Definition/Clarification
FOM	Fixed Operations and Maintenance - is the recurring annual cost that occurs regardless of the size or architecture of the power system.
Forecast of Retail Electric Sales	Predicted amount of electrical usage by CPS Energy Customers.
Front of the Meter	Reference point to what occurs on the grid side and is deemed to be in front of the utility meter.
Generation Production Cost Modeling	A model that is used to forecast the cost of producing electric power.
Greater San Antonio	See San Antonio Metropolitan Statistical Area definition.
ISO - Electricity	Independent System Operator – An organization formed to coordinate controls and monitors the operation of the electrical power system, in Texas this is ERCOT (See ERCOT above).
ISO - Standards	International Organization for Standardization - is an international standard-setting body composed of representatives from various national standards organizations.
Kilowatt-hour (kWh)	A standard unit to measure electricity. One kWh is 1,000 watts of electricity used for 1 hour.
LOLE	Loss of load expectation, a reliability metric representing how many hours the electricity supply will not meet demand.
LRT	Long Range Transmission - allows remote renewable energy resources to be used in populous cities. Hydro and wind sources cannot be moved closer to populous cities, and solar costs are lowest in remote areas where local power needs are minimal.
Megawatt (MW)	A measure of capacity to produce electric power. A megawatt equals 1,000 kilowatts or 1,000,000 watts. One megawatt can power about 200 homes on a hot day.
Megawatt-hour (MWh)	A unit to measure electricity one MWh is 1 MW used for 1 hour, or 1,000 kWh's.
Metropolitan Statistical Area (MSA)	A geographic region with a relatively high population density at its core and close economic ties throughout the area, typically centered on a single large city or multiple large cities that have significant influence over the region.
mmbtu	Million British Thermal Units – A measure of the energy content of fuel.
Mothballing	For power plants, putting the plant in a deactivated state but not decommissioning/deconstructing the plant.
NBV	Net Book Value - is based on the original cost of the asset less any depreciation, amortization or impairment costs made against the asset.
NCP	Non-Coincidental Peak, reducing energy consumption throughout the day.
NGCC	Natural-Gas Combined Cycle - is an advanced power generation technology which allows to improve the fuel efficiency of natural gas.
Non-Spinning Reserve	An Ancillary Service that can be synchronized and ramped to a specified output level within 30 minutes and that can operate at a specified output level for at least one hour.
Normalized Residential Use per Bill	An industry standard adopted method that will adjust the diverse weather conditions that exist from year to year to be of a common weather basis. This method is used so comparisons can be done from year to year without skewing due to differing weather conditions.
NO_x	Nitrogen oxides - may refer to a binary compound of oxygen and nitrogen, or

Terms/Acronyms	Definition/Clarification
	a mixture of such compounds.
NPV	Net Present Value - is the calculation used to find today's value of a future stream of payments. It accounts for the time value of money and can be used to compare investment alternatives that are similar.
O&M Expense	Operations and Maintenance Expense – are costs incurred to keep an item in good operating condition.
Particulate Matter (PM)	Solid particles and liquid droplets found in the air.
PPA	Power Purchase Agreement - a contract between two parties, one which generates electricity (the seller) and one which is looking to purchase electricity (the buyer).
PRB	Powder River Basin is a geologic structural basin in southeast Montana and northeast Wyoming, about 120 miles east to west and 200 miles north to south, known for its coal deposits. The region supplies about 40 percent of coal in the United States.
R&R	Repairs and Replacement Account – in accordance with CPS Energy's Bond Ordinances, a restricted cash account which may be used to fund construction costs.
Regulation Down Service	An Ancillary Service that provides capacity that can respond to signals from ERCOT within five seconds to respond to changes in system frequency.
Regulation Up Service	An Ancillary Service that provides capacity that can respond to signals from ERCOT within five seconds to respond to changes in system frequency.
Reliability	Reliability is the ability of a utility to provide power at any given time. Outages are disruptions of reliability.
Reserve Margin	Defined as (generation capacity minus peak load) divided by the peak load. Represents the ability of electric production to meet electric consumption.
Residential Use per Bill	The amount of energy usage a customer consumes in a home. Often used as an average across all residential customers per year
Resiliency	The ability to quickly recover from outages.
Responsive Reserve Service	An Ancillary Service that provides operating reserves that is intended to: (a) Arrest frequency decay within the first few seconds of a significant frequency deviation; (b) After the first few seconds of a significant frequency deviation, help restore frequency to its scheduled value to return the system to normal; (c) Provide energy or continued load interruption during the implementation of the Energy Emergency Alert (EEA); and (d) Provide backup regulation.
RICE	Reciprocating Internal Combustion Engine - are devices that convert the **chemical energy** contained in a hydrocarbon into mechanical energy (rotation of a shaft with a certain speed and torque) and into the thermal energy of the waste gases that escape into the atmosphere.
RIF	Reduction in Force - is when an employee is let go from a company due to budgetary reasons, workforce planning initiatives, position eliminations or other right-sizing events.
Rooftop Solar PV	Rooftop Solar Photovoltaic (PV) is a system that has electricity generating solar panels mounted on the rooftop of a residential or commercial building or structure
San Antonio Metropolitan Statistical Area	Area in Texas made up of eight counties: Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina, & Wilson. This area is also reerred as "Greater San Antonio".

Terms/Acronyms	Definition/Clarification
SCR	Selective Catalytic Reactor – An electric generating plant system that reduces nitrogen oxides emissions
SM	A service mark identifying services owned by CPS Energy. Similar to a Trademark, but legally distinct.
SO_2	Sulfur dioxide - a toxic gas responsible for the smell of burnt matches. It is released naturally by volcanic activity and is produced as a by-product of copper extraction and the burning of fossil fuels contaminated with sulfur compounds.
Spruce	J.K. Spruce Power Plant
ST	Steam Turbine – Equipment in an electric generating plant, driven by the pressure of steam, that rotates to drive an electric generator
STEP	CPS Energy's Save for Tomorrow Energy Plan - an innovative energy conservation program with the goal to save 771 Megawatts (MW) between 2009 and 2020. The cost of the program was initially estimated at $849 million, with annual costs ranging from $12 million to over $77 million. We achieved the community's goal of reducing energy demand by 771 MW! In fact, the goal was achieved a year ahead of schedule and 15% under budget.
STP	South Texas Project - a nuclear power station southwest of Bay City, Texas, owned by NRG Energy, Inc., Austin Energy, and CPS Energy.
Stranded Asset	An asset that has suffered from unanticipated or premature write-downs, devaluations or conversion to liabilities.
Terawatt-hour (TWh)	1 billion kilowatt-hours (kWh)
Utility Cost Test (UCT)	A way to measure the benefits of a program with respect to the cost of achieving those benefits.
VOM	Variable Operations and Maintenance
WACC	Weighted Average Cost of Capital - the rate that a company is expected to pay on average to all its security holders to finance its assets.
Wholesale	The sale of goods (specifically power) to retailers. Effectively power sold to other power companies.
Wholesale Market	See Wholesale Power Market
Wholesale Power Market	Market where electricity can be bought and sold by power producers and electricity retail companies.
WRnF	Wholesale Revenue Net Fuel – the revenues from market sales of incremental power produced less the cost of fuel to produce the power.

Exhibit A-2

CAUSE NO. MDL-2022-CI-02879

	)IN THE DISTRICT COURT
	)
	)
IN RE CPS ENERGY LITIGATION	)407TH JUDICIAL DISTRICT
	)
	)
	)BEXAR COUNTY, TEXAS

CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS OPERATING, LLC,	)IN THE DISTRICT COURT
	)
	)
Plaintiff,	)
	)
CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY),	)334TH JUDICIAL DISTRICT
	)
	)
	)
	)
Defendant.	)HARRIS COUNTY, TEXAS

** HIGHLY CONFIDENTIAL - ATTORNEYS EYES ONLY**

****

ORAL AND VIDEOTAPED DEPOSITION OF

BRUCE BORDOVSKY

AUGUST 10, 2022

****

CPSE Response in Opp to ET MSJ
Exhibit A-2
MDL-2022-CI-02879
exhibitsticker.com

THE ORAL AND VIDEOTAPED DEPOSITION of BRUCE BORDOVSKY, produced as a witness at the instance of Enterprise Products Operating, LLC, and duly sworn, was taken in the above styled and numbered cause on Wednesday, the 10th day of August, 2022 from 9:35 a.m. to 6:26 p.m., before PAMELA SUE PETERSON, Certified Shorthand Reporter in and for the State of Texas, reported by stenographic and computer-aided transcription, at the offices of Chasnoff, Mungia, Valkenaar, Pepping & Stribling, LLP, 1020 Northeast Loop 410, Suite 300, San Antonio, Texas 78209, pursuant to the Texas Rules of Civil Procedure and the provisions stated on the record or attached hereto.

APPEARANCES OF COUNSEL:

FOR ENTERPRISE PRODUCTS OPERATING, LLC:

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FOR CPS ENERGY:

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and

CHASNOFF, MUNGIA, VALKENAAR, PEPPING & STRIBLING, LLP
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(210) 469-4155
lvalkenaar@chasnoffstribling.com
dfedderman@chasnoffstribling.com

APPEARANCES (Continued):

Also Present:

BRUCE BORDOVSKY
Witness

ADAM KIEHNE
In-House Counsel for CPS Energy

KARA NICHOLS (Via Zoom)
In-House Counsel for Enterprise

JOHN GARZA (Via Zoom)
Associate of Mr. Dobrowski

TAL DEBAUCHE (Via Zoom)
Associate of Mr. Dobrowski

TERRY LINDEMANN
Zoom Facilitator
Videographer

PAMELA SUE PETERSON
Certified Shorthand Reporter

MR. SHANK: Okay.

Q. BY MR. DOBROWSKI: Exhibit 1A. Enterprise Exhibit 1A, please, sir. Thank you. Okay. What you're saying is that you do recognize, now, Exhibit 1; right, with the --

A. I believe so. Yes.

Q. -- Exhibit 1 -- I'm sorry, sir, with Exhibit 1A taken off?

A. I believe so. Yes.

Q. Okay. Very good. And can you explain to me and the ladies and gentlemen of the jury how the NAESB agreement works, in terms of purchasing gas from a client like mine, EPO?

A. The NAESB agreement is strictly an enabling agreement --

Q. Okay.

A. -- which allows two parties to do business at some point in time.

Q. And how do they do business if they want to do it pursuant to the NAESB agreement, based on your experience?

A. Based on my experience, it's a contact either via phone, via instance message, ICE Chat a -- a communication method of stuff.

Q. What's an ICE Chat?

Q. It's spot market?

MR. SHANK: Objection; form.

THE WITNESS: Apples and oranges.

Q. BY MR. DOBROWSKI: Well, okay. What is the difference between same-day gas and spot market?

A. So, spot market is just a -- a mechanism by where you go and you can actually buy and sell gas. It's a -- it's -- a spot market's typically for one day.

Q. Okay.

A. Okay. And typically, that -- typically that -- those transactions are for next day.

Q. Okay.

A. And so, if we're doing the deal today, it would be for tomorrow. Starting at 9:00 a.m. tomorrow through the following 9:00 a.m.

Same-day is when we're actually talking about it today, but we want to flow it today.

Q. Okay.

A. Same-day gas.

Q. Got it. And here at 12 -- or 2:11:12 p.m. you write, "Great, thanks. Still waiting for one of the big guys. Can you give me a few more minutes?" Do you see that?

A. Yes.

THE WITNESS: A comment that Cary made?

Q. BY MR. SHANK: Uh-huh.

A. Yeah. I don't -- I don't remember that particular one.

Q. All right. Let's talk generally about -- I want to just cover some general things about CPS Energy, its use of gas and forecasting that were covered earlier today.

So, what does CPS Energy use natural gas for, very generally?

A. High level, CPS Energy buys the natural gas to supply to the power plants to produce electricity to supply to the residences of San Antonio and to the market whatever is available to send to the market.

And also, natural gas to supply to the distribution customers of San Antonio for their home heating, water heaters and whatnot.

Q. CPS Energy is the retail provider of electricity for the people in San Antonio?

A. Yes.

Q. It is also the retail natural gas provider in San Antonio?

A. Yes.

Q. Okay. What would happen if CPS Energy just didn't buy enough gas to cover its, let's start with

the -- the distribution service?

MR. CALLAHAN: Objection; form.

THE WITNESS: I think what you'd see probably is -- is basically, curtailments, that they would be -- not curtailments. That would be -- that's not -- the wrong word. Brownouts, or sections of the city probably -- if we didn't have enough gas, sections of the city wouldn't have gas delivered to their -- to those sections of the city.

So, that would mean no -- no heaters during the storm. That would mean no gas deliveries to those -- to those customers.

Q. BY MR. SHANK: Okay. In your time at CPS Energy, has it ever even been presented as an option to you to not buy sufficient gas to cover CPS Energy's requirements?

MR. CALLAHAN: Objection; form.

THE WITNESS: No.

Q. BY MR. SHANK: Did you have power during Winter Storm Uri?

A. At my house?

Q. Yeah.

A. I did. Yes.

Q. Do you know others at CPS Energy who didn't?

Enterprise Pipeline; right?

A. There's a park and loan agreement that's -- agreement that is part of the basket of transportation and storage agreements with the pipeline.

Q. So -- so, park and loan service isn't something that Enterprise Pipeline does just out of charity? It's something you've contracted for; right?

A. Yes.

Q. Okay. You also were asked a lot of questions about bid day gas. Do you remember those?

A. Yes.

Q. And is the gas that's purchased on bid day for the next month also referred to as baseload?

A. Yes.

Q. Is baseload gas, or bid day gas, it is a fixed quantity that must be delivered every single day of the month; right?

A. That's correct.

Q. At whatever the particular delivery points are in the offers you accept; right?

A. Yes.

Q. Is CPS Energy's gas demand the same every day of the month?

A. No.

Q. In your experience in CPS Energy, would it even be possible to fulfill CPS Energy's monthly requirements with bid day gas?

MR. CALLAHAN: Objection; form.

THE WITNESS: Can you repeat the question?

Q. BY MR. SHANK: Yeah. I guess what I'm saying is, could you ever -- if CPS Energy's burn every day of the month is never even, you could not perfectly fill their full burn with baseload gas in any month; is that fair?

MR. CALLAHAN: Objection form.

THE WITNESS: True statement.

Q. BY MR. SHANK: Okay. Prior to the storm, had you ever, in your experience buying gas, paid more than $35 per MMBtu for a weekend gas?

A. I don't remember, you know, what the maximum price we ever paid was, but I don't believe it was over that.

Q. You ever paid $150?

A. No.

Q. You ever paid $225?

A. No.

Q. Okay. Have you ever paid anything above that?

Q. BY MR. SHANK: You may not know the answer it this. But in those 11 minutes, can you think of anything that could have happened that would have, you know, changed Energy Transfer's cost of supply for that gas?

MR. CALLAHAN: Objection; form.

THE WITNESS: I wouldn't know that.

Q. BY MR. SHANK: Okay. Without going through this whole exhibit, there were other instances during the winter storm when you were quoted prices by Energy Transfer and you asked for a lower price; right?

A. I believe so.

Q. And all of those requests were refused; right?

MR. CALLAHAN: Objection; form.

THE WITNESS: I don't know for sure for all of them, but that -- it seems that that's the case.

Q. BY MR. SHANK: We talked about -- you were asked questioned about delivered gas versus transport. Do you remember those?

A. Yes.

Q. What is delivered gas?

A. Delivered gas is gas that's actually bought and delivered directly at the -- one of the City gate

points or a power plant point. Typically, those points are -- are pipeline points. It's where the pipelines deliver transportation gas or whatnot.

And -- and at times we would buy delivered gas from the pipelines there at those points. Typically, the pipelines don't allow -- don't allow other counterparties, suppliers, access to those points.

So, it's typically, usually either transportation on our side to transport the gas there, or to buy it from the pipeline at those locations.

Q. In what circumstance --

MR. CALLAHAN: Object to -- object for the answer and the -- apparently, your question called for speculation.

Q. BY MR. SHANK: In what circumstances do you -- does CPS Energy generally buy delivered gas?

A. Typically, only when we really need it.

Q. And -- and what -- what circumstance, with regard to your transport, would make you really need delivered gas? If your transportation is full --

A. Transportation. You know --

MR. CALLAHAN: Object to form.

THE WITNESS: -- transportation is full,

ERRATA SHEET

CHANGES AND SIGNATURE

WITNESS NAME: BRUCE BORDOVSKY

DATE: AUGUST 10, 2022

PAGE	LINE	CHANGE	REASON
See Attached Exhibit A			

JOB NO.: 25207

I, BRUCE BORDOVSKY, have read the foregoing deposition and hereby affix my signature that same is true and correct, except as noted above.

BRUCE BORDOVSKY

STATE OF TEXAS:

COUNTY OF BEXAR:

Before me, Norma P. Villarreal, on this day personally appeared BRUCE BORDOVSKY, known to me, or proved to me under oath or through ID or other document, to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 21st day of September, A.D., 2022.

NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

NORMA PATRICIA VILLARREAL
Notary Public-State of Texas
Notary ID #12510878-3
Commission Exp. OCT. 21, 2025
Notary without Bond

My Commission Expires: 10-21-2025

JOB NO.: 25207

CAUSE NO. MDL-2022-CI-02879

IN RE CPS ENERGY LITIGATION	IN THE DISTRICT COURT 407TH JUDICIAL DISTRICT BEXAR COUNTY, TEXAS

CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS OPERATING, LLC, Plaintiff, CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY), Defendant.	IN THE DISTRICT COURT 334TH JUDICIAL DISTRICT HARRIS COUNTY, TEXAS

** HIGHLY CONFIDENTIAL ATTORNEYS EYES ONLY**

REPORTER'S CERTIFICATE

ORAL AND VIDEOTAPED DEPOSITION OF

BRUCE BORDOVSKY

AUGUST 10, 2022

I, PAMELA SUE PETERSON, Certified Shorthand Reporter in and for the State of Texas, hereby certify to the following:

That the witness, BRUCE BORDOVSKY, was duly sworn by the officer and that the transcript of the

deposition is a true record of the testimony given by the witness;

That the deposition transcript was submitted on September 1, 2022 to the witness or to the attorney for the witness for examination, signature and return to me by September 22, 2022;

That the amount used by each party at the deposition is as follows:

PAUL J. DOBROWSKI (04h18m)
Attorney for Enterprise Products Operating, LLC
BRYCE CALLAHAN (01h59m)
Attorney for Energy Transfer
DAVID SHANK (00h27m)
Attorney for CPS Energy
LAUREN A. VALKENAAR (00h00m)
Attorney for CPS Energy
DYLAN FEDDERMAN (00h00m)
Attorney for CPS Energy

That pursuant to information given to the deposition officer at the time said testimony was taken, the following includes counsel for all parties of record:

MR. PAUL J. DOBROWSKI, Attorney for Enterprise Products Operating, LLC;
MR. BRYCE CALLAHAN, Attorney for Energy Transfer;
MR. DAVID SHANK, Attorney for CPS Energy;
MS. LAUREN A. VALKENAAR, Attorney for CPS Energy;
MR. DYLAN FEDDERMAN, Attorney for CPS Energy;

I further certify that I am neither counsel for, related to, nor employed by any of the parties

or attorneys to the action in which this proceeding was taken, and further that I am not financially or otherwise interested in the outcome of this action.

Further certification requirements pursuant to Rule 203 of TRCP will be certified to after they have occurred.

Certified to by me on this 1st day of September, 2022.

PAMELA SUE PETERSON, CSR
Texas CSR 8924 - Expires 10-31-23
Hanna & Hanna, Inc.
Firm Registration No. 10434
8582 Katy Freeway, Suite 105
Houston, Texas 77024
(713) 840-8484 - (713) 583-2442

FURTHER CERTIFICATION UNDER RULE 203 TRCP

The original deposition was/[redacted] returned to the deposition officer on September 21, 2022;

If returned, the attached Changes and Signature page contains any changes and the reasons therefore;

If returned, the original deposition was delivered to MR. PAUL J. DOBROWSKI, Custodial Attorney;

That $5,833.85 is the deposition officer's charges to ENTERPRISE PRODUCTS OPERATING, LLC, for preparing the original deposition transcript and any copies of exhibits.

That the deposition transcript was delivered in accordance with Rule 203.3, and that a copy of this certificate was served on all parties shown herein on September 21, 2022 and filed with the Clerk.

Certified to by me this 21st day of September, 2022.

Ruth Hilliard

Hanna & Hanna, Inc.
Firm Registration No. 10434
Expiration: 10/31/2022
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Exhibit A-3

CAUSE NO. MDL 2022 CI 02879

	) IN THE DISTRICT COURT OF
	)
	)
In re: CPS ENERGY LITIGATION	) BEXAR COUNTY, TEXAS
	)
	)
	)
	) 407TH JUDICIAL DISTRICT

CAUSE NO. 2021-24173

	) IN THE DISTRICT COURT OF
ENTERPRISE PRODUCTS OPERATING, LLC	)
	)
	)
Plaintiff	)
VS.	) HARRIS COUNTY, TEXAS
	)
CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY),	)
	)
Defendant	) 334TH JUDICIAL DISTRICT

ORAL AND VIDEOTAPED DEPOSITION OF

CRIS EUGSTER

OCTOBER 21, 2022

CPSE Response in Opp to ET MSJ

Exhibit A-3

MDL-2022-CI-02879

exhibitsticker.com

ORAL AND VIDEOTAPED DEPOSITION OF CRIS EUGSTER, produced as a witness at the instance of the Plaintiff and duly sworn, was taken in the above styled and numbered cause on October 21, 2022, from 10:05 a.m. to 4:58 p.m., before CLAUDIA A. PARKER, CSR in and for the State of Texas, reported by machine shorthand, at the offices of CHASNOFF MUNGIA VALKENAAR PEPPING & STRIBLING, LLP, 1020 N.E. Loop 410, Suite 150, San Antonio, Texas, pursuant to the Texas Rules of Civil Procedure and the provisions stated on the record herein.

I N D E X

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PowerPoint presentation presented by P. Barham and B. Ethridge dated 11-2-20

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CPS Energy response to Request for Information from R. Williams dated 4-8-21

Exhibit 208..... 59
CPS Energy Strategy and Operations Manual For Energy Price Risk Management

Exhibit 209..... 63
CPS Energy Markets & Risk Management Policy Effective 6-30-19

Exhibit 210..... 117
Cover sheet/tabs from spreadsheet produced as CPSE-MDL 4274

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CPS Energy response to Request for Information from R. Williams dated 5-21

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PREVIOUSLY MARKED EXHIBITS

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Exhibit 116..... 63
Energy Markets & Risk Management Policy Effective 1-31-21

Exhibit 119..... 96
E-mail dated 2-10-21 re: Senior Chief Check-In/Huddle Notes

Exhibit 125..... 141
E-mail string dated 2/19/21-2/21/21 Re: Responses to Questions

A P P E A R A N C E S

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By: TYLER P. YOUNG, ESQ.

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By: SANTOSH ARAVIND, ESQ.

*** AND ***

A P P E A R A N C E S

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Lvalkenaar@chasnoffstribling.com

By: DYLAN FEDDERMAN, ESQ.
LAUREN A. VALKENAAR, ESQ.
(Appearing via Zoom conference)

*** AND ***

CPS ENERGY (Appearing via Zoom conference)
P. O. Box 1771
San Antonio, Texas 78296
210-353-2772

By: DAVID RIVELA, ESQ.

Also Present: MR. TERRY LINDEMANN, Videographer

MMbtu?

A. Which page are you on?

Q. The 13th.

A. Oh, 13th. Okay.

Q. And if you look below that the baseload remains the same; but that makes sense because both the prepaid deals and the baseload deals remain stagnant for the month, right?

A. Yes.

Q. And so here you have a delta that has grown from, let's say, approximately 170 to approximately 675,000 MMbtu?

A. Uh-huh.

Q. If we go to the 17th, the last spreadsheet there, the forecast remains substantially higher. It's at 540,000. The baseload remains the same at 32.

And so for February 17th to meet the load forecast, CPS Energy has to purchase 500,000 or so MMbtu to generate power; is that correct?

MR. ARAVIND: Objection, form.

A. Generate power and also supply LDC.

Q. (BY MR. DEBAUCHE) So generate power and supply natural gas to its customers?

A. Yes.

Q. Earlier you had said that there was -- there

would ask that there would be page/line designations for specific AEO material by CPS Energy.

(DEPOSITION CONCLUDED AT 4:58 P.M.)

SIGNATURE PAGE

I, CRIS EUGSTER, have read the foregoing deposition and hereby affix my signature that same is true and correct, except as noted on the correction page.

Cristopher Conrad Eugster

CRIS EUGSTER

THE STATE OF TEXAS)
COUNTY OF Bexar County)

Before me Jose Ricardo Capetillo on this day personally appeared CRIS EUGSTER known to me [or proved to me on the oath of _____ or through Drivers License (description of identity card or other document)] to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 1st day of December, 2022.

NOTARY PUBLIC IN AND FOR
THE STATE OF T E X A S

My Commission Expires:
06/15/2025

NOTARY PUBLIC STATE OF TEXAS

Jose Ricardo Capetillo

ID NUMBER
133180234
COMMISSION EXPIRES
June 15, 2025

Notarized online using audio-video communication

JOB NO.: 25619

CAUSE NO. MDL 2022 CI 02879

In re: CPS ENERGY LITIGATION) IN THE DISTRICT COURT OF) BEXAR COUNTY, TEXAS) 407TH JUDICIAL DISTRICT

CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS OPERATING, LLC

Plaintiff

VS.

CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY),

Defendant

) IN THE DISTRICT COURT OF) HARRIS COUNTY, TEXAS) 334TH JUDICIAL DISTRICT

REPORTER'S CERTIFICATION
DEPOSITION OF CRIS EUGSTER
TAKEN OCTOBER 21, 2022

I, CLAUDIA A. PARKER, Certified Shorthand Reporter in and for the State of Texas, hereby certify to the following:

That the witness, CRIS EUGSTER, was duly sworn by the officer and that the transcript of the oral deposition is a true record of the testimony given by the witness;

That the deposition transcript was submitted on November 4, 2022 to the witness or to the attorney for the witness for examination, signature and return to Hanna & Hanna, Inc., by November 24, 2022;

That the amount of time used by each party at the deposition is as follows:

THOMAS "TAL" DEBAUCHE, ESQ. - 3:26;
TYLER P. YOUNG, ESQ. - 1:27;

SANTOSH ARAVIND, ESQ. - 0:00;
DYLAN FEDDERMAN, ESQ. - 0:00

That pursuant to information given to the deposition officer at the time said testimony was taken, the following includes counsel for all parties of record:

THOMAS "TAL" DEBAUCHE, ESQ. - ATTORNEY FOR ENTERPRISE PRODUCTS OPERATING, LLC;
TYLER P. YOUNG, ESQ. - ATTORNEY FOR ENERGY TRANSFER, LP;
SANTOSH ARAVIND, ESQ. - ATTORNEY FOR CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY);
DYLAN FEDDERMAN, ESQ. - ATTORNEY FOR CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY);

I further certify that I am neither counsel for, related to, nor employed by any of the parties in the action in which this proceeding was taken, and further that I am not financially or otherwise interested in the outcome of the action.

Further certification requirements pursuant to Rule 203 of TRCP will be certified to after they have occurred.

Certified to by me this 4th day of November, 2022.

Claudia A. Parker

CLAUDIA A. PARKER, CSR
CSR NO. 2671; Expiration Date: 4-30-24

HANNA & HANNA, INC.
CRF No. 10434; Expires 10-31-24
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Houston, Texas 77024
(713) 840-8484 - (713) 583-2442
www.hannareporting.com

FURTHER CERTIFICATION UNDER RULE 203 TRCP

The original deposition was/[redacted] returned to the deposition officer on December 2, 2022;

If returned, the attached Changes and Signature page contains any changes and the reasons therefor;

If returned, the original deposition was delivered to THOMAS "TAL" DEBAUCHE, ESQ. TBA # 24092331, Custodial Attorney;

That $ 3,480.45 is the deposition officer's charges to Plaintiff for preparing the original deposition transcript and any copies of exhibits;

That the deposition was delivered in accordance with Rule 203.3 and that a copy of this certificate was served on all parties shown herein and filed with the Clerk.

Certified to by me this 2nd day of December, 2022.

Ruth Hilliard

HANNA & HANNA, INC.
CRF - 10434 - Exp. - 10/31/2024
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Houston, Texas 77024
(713) 840-8484 - (713) 583-2442
www.hannareporting.com

Exhibit A-4

CAUSE NO. MDL 2022 CI 02879

	) IN THE DISTRICT COURT
	)
	)
IN RE CPS ENERGY LITIGATION	) 407TH JUDICIAL DISTRICT
	)
	)
	) BEXAR COUNTY, TEXAS

CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS OPERATING, LLC,	) IN THE DISTRICT COURT
	)
Plaintiff,	)
	)
v.	) HARRIS COUNTY, TEXAS
	)
CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY),	)
	)
Defendant.	) 334TH JUDICIAL DISTRICT

****

CONFIDENTIAL - ATTORNEYS' EYES ONLY

ORAL & VIDEOTAPED DEPOSITION OF

PAUL BARHAM

OCTOBER 7, 2022

****

CPSE Response in Opp to ET MSJ
Exhibit A-4
MDL-2022-CI-02879
exhibitsticker.com

ORAL & VIDEOTAPED DEPOSITION of PAUL BARHAM, produced as a witness at the instance of the Plaintiff, and duly sworn, was taken in the above-styled and numbered cause on the 7th day of October, 2022, from 10:12 a.m. to 12:30 p.m. and 1:33 p.m. to 5:06 p.m., before TAMMY ELLIS, CSR, in and for the State of Texas, reported by stenographic method, at Chasnoff, Mungia, Valkenaar, Pepping & Stribling, LLP, 1020 N.E. Loop 410, Suite 150, San Antonio, Texas 78209, with counsel present in person and via Zoom, pursuant to the Texas Rules of Civil Procedure and the provisions stated on the record or attached hereto.

-oOo-

S T I P U L A T I O N S

It is stipulated and agreed by and between counsel for the respective parties hereto that the original transcript of the deposition of PAUL BARHAM shall be sent to RICK ROSENBLUM for the purpose of obtaining the signature of the witness thereon before any notary public.

A P P E A R A N C E S

FOR THE PLAINTIFF:

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FOR THE DEFENDANT:

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-and-

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(Appearing Remotely)

Continued

Appearances Continued

FOR THE DEFENDANT, CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY), AND PAULA GOLD-WILLIAMS:

LAUREN DITTY
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FOR THE DEFENDANTS HOUSTON PIPELINE, LP and OASIS PIPELINE, LP:

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YETTER COLEMAN, LLP
811 Main Street
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Houston, Texas 77002
PHONE: (713) 632-8000
FAX: (713) 632-8002
E-MAIL: asalibhai@yettercoleman.com

ALSO PRESENT:

ADAM KIEHNE,
In-House Counsel for CPS Energy;
(Appearing Remotely)

PAUL BARHAM,
The Witness;

TERRY LINDEMANN,
The Videographer; and

TAMMY ELLIS,
Certified Shorthand Reporter

properties, certain businesses, for instance, to shut off their electricity versus someone else's.

A. No.

Q. Even though, in theory, you could do that; it would be a manual process.

A. Yes.

Q. So if -- if someone is on a circuit, residence, business, whatever, absent going out and physically cutting off them, CPS can't stop them from drawing electricity, right?

A. Correct.

Q. Okay. In other words, if -- if there is a Walmart, let's just say, that had all the lights on during Winter Storm Uri, absent going out and literally cutting off their electricity alone, they would just still draw from the grid like anyone else.

A. Yes.

Q. Now, during Winter Storm Uri, was CPS prioritizing electricity for human needs?

A. During the storm -- so I would say yes from the standpoint that our load shed program and plan are targeting to prioritize keeping the most critical loads avoiding hitting those for load shed to the extent possible.

Q. How does CPS identify the most critical loads that you refer to?

A. There's a process where we work with our customer -- customer service or the company and go through and identify, you know -- you know, different categories of critical needs. So major hospitals might, you know, be one example of those. And we identify those circuits and those circuits are exempted from the load shed process.

Q. Is there a -- I take it there's some sort of formal policy, some document that lays out this -- these critical loads?

A. There is a -- and, you know, I'm speaking from, you know, when I was there. I think, you know, there may have been changes since then. But there was a document that would identify the circuits that were identified as critical and, you know, what the -- what the particular loads on that circuit were that -- that put it in that designation.

Q. Besides identifying circuits where there's a hospital, let's say, is there any sort of like priority ranking of circuits that you will -- you will load shed, you know, this circuit first and then go down to these?

Is there some priority system?

A. There wasn't at that time. It was either available for load shed or it was not.

Q. I think you told me this earlier. How many circuits are there at CPS?

A. 600 and some-odd.

Q. Do you know how many are identified as critical?

A. At that time, coming into the Uri event, there was approximately a third that was available for load shed, a third that was identified for customers and a third that was identified as part of what's called under frequency load shed, which is a fully automatic shedding of circuits if the grid is on the edge of -- of a blackout.

And that's -- that whole under frequency load shed system is NERC prescribed and a typical system for all utilities.

Q. How does -- how do some circuits get put under the under frequency load shed category?

A. It mostly has to do with identifying circuits that will be able to consistently, regardless of season, provide a consistent amount of load reduction.

So you -- so a circuit that might

have, you know, very different loading during different seasons might be problematic because it might not give you the load reduction that you were expecting in that automatic critical situation. So it's mainly a -- kind of an operational technical consideration.

Q. For the -- for those circuits where they would be -- have critical loads, other than hospitals, as you sit here, what other types of businesses, if you will, or what have you would be on that list besides...

A. Some military, gas compressor stations, the emergency operation centers. I think there might be others. Those are probably the -- SAWS pumping stations, some of them.

Q. Anything else that comes to mind?

A. No.

(Exhibit 160 marked.)

Q. (By Mr. Stafford) I'll show you what I'm marking as Exhibit 160 (indicating).

MR. ROSENBLUM: Thanks.

Q. (By Mr. Stafford) This sort of jumps ahead to -- we were talking about the winter storm. This jumps around to May 27th, 2021. And we talked earlier about you ending up with the task of

CHANGES AND SIGNATURE

PAUL BARHAM OCTOBER 7, 2022

PAGE	LINE	CHANGE	REASON FOR CHANGE
See Exhibit A.			

JOB NO.: 25617

CAUSE NO. MDL 2022 CI 02879

	§	IN THE DISTRICT COURT OF
	§	
	§	
	§	407TH JUDICIAL DISTRICT
In re CPS ENERGY LITIGATION	§	
	§	
	§	BEXAR COUNTY, TEXAS

CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS OPERATING, LLC,	§	IN THE DISTRICT COURT OF
	§	
	§	
Plaintiff/Counter-Defendant,	§	
	§	
v.	§	334TH JUDICIAL DISTRICT
	§	
CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY),	§	
	§	
Defendant/Counter-Plaintiff.	§	HARRIS COUNTY, TEXAS

CAUSE NO. 2021-CI-05138

CPS ENERGY,	§	IN THE DISTRICT COURT OF
	§	
	§	
Plaintiff/Counter-Defendant,	§	
	§	
v.	§	407TH JUDICIAL DISTRICT
	§	
HOUSTON PIPE LINE COMPANY, LP and OASIS PIPELINE, LP,	§	
	§	
Defendants/Counter-Plaintiffs.	§	BEXAR COUNTY, TEXAS

EXHIBIT A TO ERRATA SHEET FOR THE DEPOSITION OF PAUL BARHAM TAKEN ON OCTOBER 7, 2022

Page: Line	Correction and Reason
13:7	Change "Ooh-ahh" to "Whoop". Reason: Transcription error
20:9-11	Change "EPRM" to "Energy Portfolio Steering Committee, EPSC". Reason: Correction, this was later clarified in testimony 196:15.
21:7	Change "Say of" to "Basically". Reason: Transcription error.
30:2	Change "Possibly" to "We would buy and sell with other entities in the bilateral market which could be the day-ahead or an earlier time frame." Reason: Clarification. Question conflates the "ERCOT Day-ahead Market" with the "Bilateral market".
77:14	Add "the report I issued included process improvement recommendations developed from various parts of the CPS organization" after "yes". Reason: Clarification.
89:4	Change "or" to "of". Reason: Transcription Error.
129:8	Change "that sounds about right" to "from 1/2012 to 3/2014 I was Sr Director, Energy Market Operations". Reason: Clarification
132:14	Change "I don't think so." to "The entity ERCOT only operates the Real Time and Day Ahead markets and is not involved in bilateral market transactions. References to ERCOT Market could be interpreted as Real Time/Day Ahead or bilateral based on context." Reason: Clarification.
188:3-4	Change "Senior vice president of energy delivery services." To "Senior Director, Energy Market Operations". Reason: Correction.

I, PAUL BARHAM, have read the foregoing deposition and hereby affix my signature that same is true and correct, except as noted above.

PAUL BARHAM

THE STATE OF Texas *

COUNTY OF Bexar County *

Before me, Jose Ricardo Capetillo, on this day personally appeared PAUL BARHAM, known to me or proved to me on the oath of _____ or through Drivers License (description of identity card or other document) to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purpose and consideration therein expressed.

Given under my hand and seal of office this 5th day of December, 2022.

Jose Ricardo Capetillo
ID NUMBER
133180234
COMMISSION EXPIRES
June 15, 2025

NOTARY PUBLIC IN AND FOR THE STATE OF Texas

My Commission Expires: 06/15/2025

JOB NO.: 25617

Notarized online using audio-video communication

CAUSE NO. MDL 2022 CI 02879

	) IN THE DISTRICT COURT
IN RE CPS ENERGY LITIGATION	) 407TH JUDICIAL DISTRICT
	) BEXAR COUNTY, TEXAS

CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS OPERATING, LLC,	) IN THE DISTRICT COURT
Plaintiff,	)
v.	) HARRIS COUNTY, TEXAS
CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY),	)
Defendant.	) 334TH JUDICIAL DISTRICT

****

CONFIDENTIAL - ATTORNEYS' EYES ONLY

REPORTER'S CERTIFICATION

ORAL & VIDEO DEPOSITION OF PAUL BARHAM

OCTOBER 7, 2022

****

I, TAMMY ELLIS, Certified Court Reporter in and for the State of Texas, hereby certify to the following:

That the witness, PAUL BARHAM, was duly sworn by the officer and that the transcript of

the oral and video deposition is a true record of the testimony given by the witness;

That the amount of time used by each party at the deposition is as follows:

CODY W. STAFFORD - (3 hours, 3 minutes)
RICK ROSENBLUM - (0 hours)
MEGAN STURM - (0 hours)
LAUREN DITTY - (0 hours)
ALI SHAN ALI BHAI - (1 hour, 47 minutes)

That pursuant to information given to the deposition officer at the time said testimony was taken, the following includes counsel for all parties of record:

CODY W. STAFFORD and RICARDO G. CEDILLO,
Attorneys for Plaintiff;
RICK ROSENBLUM and LAUREN DITTY,
Attorneys for Defendant;
ALI SHAN ALI BHAI, Attorney for Defendants
Houston Pipeline and Oasis Pipeline;

I further certify that I am neither counsel for, related to, nor employed by any of the

parties in the action in which this proceeding was taken, and further that I am not financially or otherwise interested in the outcome of the action.

Further certification requirements pursuant to Rule 203 of TRCP will be certified to after they have occurred.

Certified to by me this 25th day of October, 2022.

Tammy Ellis

TAMMY ELLIS, Texas CSR 3152
Expiration Date: 07/31/2023
Hanna & Hanna, Inc.
CRF # 10434; Expires 10-31-2024
8582 Katy Freeway, Suite 105
Houston, Texas 77024
Phone: (713) 840-8484
Fax: (713) 583-2442

FURTHER CERTIFICATION UNDER RULE 203 TRCP

The deposition transcript of PAUL BARHAM was submitted on October 26, 2022, to RICK ROSENBLUM for examination, signature and return by November 15, 2022;

The original deposition X was / ___ was not returned. If returned, date received: December 6, 2022, 2022.

If returned, the attached Changes and Signature page contains any changes and the reasons therefor;

If returned, the original deposition was delivered to CODY W. STAFFORD, Custodial Attorney;

That $3,174.30 is the deposition officer's charges to the Plaintiff for preparing the original deposition transcript and any copies of exhibits;

That the deposition was delivered in accordance with Rule 203.3, and a copy of this certificate was served on all parties shown herein and filed with the Clerk.

Certified to by me this 6th day of December, 2022.

Ruth Hilliard

Hanna & Hanna, Inc.
CRF # 10434; Expires 10-31-2024
8582 Katy Freeway, Suite 105
Houston, Texas 77024

Exhibit A-5

CAUSE NO. MDL 2022 CI 02879

In re CPS ENERGY LITIGATION	)	IN THE DISTRICT COURT 407TH JUDICIAL DISTRICT BEXAR COUNTY, TEXAS

CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS OPERATING, LLC, Plaintiff, V. CITY OF SAN ANTONIO acting by and through the CITY PUBLIC SERVICE BOARD (CPS ENERGY), Defendant.	)	IN THE DISTRICT COURT HARRIS COUNTY, TEXAS 334TH JUDICIAL DISTRICT

****

ORAL AND VIDEOTAPED DEPOSITION OF

MARLIN RAY PERRYMAN, PHD

DECEMBER 19, 2023

****

CPSE Response in Opp to ET MSJ
Exhibit A-5
MDL-2022-CI-02879
exhibitsticker.com

ORAL AND VIDEOTAPED DEPOSITION of MARLIN RAY PERRYMAN, PHD, produced as a witness at the instance of Plaintiff Enterprise Products Operating, LLC, and duly sworn, was taken in the above-styled and numbered cause on the 19th day of December, 2023, from 9:23 a.m. to 5:16 p.m., before TERRY L. SCHULTZ, Certified Court Reporter in and for the State of Texas, reported by stenographic and computer-aided transcription, at the law offices of CHASNOFF MUNGIA VALKENAAR PEPPING & STRIBLING, LLP, 1020 N.E. Loop 410, Suite 150, San Antonio, Texas 78209, pursuant to the Texas Rules of Civil Procedure, and the provisions stated on the record attached hereto.

S-T-I-P-U-L-A-T-I-O-N-S

It is further stipulated and agreed by and between counsel for the respective parties hereto that the original of the deposition of M. RAY PERRYMAN, PHD shall be sent to SANTOSH ARAVIND, the attorney for CPS Energy, for the purpose of obtaining the signature of the witness thereon before any Notary Public.

-oOo-

A-P-P-E-A-R-A-N-C-E-S:

FOR ENTERPRISE PRODUCTS OPERATING, LLC:

PAUL J. DOBROWSKI (Via Zoom)
THOMAS "TAL" DEBAUCHE (Via Zoom)
CODY W. STAFFORD (Via Zoom)
SHANE KOTLARSKY (Via Zoom)
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LAUREN A. VALKENAAR
RICK ROSENBLUM
MEGAN STURM (Via Zoom)
DYLAN FEDDERMAN (Via Zoom)
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FOR HOUSTON PIPE LINE and OASIS PIPELINE, LP:

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E-MAIL: tyoung@yettercoleman.com

A-P-P-E-A-R-A-N-C-E-S C-O-N-T-I-N-U-E-D

ALSO PRESENT:

MARLIN RAY PERRYMAN, PHD,
The Witness;

ADAM KIEHNE and DAVID RIVELA,
In-House Counsel for CPS;

JESSICA SYKORIA (Via Zoom),
In-House Counsel for Energy Transfer;

JASON VINH (Via Zoom),
Observer;

TERRY L. SCHULTZ,
Certified Court Reporter; and

TERRY LINDEMAN,
Videographer.

-oOo-

sell some of that electricity into the grid. I understand over the course of the storm, they were in a deficit situation.

MR. DOBROWSKI: Object; nonresponsive.

Q. (By Mr. Dobrowski) I didn't ask you about Winter Storm Uri. I'm just asking you, you -- you keep -- you have said repeatedly, Doctor, that CPSE was compelled to buy natural gas for human needs, true?

A. Yes, sir, absolutely.

Q. Okay. Does CPSE buy natural gas for any other reason, any reason other than meeting human needs?

MR. ARAVIND: Objection; form.

THE WITNESS: Well, on an ongoing basic, CPS has hundreds of thousands of customers who use gas and electricity, particularly electricity, for a variety of purposes. I suppose you could say that running a factory, for example, you might not characterize that as a human need, so there may be -- there may be functionalities that are -- that use that electricity for something other than human needs.

But -- But CPS has a -- has an

obligation to provide for its customers the electricity they need to run their homes, run their businesses, military bases, hospitals, and any number of other things. And a vital part of that is meeting just basic human needs in the case of this storm for warmth.

Q. (By Mr. Dobrowski) And it has that obligation before -- it had that obligation before Winter Storm Uri and after Winter Storm Uri, right?

MR. ARAVIND: Objection; form.

THE WITNESS: My understanding is, as I've said a couple times before, CPS has an ongoing obligation, that it -- That's what it's chartered to do, is to meet the natural gas and electricity needs of its customers on an ongoing basis.

Q. (By Mr. Dobrowski) Well, I'm using your phrase "human needs." CPSE had the obligation to meet those human needs before Winter Storm Uri and after Winter Storm Uri, right?

MR. ARAVIND: Objection; form.

THE WITNESS: I would certainly agree that CPS has an ongoing obligation to meet human needs, yes, sir.

Q. (By Mr. Dobrowski) Okay. Did CPSE -- and I'm trying to understand this. Your

Q. Have you seen that contract before, sir?
A. I have. Let me look at it quickly here.
Q. Sure. I'm not going to ask you about the whole, you know, front to back or anything. I just have a couple short questions about it.
A. I have seen this document before, yes, sir.
Q. Okay. So if you turn to page 7 of this document --
A. Yes, sir.
Q. -- there is Section 7. Do you see Section -- well, there's 7.2, 7.3, 7.4. Do you see those sections?
A. I do, yes, sir.
Q. So I'm referring specifically to 7.4. You are aware, aren't you, sir, that 7.4 is the provision under this NAESB contract by which CPS is challenging the prices of gas during Winter Storm Uri, correct?
MR. ARAVIND: Objection; form.
THE WITNESS: Again, without giving you any legal connotations to it, I have that general understanding, yes, sir.
Q. (By Mr. Young) Okay. And that -- that portion of the contract, 7.4, says, "If the invoiced

So let me back up.

You believe that the figure 38.83 or, in its revised form, 37.74 --

A. 38.74.

Q. 38.74. Sorry. 38.74. You do not believe it is a price cap?

MR. ARAVIND: Objection; form.

THE WITNESS: A price cap? My analysis was -- I was not asked to determine a price cap for a market. That would be a much -- a much different, much broader analysis than what I was asked to do.

Q. (By Mr. Young) And so it is not a price cap, correct?

A. Not in the sense I think of a price cap in a marketplace. That's usually a legal construct that -- that makes it unlawful to charge more than that. And I'm not -- I wasn't asked to do that -- that type of analysis.

Q. You didn't do an analysis of whether it was unlawful to charge more than that? That's what you just said, correct?

A. Right. I would not be doing any analysis with regard to what is or isn't lawful. Except in some narrow context economists get themselves into

the choke price to the finder of fact?

And the reason I ask that is because you said it's not a price cap, and you've said that it is the price that would be paid in the absence of extreme stress. But we know that during Winter Storm Uri, it was a time of extreme stress. And we know that during Winter Storm Uri, purchasers actually did pay more than your choke price.

So my question is simply, given those facts, what is the value of your choke point -- price?

MR. ARAVIND: Objection; form.

THE WITNESS: Well, the market ceased to function properly at the -- at the higher price levels. And -- And the -- the stress you mentioned brought about a market failure at that point in time. And consequently, what my analysis does is indicate what the price of -- of -- of natural gas -- the outer range of the price of natural gas should have been if the market had functioned properly during the storm, during this period of time, and that people had not opted to take advantage of the situation of a market failure and -- and charged excessive prices because of the -- the nature of the situation was created by

Energy Transfer, in your opinion, violated this principle of economic fairness, you're not saying that they did anything wrong in a sort of moral sense; you're saying that they didn't do as good of a job as they could have done to maximize long-term value?

MR. ARAVIND: Objection; form.

THE WITNESS: I'm not trying to make moral judgments here, but the overall thrust of what I talked about in -- particularly in the first report and then broadened in the second report was that -- that the market -- there was a market failure here that's created an opportunity for exploitation in a broken market, and that your client was one of those that participated in that. And I just tried to quantify the consequences of that with respect to the very specific transactions involving CPS.

Q. (By Mr. Young) But CPS itself did not participate in the exploitation of that broken market; that's your opinion?

MR. ARAVIND: Objection; form.

THE WITNESS: Well, as I -- as I mentioned earlier -- and I'm not -- I'll stand by the answers I gave previously -- various aspects of

CAUSE NO. MDL 2022 CI 02879

In re CPS ENERGY LITIGATION	)	IN THE DISTRICT COURT 407TH JUDICIAL DISTRICT BEXAR COUNTY, TEXAS

CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS OPERATING, LLC, Plaintiff, V. CITY OF SAN ANTONIO acting by and through the CITY PUBLIC SERVICE BOARD (CPS ENERGY), Defendant.	)	IN THE DISTRICT COURT HARRIS COUNTY, TEXAS 334TH JUDICIAL DISTRICT

****

REPORTER'S CERTIFICATION

ORAL AND VIDEOTAPED DEPOSITION OF

MARLIN RAY PERRYMAN, PHD

DECEMBER 19, 2023

****

I, TERRY L. SCHULTZ, Certified Court Reporter in and for the State of Texas, hereby certify to the following:

That the witness, MARLIN RAY PERRYMAN, PHD, was duly sworn by the officer and that the transcript of the Oral and Videotaped Deposition is a true record of the testimony given by the witness;

That the amount of time used by each

party at the deposition, if any, is as follows:

PAUL J. DOBROWSKI - 2 hours, 31 minutes;
TYLER P. YOUNG - 3 hours, 10 minutes;

That pursuant to information given to the deposition officer at the time said testimony was taken, the following includes counsel for all parties of record:

PAUL J. DOBROWSKI, CODY W. STAFFORD,
THOMAS "TAL" DEBAUCHE, JARED A. MCHAZLETT,
Attorneys for Enterprise Products Operating, LLC;
TYLER P. YOUNG,
Attorney for Energy Transfer, LP;
SANTOSH ARAVIND, LAUREN A. VALKENAAR,
RICK ROSENBLUM, MEGAN STURM, DYLAN FEDDERMAN,
Attorneys for City of San Antonio Acting By and Through the City Public Service Board (CPS Energy);

I further certify that I am neither counsel for, related to, nor employed by any of the parties in the action in which this proceeding was taken, and further that I am not financially or otherwise interested in the outcome of the action.

Further certification requirements pursuant to Rule 203 of TRCP will be certified to after they have occurred.

Certified to by me this 4th day of January, 2024.

Terry L. Schultz

TERRY L. SCHULTZ, Texas CSR 7042
Expiration Date: 10/31/2024
HANNA & HANNA, INC.
CRF# 10434; Expires 10/31/2024
8582 Katy Freeway, Suite 105
Houston, Texas 77024
713-840-8484 - 713-583-2442
www.hannareporting.com

FURTHER CERTIFICATION UNDER RULE 203 TRCP

The deposition transcript was submitted on January 4, 2024 to the witness or the attorney for the witness for examination, signature and return to me by January 24, 2024;

The original deposition transcript or Changes and Signature page was X was not___ returned to the deposition officer; if returned, date received: January 24, 2024;

If returned, the attached Changes and Signature page contains any changes and the reasons therefor;

If returned, the original deposition was delivered to the Custodial Attorney, PAUL J. DOBROWSKI;

$5,516.88 is the deposition officer's charges to Plaintiff Enterprise Products Operating, LLC for preparing the original deposition transcript and any copies of exhibits;

The deposition was delivered in accordance with Rule 203.3, and a copy of this certificate was served on all parties shown herein on and filed with the Clerk.

Certified to by me on January 24, 2024.

Ruth Hilliard

HANNA & HANNA, INC.
CRF# 10434; Expires 10/31/2024
8582 Katy Freeway, Suite 105
Houston, Texas 77024
713-840-8484 - 713-583-2442

CHANGES AND SIGNATURE

MARLIN RAY PERRYMAN, PHD DECEMBER 19, 2023

PAGE	LINE	CHANGE	REASON FOR CHANGE

JOB NUMBER 27798

CHANGES AND SIGNATURE

MARLIN RAY PERRYMAN, PHD DECEMBER 19, 2023

PAGE	LINE	CHANGE	REASON FOR CHANGE
11	5	"Kinney" to "Kiehne"	Transcription
30	10	"Kerry" to "Carey"	Transcription
42	17	"basic" to "basis"	Transcription
60	17	"data" to "variable"	Misspoke
72	24	"consequent -- and" to "consequently"	Transcription
80	18	"Taylor" to "Thaler"	Transcription
87	8	"ad" to "and"	Transcription
92	2	"01" to "0 or 1"	Transcription
94	11	"kind of metrics" to "econometrics"	Transcription
98	13	"conception" to "consumption"	Transcription
101	18	"equate" to "equation"	Transcription
103	22	"complain" to "constrain"	Transcription
120	24	"EOG" to "Enterprise"	Misspoke
130	10	"cause and" to "causal"	Transcription
148	19	"air" to "sir"	Transcription
168	4	"under" to "not under"	Misspoke
170	13	"anticipated" to "unanticipated"	Misspoke
172	25	"price-reducing" to "price reducing"	Transcription

PAGE	LINE	CHANGE	REASON FOR CHANGE
177	1	"abating" to "availing"	Transcription
186	15	"cased" to "caused"	Transcription
222	22	"Kerry" to "Carey"	Transcription
223	12	"Kerry" to "Carey"	Transcription
237	2	"$15,000" to "15,000 percent"	Misspoke
239	5	"apposite" to "posited"	Transcription
239	10	"right" to "ripe"	Transcription
240	2	"Taylor" to "Thaler"	Transcription
259	20	"Kerry" to "Carey"	Transcription
260	14	"Kerry" to "Carey"	Transcription
264	8	"they're" to "their"	Transcription
272	20	"Kerry" to "Carey"	Transcription
276	5	"extraordinary" to "an extraordinary"	Transcription
276	5	"needs'" to "needs"	Transcription
277	9	"Kerry" to "Carey"	Transcription
284	8	"relative" to "relevant"	Transcription
291	7	"ahead" to "head"	Transcription
304	25	"contest" to "context"	Transcription
306	5	"Kerry" to "Carey"	Transcription
306	7	"Kerry" to "Carey"	Transcription

I, MARLIN RAY PERRYMAN, PHD, have read the foregoing deposition and hereby affix my signature that same is true and correct, except as noted above.

M. Ray Perryman

MARLIN RAY PERRYMAN, PHD

THE STATE OF Texas)

COUNTY OF McLennan)

Before me Karen Amos on this day personally appeared MARLIN RAY PERRYMAN, PHD, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purpose and consideration therein expressed.

Given under my hand and seal of office this 23rd day of January, 2024.

Karen Amos

NOTARY PUBLIC IN AND FOR

THE STATE OF Texas

My Commission Expires: 11/25/2027

JOB NUMBER 27798

KAREN AMOS
Notary Public, State of Texas
Comm. Expires 11-25-2027
Notary ID 13226404-8

Exhibit A-6

CAUSE NO. MDL-2022-CI-02879

	)IN THE DISTRICT COURT
	)
	)
IN RE: CPS ENERGY LITIGATION	)407TH JUDICIAL DISTRICT
	)
	)
	)BEXAR COUNTY, TEXAS

CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS OPERATING, LLC,	)IN THE DISTRICT COURT
	)
	)
Plaintiff,	)
	)
CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY),	)334TH JUDICIAL DISTRICT
	)
	)
	)
	)
Defendant.	)HARRIS COUNTY, TEXAS

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

****

ORAL AND VIDEOTAPED DEPOSITION OF

WILLIAM KENNETH SKAER, III

AUGUST 11, 2022

****

CPSE Response in Opp to ET MSJ

Exhibit A-6

MDL-2022-CI-02879

exhibitsticker.com

THE ORAL AND VIDEOTAPED DEPOSITION of KEN SKAER, produced as a witness at the instance of Enterprise Products Operating, LLC, and duly sworn, was taken in the above styled and numbered cause on Thursday, the 11th day of August, 2022 from 9:36 a.m. to 5:43 p.m., before PAMELA SUE PETERSON, Certified Shorthand Reporter in and for the State of Texas, reported by stenographic and computer-aided transcription, at the offices of Chasnoff, Mungia, Valkenaar, Pepping & Stribling, LLP, 1020 Northeast Loop 410, Suite 300, San Antonio, Texas 78209, pursuant to the Texas Rules of Civil Procedure and the provisions stated on the record or attached hereto.

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Videographer

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Certified Shorthand Reporter

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SAN ANTONIO, TEXAS, THURSDAY, AUGUST 11, 2022

9:36 A.M.

THE VIDEOGRAPHER: On the record, 9:36.

WILLIAM KENNETH SKAER, III,

having been first duly sworn, testified as follows:

EXAMINATION

BY MR. STAFFORD:

Q. Good morning, Mr. Skaer. Will you tell us your full name, please.

A. My name is William Kenneth Skaer, III.

Q. Mr. Skaer, have you ever given your deposition before?

A. I have not.

Q. Okay.

A. Not that I can recall, anyways.

Q. Got it. Just a few ground rules to help us out today. Number one, you do understand this morning that you are under oath?

A. Yes.

Q. Okay. And despite the informality of this room, you understand your testimony is as though you were sitting in front of a judge or a jury?

Number one, did -- technically, did Mr. Bordovsky report to you?

A. Technically, he reported to me, although we both had the same manager title.

Q. Okay. You said, though, that you would have to go -- you, and Mr. Bordovsky would have to go to your executive team during Winter Storm Uri to get approval to purchase gas?

A. As the gas prices began to elevate, we were very concerned about the prices and wanted to ensure that -- that we had full support before buying any gas deals that were, what we considered, to be excessively priced.

Q. Okay. Who is -- who was on the executive team that you referenced that had to -- that you went to to get approval for these purchases?

A. We would typically tell my boss, Paul Vinson, and Paul Vinson would tell his boss, Kevin Pollo. And as the price -- prices got higher, my understanding was that Kevin got approval from his bosses. But I -- I don't -- I don't know for a fact to -- to what extent he had to get, or even got approval, from -- from -- from his bosses.

Q. Okay. So, your personal knowledge of how far up the chain this went to approve prices was to

Q. -- when you were selling natural gas.
A. Uh-huh.
Q. Okay. At what places did you sell natural gas when you were a trader?
A. I -- probably 25 different place around the country.
Q. Sorry. I meant what companies. What places -- at which employers did you sell natural gas?
A. I was a -- I was a gas trader. So, I would buy and sell gas at Tenneco, which became El Paso, at CMS -- no, KN Energy, which became Kinder Morgan --
Q. Right.
A. -- and CMS Energy. So, I was a -- a gas trader. I would buy and sell physical and financial gas at a multitude of locations.
Q. Got it.
A. And use -- and would use a multitude of different publications to price those out.
Q. Okay. Let's say -- let's focus for a minute on when you were buying and selling natural gas, not with CPS Energy --
A. Uh-huh.
Q. -- and limit it to Texas, what indices, or what reference points, would you use to determine the

market price of natural gas?

MR. SHANK: Objection; form.

THE WITNESS: Well, the most common would be the inside FERC, which I -- now I guess is S&P -- S -- S&P Global Platts inside FERC. And I think throughout my career they keep extending the name somehow.

And then gas -- the gas -- the Gas Daily is the -- is one of the ways. The actual ICE system used to come up with its own index. Argus is another opportunity that we would look at, see what the daily and the monthly prices would come out at. So, those were some of the different ways.

Q. BY MR. STAFFORD: Anything else you would look at, that you recall, to determine what you thought the market price for natural gas was while you were in Texas while you were trading, not at CPS Energy?

MR. SHANK: Objection; form.

THE WITNESS: I guess the only other thing is, we would -- by talking to other counterparties and -- about what they may or may not have traded that gave more insight in -- as to what -- what -- what the going rate of gas prices might be at any given time.

your "power needs might be on a given day," how would that impact what you felt was a fair price in the market for natural gas?

A. If we needed to buy more gas for power, then we might be a little bit more willing to pay a higher price.

Q. You might be willing to pay more if you were short versus if you were long on gas that day?

MR. SHANK: Objection; form.

THE WITNESS: And if we -- our power plants weren't running very much, then we could be extremely selective or not even buy gas.

Q. BY MR. STAFFORD: When you were at CPS Energy, were you mostly buying gas daily, like, next-day gas? Or were you more set up on long-term contracts?

Just, kind of, tell me how most of your trades were restructured as, I need to go out every day and buy gas? Or is it more, let me look at bids for the next month and lock in a price for 30 days?

MR. SHANK: Objection; form.

THE WITNESS: CPS Energy would not sell gas. We were not a gas seller. So, we would only buy the amount at the beginning of the month that we knew we were going to utilize, and then we would buy

Q. -- you ever suggested to anyone at CPS Energy that they -- that CPS Energy not pay the deals that you entered into during Winter Storm Uri?

A. No.

Q. Okay. Okay. Other than your -- other than your belief that a hundred times on the price is excessive, other than that, is there anything else you base your opinion on, that the market prices during Winter Storm Uri were not reflective of the true market price for natural gas?

A. In my opinion, there are only limited companies that can sell gas directly to CPS Energy. So, I felt like CPS Energy was at the mercy of those companies and we, essentially, had to buy the gas at whatever price they dictated, unless our executive team was willing to not buy the gas and have people freeze. I don't the --

MR. CALLAHAN: Objection; nonresponsive.

THE WITNESS: I don't know the right answer -- you know, the right answer. I mean, I was without -- without -- I was freezing for three days without electricity. And personally, after talking to people in San Antonio, some people wished that they would have frozen for three days instead of having elevated prices for the next 10 years.

A. Yes.
Q. And they -- and that party is the one that, once the traders make a deal, the confirming party will then send out a confirmation that shows the terms of the deal?
A. Yes.
Q. Okay. Because a lot of the -- is it fair to say that a lot of the transactions that happen between CPS Energy and its counterparties --
A. Uh-huh.
Q. -- are done over, like, ICE Chat?
A. Yes.
Q. Okay. Then whatever you do on ICE Chat if you're sitting there at the computer and you make a deal with someone over ICE Chat --
A. Uh-huh.
Q. -- how does that deal get put into CPS Energy's system?
A. The trader who transacted the deal with, typically -- either -- either that trade -- typically one of the traders would put the deals into the system that -- that would house that and -- yep. And so...
Q. Is CPS Energy's system, whatever it is --
A. Uh-huh.

Q. -- is that a manual system that you have to go in and literally put in, like, a spreadsheet? Or is it some sort of automated system?

A. It's a -- it -- at the time of this, it -- it had gone to an automated system.

Q. Okay. So, you would put in whatever deal you did over ICE Chat would automatically then come up, I take it, with what we see as Exhibit 37?

A. Yes. Yes. And I -- I -- it doesn't have to be the trader who puts it in. But, you know, like, one of the traders would put -- put the deals in. You know, like, Bruce could put my trade in. It's not a --

Q. Okay.

A. -- problem.

Q. If you look at Exhibits 36 and 37, you'll see that, again, the --

A. Uh-huh.

Q. -- on the Enterprise transaction confirmation on 36 --

A. Uh-huh.

Q. -- it has deal number 503758, the top right-hand corner.

A. Okay.

Q. And on the -- on Exhibit 37, the CPS Energy

light to keep going with our plan." Number one, who's Jay?

A. My understanding is, that would be Jay -- Jay Riley, I believe, who worked at Enterprise.

Q. And what is the plan, if you recall?

A. I don't recall.

Q. Okay. All right. Let's take a break.

THE VIDEOGRAPHER: Off the record, 12:13.

(At 12:13 p.m., a luncheon recess was taken, the deposition to be resumed at 1:00 p.m.)

AFTERNOON SESSION

(At 1:17 p.m., the deposition was resumed, the same parties being present.)

THE VIDEOGRAPHER: Back on the record, 1:17.

Q. BY MR. STAFFORD: Mr. Skaer, coming back from the lunch break, I wanted to follow up on something I'd asked you early on which is, as I understand it, when you would purchase gas on behalf of CPS Energy, CPS Energy would use that gas in essentially two ways.

One, would be to generate power -- electricity through power stations, power plants, and

the other would be to go directly to residents of San Antonio that use CPS Energy to actually use natural gas; right?

A. Right. Which we call either retail or distribution.

Q. Retail. Okay. For -- do you happen to know the percentage of each? In other words, what percentage of the gas you buy typically goes to retail versus generation?

A. I -- I -- I do not know, but it fluctuates quite a bit. And there have been times where the power plants have almost all come off to where it's mostly all distribution. But the majority of the time, it would be the majority would be the power plants going to the power plants.

Q. For the natural gas that goes to the power plants to generate electricity, that electricity -- electricity is then sold to San Antonio residents; right?

A. Right.

Q. Okay. Does CPS Energy ever sell electricity back to the grid?

MR. SHANK: Objection; form.

THE WITNESS: Yes. Yes, I -- I believe so.

Q. BY MR. STAFFORD: In cases where there's

MR. SHANK: Objection; form.

THE WITNESS: I think large number of energy -- of energy gas traders felt that way, and I think most people are reluctant to say such a thing on ICE Chat or text, or what -- what have you.

MR. CALLAHAN: Objection; nonresponsive, speculation.

Q. BY MR. STAFFORD: Did you -- did you give Mr. Brown any evidence that there was any manipulation of the Texas intrastate market?

A. I do not think so.

Q. Did you have any evidence that there was manipulation of the market?

A. I went around the country visiting customers with my previous job and heard repeatedly that people felt like Energy Transfer was able to manipulate the gas prices, particularly Houston Ship Channel, and that many of them were reluctant to even trade the basis of Houston Ship Channel for that very reason.

MR. STAFFORD: Objection; nonresponsive.

Q. BY MR. STAFFORD: Do you have any evidence, other than talking to random people around the country, you say --

A. Uh-huh.

Q. -- you -- previously, I mean, you've testified like, you think it's, kind of, excessive, or --

A. Yeah.

Q. -- you know, kind of unreasonable, and kind of used these, you know, kind of, subjective terms --

A. Yeah.

Q. -- in your -- in your per- -- that's in -- that's just in your personal experience; right?

MR. SHANK: Objection; form.

THE WITNESS: Yes.

Q. BY MR. CALLAHAN: Okay. So -- but I'm asking you --

A. Okay.

Q. -- are you -- and you already said you're not aware that there may have been other gas transactions at much higher prices than what --

A. Uh-huh.

Q. -- CPS transacted for; right?

A. Right.

Q. Okay. Are you also -- it sounds like you're not aware --

A. Uh-huh.

Q. -- that when it came to the prices that

Q. BY MR. CALLAHAN: Are you going to take your --

MR. SHANK: -- not to answer.

Q. BY MR. CALLAHAN: Are you going to take your lawyer's instruction not to answer a simple yes-or-no question?

A. Yes, I'm going to take it. And I don't appreciate the line of questioning, the way -- the direction you're going.

Q. When you use the term "City gate," what are you referencing, Mr. Skaer?

A. Points within the CPS Energy system.

Q. And are the City gates have to do with distribution or -- or power plants or either/or?

A. In my -- I would probably refer to it as either/or.

Q. Okay.

A. But I don't know if that's correct or not, but -- but just in general.

Q. If gas is delivered to, let's say Rio Nogales, is that for the power plant?

A. That is a power point that -- a power plant that I would not consider on the CPS system. So, I would not consider that necessarily to be a City gate, so to speak.

Q. Okay. Is there any specific delivery point that CPS takes delivery of gas at that indicates whether or not it's for power plants or for distribution to the businesses of -- of San Antonio?

MR. SHANK: Objection; form.

THE WITNESS: I'm sorry. I got distracted. I -- would you repeat the question?

Q. BY MR. CALLAHAN: As far as delivery points at CPS that you're buying gas for --

A. Uh-huh.

Q. -- or that you're transporting gas to, is there a delivery point that indicates whether or not it's for a power plant or for distribution to San Antonio consumers?

A. It -- there are some that can feed both, and then there are others that are more just for the distribution.

Q. Okay. Which ones are just for the distribution?

A. Like, there's a point up on the north end of the system that Energy Transfer would oftentimes deliver to us. I believe we call it, like, Northgate. You know, so that would be, like, an example of one that, kind of, goes into our system. But there's no power plants on that whole side of the

system.

Q. So Northgate delivery is for distribution, in your view?

A. Yes. It -- yeah. Yeah.

Q. And what other distribution points may be for power plants?

MR. SHANK: Objection; form. I think you meant gates.

Q. BY MR. CALLAHAN: What -- what other distribution --

A. Yeah.

Q. What other delivery points --

MR. SHANK: Here.

Q. BY MR. CALLAHAN: -- might be used for power plants?

A. Well, when Enterprise sells us gas, they're able to put the gas into the CPS system at a multitude of other spots that can be used more easily for our power plants or for distribution.

Q. Did you ever see any documents within CPS, or are you aware of any documents with CPS, that tracked CPS's sales of power into the ERCOT grid?

A. Not that I recall.

Q. And do you think, for example, Mr. Hale or Mr. Pollo would know better about the documents

a good relationship with the Energy Transfer gas traders?

MR. SHANK: Objection; form.

THE WITNESS: Personally? Or, I mean, like --

Q. BY MR. CALLAHAN: Did you have a good relationship --

A. You, as in the company?

Q. -- with --

A. Or you, as in the Ken -- you, as in the company, I would say no. I would say that oftentimes when we asked them for a price, Bruce, for instance, was afraid to hang up the phone because he said if he called them back in one minute they would raise the price. And that was --

Q. Well --

A. -- how they operated on a regular basis. So I would say, no, we didn't have a very good relationship with them.

Q. Okay. Well, maybe that explains why you're suing them.

A. For me -- for me personally, I thought --

Q. All right.

A. -- I had a great relationship with Jonathan.

Q. Okay. So, you know, before Winter Storm Uri --

A. Uh-huh.

Q. -- you know, there's -- there's no requirement for CPS to do business with Energy Transfer; right?

A. That -- that is -- well, that is incorrect because they are one of the only companies that can deliver in certain points on our system. So, we pretty much were at their mercy at those times that we needed to buy gas for -- you know, for maintenance, or to get onto the north end of the system or for, you know, a multitude of -- of things along those lines.

So it was, kind of -- we didn't really do that much business with Energy Transfer when there was an option. But when it wasn't an option, then we would buy gas from them because they were the only ones that could deliver into our system at the places we needed it.

MR. CALLAHAN: Objection; nonresponsive.

Q. BY MR. CALLAHAN: When you say -- do you know of any requirement --

A. Uh-huh.

Q. -- any -- any legal requirement for

CPS?

A. Somewhat. Yes.

Q. Did you review it as part of your job?

A. Yes.

Q. Have you reviewed it recently?

A. I -- I -- I have not reviewed it recently.

Q. Not -- not since you were an employee at -- at CPS?

A. Right.

Q. Okay.

A. I pretty much have not talked to or spoken to or thought about CPS in over a year.

Q. Who was in change of doing the analysis -- or who was involved in doing the analysis in January of 2021 about whether or not CPS had the correct baseload gas going into February of 2021?

MR. SHANK: Objection; form.

THE WITNESS: Bruce Bordovsky would meet with Paul Vinson and me and talk about historical Februaries, for instance, or whatever the month was that we were going into, and discuss all of the different variations and gas volumes that were required.

And then we would determine what the minimum was that we needed to buy on a baseload basis

without having to sell gasses -- gas.

Q. BY MR. CALLAHAN: What other information did you consider in formulating this -- this strategy, other than historical Februaries? Anything else that you remember?

A. Well, maybe -- maybe -- maybe if -- what the -- what the -- if we were going to get offers, or what the prices of those offers would be, because sometimes at certain points we didn't even get any baseload offers.

Q. So, other than some pricing --

A. Uh-huh.

Q. -- having to do with what baseload offers might be, and some historical Februaries, you don't remember considering anything else in determining what the baseload gas amounts would be?

MR. SHANK: Objection; form.

THE WITNESS: Well, the -- I mean, a big concern, which is the baseline of it, is what the -- the weather was going to be, or how much we expected the -- the demand to be for a given month.

Q. BY MR. CALLAHAN: Okay. And you looked at historical figures Februaries for that; right, sir?

A. We --

MR. SHANK: Objection; form.

THE WITNESS: We looked at historical as well as, you know, forecasts.

Q. BY MR. CALLAHAN: What -- what forecasts -- what weather forecasts specifically did you consider in January of 2021 when determining a baseload amount, if any, that you remember?

A. Well, I remember that we would have, like, a handful of different weather, you know, prognostications that -- that -- that we would see and hope that that help be a guideline for us.

But -- but, you know, the February's, kind of -- you know, so many months were challenging. Like in February, you know, the first weeks in it's in the 70's, you know. And usually in Texas, by the time you get to mid-February, you know, I mean, sometimes it's -- the -- the cold weather has long since gone by then, so.

Q. After -- in early February, in early February of 2021 --

A. Uh-huh.

Q. -- after there were indications that a freeze was on its way --

A. Uh-huh.

Q. -- did you personally reach out to any gas suppliers to get -- to see if CPS could buy

ERRATA SHEET

CHANGES AND SIGNATURE

ORAL DEPOSITION OF: WILLIAM KENNETH SKAER, III

Date: AUGUST 11, 2022

PAGE	LINE	CHANGE	REASON
See Exhibit "A"			

JOB NO.: 25226

EXHIBIT A

Page/Line	Correction	Reason
19:14	Change "was there" to "there was"	Transcription error
28:24	Change "like" to "look"	Transcription error
36:12	Change "plats" to "Platts"	Transcription error
91:13	Change "450" to "4.50."	Transcription error
100:25	Change "450" to "4.50"	Transcription error
103:25	Change "admiration" to "limitation"	Transcription error
105:10	Change "Paul Vinson and our boss" to "Paul Vinson, our boss"	Transcription error
110:16	Change "entered a" to "intraday"	Transcription error
112:14	Delete "in"	Transcription error
132:12	Change "ny" to "my"	Transcription error
150:8	Change "balance-most" to "balance-of-the-month"	Transcription error
154:16	Change "You" to "I"	Transcription error
162:1	Change "Stanton" to "Nelson"	Transcription error
175:23	Change "CEMA" to "CIMA"	Transcription error
209:3	Change "Just text, HPL" to "Just texts. – HPL"	Transcription error
209:8, 10	Change "Coke" to "Koch"	Transcription error
213:8	Change "CEMA" to "CIMA" (two instances)	Transcription error
213:10	Change "CEMA" to "CIMA"	Transcription error
213:11	Change "CEMA" to "CIMA"	Transcription error
216:12	Change "CEMA" to "CIMA"; change "Coke" to "Koch"	Transcription error
224:24	Change "ass" to "['s']"	Transcription error; in reading this document, counsel said the letter "S" instead of saying "shit," which is what the document says.
225:13	Change "ass" to "['s']"	Transcription error; same as above.
249:18	Change "Yes" to "No"	Clarification; *see* 301:17–302:2
273:22	Change "know" to "not"	Transcription error
276:22	Change "Trace" to "Tres"	Transcription error
276:24	Change "Trace" to "Tres"	Transcription error
282:9	Change "pression" to "prescient"	Transcription error
299:21	Change "COE" to "CEO"	Transcription error

I, WILLIAM KENNETH SKAER, III, have read the foregoing deposition and hereby affix my signature that same is true and correct, except as noted above.

William Kenneth Skaer

WILLIAM KENNETH SKAER, III

STATE OF TEXAS:

COUNTY OF BEXAR:

Before me, Jose Ricardo Capetillo, on this day personally appeared WILLIAM KENNETH SKAER, III, known to me, or proved to me under oath or through ID or other document, to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 30th day of September, A.D., 2022.

NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

NOTARY PUBLIC STATE OF TEXAS
Jose Ricardo Capetillo
ID NUMBER
133180234
COMMISSION EXPIRES
June 15, 2025

My Commission Expires: 06/15/2025

Notarized online using audio-video communication

JOB NO.: 25226

CAUSE NO. MDL-2022-CI-02879

IN RE: CPS ENERGY LITIGATION	IN THE DISTRICT COURT 407TH JUDICIAL DISTRICT BEXAR COUNTY, TEXAS

CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS OPERATING, LLC, Plaintiff, CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY), Defendant.	IN THE DISTRICT COURT 334TH JUDICIAL DISTRICT HARRIS COUNTY, TEXAS

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

****

REPORTER'S CERTIFICATE

ORAL AND VIDEOTAPED DEPOSITION OF

WILLIAM KENNETH SKAER, III

AUGUST 11, 2022

****

I, PAMELA SUE PETERSON, Certified Shorthand Reporter in and for the State of Texas, hereby certify to the following:

That the witness, WILLIAM KENNETH SKAER, III, was duly sworn by the officer and that the transcript

of the deposition is a true record of the testimony given by the witness;

That the deposition transcript was submitted on September 7, 2022 to the witness or to the attorney for the witness for examination, signature and return to me by September 27, 2022;

That the amount used by each party at the deposition is as follows:

CODY W. STAFFORD (03h50m)
Attorney for Enterprise Products Operating, LLC
BRYCE CALLAHAN (02h08m)
Attorney for Energy Transfer
DAVID SHANK (00h01m)
Attorney for CPS Energy
DYLAN FEDDERMAN (00h00m)
Attorney for CPS Energy

That pursuant to information given to the deposition officer at the time said testimony was taken, the following includes counsel for all parties of record:

MR. CODY W. STAFFORD, Attorney for Enterprise Products Operating, LLC;
MR. BRYCE CALLAHAN, Attorney for Energy Transfer;
MR. DAVID SHANK, Attorney for CPS Energy;
MR. DYLAN FEDDERMAN, Attorney for CPS Energy;

I further certify that I am neither counsel for, related to, nor employed by any of the parties

or attorneys to the action in which this proceeding was taken, and further that I am not financially or otherwise interested in the outcome of this action.

Further certification requirements pursuant to Rule 203 of TRCP will be certified to after they have occurred.

Certified to by me on this 7th day of September, 2022.



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FURTHER CERTIFICATION UNDER RULE 203 TRCP

The original deposition was/[redacted] returned to the deposition officer on September 30, 2022;

If returned, the attached Changes and Signature page contains any changes and the reasons therefore;

If returned, the original deposition was delivered to CODY W. STAFFORD, Custodial Attorney;

That $4,588.30 is the deposition officer's charges to ENTERPRISE PRODUCTS OPERATING, LLC, for preparing the original deposition transcript and any copies of exhibits.

That the deposition transcript was delivered in accordance with Rule 203.3, and that a copy of this certificate was served on all parties shown herein on September 30, 2022 and filed with the Clerk.

Certified to by me this 30th day of September, 2022.

Ruth Hilliard

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Exhibit A-7

CAUSE NO. MDL 2022 CI 02879

	§	IN THE DISTRICT COURT
	§	
In re CPS ENERGY LITIGATION	§	
	§	407TH JUDICIAL DISTRICT
	§	
	§	
	§	BEXAR COUNTY, TEXAS

CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS OPERATING, LLC,	§	IN THE DISTRICT COURT
	§	
Plaintiff,	§	
	§	
vs.	§	334TH JUDICIAL DISTRICT
	§	
CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY),	§	
	§	
	§	
Defendant.	§	HARRIS COUNTY, TEXAS

ORAL AND VIDEOTAPED DEPOSITION OF

CORY KUCHINSKY

OCTOBER 18, 2022

*** ATTORNEYS' EYES ONLY ***

ORAL AND VIDEOTAPED DEPOSITION OF CORY KUCHINSKY, produced as a witness at the instance of the Plaintiff, Enterprise Products Operating, LLC, and duly sworn, was taken in the above-styled and numbered cause on the 18th day of October 2022 from 9:01 a.m. to 4:24 p.m., before Marcy Clark, CSR in and for the State of Texas, reported by computerized stenotype machine, at the offices of Chasnoff Mungia Valkenaar Pepping & Stribling, LLP, 1020 N.E. Loop 410, Suite 150, San Antonio, Texas 78209, pursuant to the Texas Rules of Civil Procedure and the provisions stated on the record or attached hereto.

CPSE Response in Opp to ET MSJ
Exhibit A-7
MDL-2022-CI-02879
exhibitsticker.com

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THE VIDEOGRAPHER:

Terry Lindemann

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EXHIBITS

NO.	DESCRIPTION	PAGE
Exhibit 106	Text message chain dated 2/10/2021 (CPSE-MDL_000010161-000010163) Confidential (PREVIOUSLY MARKED)	70
Exhibit 184	Text message chain dated 2/12/2021 (CPSE-MDL_000010177-000010178) Attorneys Eyes Only	73
Exhibit 185	Text message chain dated 2/12/2021 (CPSE-MDL_000010714-000010716) Attorneys Eyes Only	87
Exhibit 186	Letter from Gary Gold to CPS Energy Board of Trustees and Paula Gold-Williams dated 2/15/2021 with attachments (CPSE-MDL_000013253-000013267) Attorneys Eyes Only	90
Exhibit 187	Text message chain dated 2/18/2021 (CPSE-MDL_000010675-000010676) Attorneys Eyes Only	103
Exhibit 188	Email chain dated 2/25/2021 regarding margin call (CPSE-MDL_000026329-000026334) Attorneys Eyes Only	109

know, business model risk, difference between a public business model versus investor-owned business model --

(Reporter requested clarification.)

THE WITNESS: Public-owned business model versus investor-owned business model.

A There were also discussions around, you know, generation-planning decisions, new technologies that were coming into play, which was all very common back then.

Q (By Mr. McHazlett) What are some of the differences between a public business model, public company, utility company, versus an investor-owned or -backed company.

A The major thing that we often discuss is that we are owned by the City of San Antonio, which means that our citizens have, you know, an ownership stake. And as part of that benefit, you know, they get a different level of input. And our pricing model is one of cost recovery and not of profit or margin. And so that is, you know, one of the primary discussions that we have with our community; and I think that's why our community, you know, has enjoyed it for as long as it has.

Q And what are some of the limitations involved with being a publicly owned or owned by the City of San Antonio based company?

A How do you mean "limitations"?

is right.

What are the other items or units that CPS Energy uses to generate electricity other than natural gas?

MR. SHANK: Objection, form.

A We have coal plants, (unintelligible) plant --

(Reporter requested clarification.)

THE WITNESS: A nuclear plant.

A -- and then some wind and solar.

Q (By Mr. McHazlett) What percentage would you say of the electricity that is generated comes from the use of natural gas?

MR. SHANK: Objection, form.

A On an annual basis, it's in the 20 percent-ish range from what I recall.

Q (By Mr. McHazlett) If CPS recovers the full amount that it pays for natural gas, does CPS ever -- is CPS's, I guess, profit margin always based off of just its cost or does CPS -- can it incur a loss or does it profit any?

MR. SHANK: Objection, form.

A Our -- our business model doesn't have a profit. We're a cost recovery business.

Q (By Mr. McHazlett) So CPS's whole business model is just recover whatever our costs are?

MR. SHANK: Objection, form.

A Correct.

Q (By Mr. McHazlett) How, then, does CPS have, I believe we mentioned earlier, you know, the money on hand to pay all -- all of these invoices? Where does y'all's liquidity come from?

MR. SHANK: Objection, form.

A Yeah, I'm -- I'm not sure. How do you mean where does it come from?

Q (By Mr. McHazlett) Well, if y'all have standing cash available or other liquid assets --

A Uh-huh.

Q -- how do y'all have -- assumingly, that comes from previous profits. If y'all are a cost recovery-based entity, where do y'all get y'all's standing cash from?

MR. SHANK: Objection, form.

A We receive it from our customers.

Q (By Mr. McHazlett) And so if y'all only ever recovered y'all's costs, wouldn't y'all have zero liquidity available?

A No.

Q Can you explain. I'm -- I'm -- I was a philosophy major. I don't have the same background.

A Part of the cost of doing business is to have

And so is CPS's purpose, you know, just to make sure the customers have gas and electricity? Is it to, you know, profit to a certain extent? What is -- what is the goal?

MR. SHANK: Objection, form.

A I would say in my personal opinion, which would -- I -- I wouldn't speak for all of CPS proper. But I believe CPS is established ultimately to provide electric and gas services for the broader community; and, pretty simply put, I mean, that's its goal and objective.

Q (By Mr. McHazlett) So if the goal and objective is to provide gas and electricity, wouldn't it make sense to have a larger portion covered by hedges so you have that security?

MR. SHANK: Objection, form.

A I mean, that's a very kind of subjective suggestion, I suppose. I think we document in here kind of what -- what we feel is balanced.

Q (By Mr. McHazlett) But for events like the winter storm when there are an increase in prices, does having a larger portion of your needs covered by hedging transactions help save CPS money?

A Again, it would depend.

Q On what?

A On the hedge positions that you had.

CAUSE NO. MDL 2022 CI 02879

In Re CPS ENERGY LITIGATION	§	IN THE DISTRICT COURT
	§	
	§	407TH JUDICIAL DISTRICT
	§	
	§	BEXAR COUNTY, TEXAS

CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS OPERATING, LLC,	§	IN THE DISTRICT COURT
Plaintiff,	§	
	§	
vs.	§	334TH JUDICIAL DISTRICT
	§	
CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY),	§	
	§	
Defendant.	§	HARRIS COUNTY, TEXAS

REPORTER'S CERTIFICATION

ORAL AND VIDEOTAPED DEPOSITION OF CORY KUCHINSKY

OCTOBER 18, 2022

I, Marcy Clark, Certified Shorthand Reporter in and for the State of Texas, hereby certify to the following:

That the witness, CORY KUCHINSKY, was duly sworn by the officer and that the transcript of the oral deposition is a true record of the testimony given by the witness;

That the deposition transcript was submitted on October 29, 2022 to the witness or to the

attorney for the witness for examination, signature and return to me by November 21, 2022.

That the amount of time used by each party at the deposition is as follows:

By Mr. McHazlett - 2 hours, 41 minutes;

By Mr. Callahan - 3 hours, 16 minutes;

That pursuant to information given to the deposition officer at the time said testimony was taken, the following includes counsel for all parties of record:

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I further certify that I am neither counsel for, related to, nor employed by any of the parties or attorneys in the action in which this proceeding was taken, and further that I am not financially or otherwise interested in the outcome of the action.

Further certification requirements pursuant to Rule 203 of TRCP will be certified to after they have

occurred.

Certified to by me this 31st day of October, 2022.



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FURTHER CERTIFICATION UNDER RULE 203 TRCP

The original deposition [redacted]/was not returned to the deposition officer on December 1, 2022;

If returned, the attached Changes and Signature page contains any changes and the reasons therefor;

If returned, the original deposition was delivered to Jared McHazlett, Custodial Attorney;

That $3,344.40 is the deposition officer's charges to the Plaintiff, Enterprise Products Operating, LLC, for preparing the original deposition transcript and any copies of exhibits;

That the deposition was delivered in accordance with Rule 203.3, and that a copy of this certificate was served on all parties shown herein and filed with the Clerk.

Certified to by me on this 1st day of December, 2022.

Ruth Hilliard

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Exhibit A-8

CAUSE NO. MDL 2022 CI 02879

	§	IN THE DISTRICT COURT
	§	
IN RE: CPS ENERGY LITIGATION	§	
	§	407TH JUDICIAL DISTRICT
	§	
	§	
	§	BEXAR COUNTY, TEXAS

CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS OPERATING, LLC,	§	IN THE DISTRICT COURT
	§	
Plaintiff,	§	
	§	
vs.	§	334TH JUDICIAL DISTRICT
	§	
CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY),	§	
	§	
	§	
Defendant.	§	HARRIS COUNTY, TEXAS

ORAL AND VIDEOTAPED DEPOSITION OF

KENT C. BAYAZITOGLU

JANUARY 18, 2024

ORAL AND VIDEOTAPED DEPOSITION OF KENT C. BAYAZITOGLU, produced as a witness at the instance of the Plaintiff, Enterprise Products Operating, LLC, and duly sworn, was taken in the above-styled and numbered cause on the 18th day of January, 2024, from 9:08 a.m. to 5:11 p.m., before Marcy Clark, CSR in and for the State of Texas, reported by computerized stenotype machine, at the offices of Scott Douglass McConnico LLP, 303 Colorado Street, Suite 2400, Austin, Texas 78701, pursuant to the Texas Rules of Civil Procedure and the provisions stated on the record or attached hereto.

CPSE Response in Opp to ET MSJ
Exhibit A-8
MDL-2022-CI-02879
exhibitsticker.com

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Exhibit 420	Expert report of Kent C. Bayazitoglu dated 11/8/2023 CONFIDENTIAL	12
Exhibit 421	Curriculum Vitae	12
Exhibit 422	Plaintiff/Counter-Defendant CPS Energy's First Amended Designation of Witnesses Offering Expert Testimony	20
Exhibit 423	Expert report of Michael De Laval dated 3/15/2023	23
Exhibit 424	Article from The Gazette titled "Colorado Springs Utilities examines natural gas hedging program after reported losses"	40
Exhibit 425	Natural Gas Utility Hedging Practices and Regulatory Oversight by Michael Gettings dated July 2015 (CPSE-MDL_000063228-000063240) Attorneys Eyes Only	47
Exhibit 426	Email from XeroxENMKT@CPSEnergy.com to Paul T. Vinson, et al., dated 1/22/2021 with attachment (CPSE-MDL_000029390-000029391) Confidential	83

Q So the amount -- it is your view that the amount of baseload gas -- strike that.

Is it your view that the amount of baseload gas and swing gas that CPS purchases in any month is going to depend on the weather of that month?

MS. DITTY: Objection, form.

A You asked two different questions. The amount of baseload -- I mean the amount of swing gas that CPS Energy purchases will be determined primarily by the weather in that month. The amount of baseload gas CPS Energy may purchase will be somewhat determined by historical weather forecasts and historical demand.

Q (BY MR. DOWNING) So baseload purchases are made during bid day in the month prior to the actual delivery of the gas, correct?

MS. DITTY: Objection, form.

A They can be but not always.

Q (BY MR. DOWNING) But in CPS's case, that's what happened in 2021, correct?

A I'm not entirely sure how CPS Energy made its baseload purchases.

Q You don't know the process by which CPS Energy acquires baseload gas?

MS. DITTY: Objection, form.

A I cannot recall the exact process on how

three-quarters of their minimum daily low they -- they've had in February.

Q (BY MR. DOWNING) And it would be roughly one-tenth of the average daily high consumption for February, correct?

MS. DITTY: Objection, form.

Q (BY MR. DOWNING) Less than one-tenth, in fact?

A (Reviewing document.)

Assuming, again, that 32,000 per day of baseload gas was all the baseload gas they purchased, which I cannot confirm right now, but if that were the case, then, yes, it would be roughly one-tenth of the average high consumption. However, CPS Energy would not know the kind of consumption month the coming February would be, and the market consensus did not suggest that February was going to be a cold or an above-average month.

In addition, this is the daily average of all the days within February. So it does not take into account the low days. And when deciding on your baseload level, it's the minimum amount of usage you can expect in a month.

Q Do you agree that any gas not purchased as baseload gas is subject to price swings up or down over the course of a month?

beyond their minimum low consumption for the month of March.

Q (BY MR. DOWNING) Doesn't that raise the downside risk for them that they're going to get -- get more baseload gas than they actually burn --

MS. DITTY: Objection, form.

Q (BY MR. DOWNING) -- which you lay out in your report in several places?

MS. DITTY: Objection, form.

A We would need to go to my sections of the report where I lay that out, and we can discuss those.

Q (BY MR. DOWNING) So in Paragraph 89, you're talking about -- you're talking about in the context of storage, but you're saying in the final sentence [as read]: CPS -- utilities such as CPS would prefer to avoid such situations, as selling physical gas creates a burden for CPS Energy as explained in more detail below.

Do you see that?

A Yes.

Q Okay. So isn't the downside risk to CPS that they would get too much baseload gas and they'd have to sell it?

MS. DITTY: Objection, form.

A (Reviewing document.)

To make that assessment, I would need to

please?

Q (BY MR. DOWNING) Just do you see the -- on the top of Page 42, you say [as read]: De Laval's theoretical trade exceeded set maximum volume limits.

You see that?

A Yes.

Q Okay. Can you tell me where those volume limits come from? I think you said it down there, but do you remember?

A (Reviewing document.)

Those volume limits would be set by either the CPS Energy Strategy and Operations Manual for Energy Risk Management or it would be set in the energy price risk management policy.

(Exhibit 429 was marked.)

Q (BY MR. DOWNING) Okay. Let's look at the strategy operations manual. I've marked that as 429. So can you turn with me to Page 35?

A Sure.

Q Are those the limits you're referring to in that paragraph of your report?

A (Reviewing document.)

Yes.

Q So is there anything that prevented CPS from executing this BALMO trade up to the limits set forth

here on Page 35 of -- of Exhibit 429?

MS. DITTY: Objection, form.

A Well, there were a lot of things that would have prevented CPS Energy from transacting this BALMO -- hypothetical BALMO trade that De Laval brings forward.

Q (BY MR. DOWNING) Okay. So apart from the limits that you've specified, what else would prevent them from executing this trade?

A Well, for starters, this trade is -- this type of trade is not described in the -- the Strategy and Operations Manual for Energy Price Risk Management. That type of trade is not into the -- is not in the -- let me make sure I've got the wording correctly -- the EPRM, which is the energy price risk management strategy, for the year.

In addition, CPS Energy would need time to do the analysis to see if this trade was reasonable for them. In addition, CPS Energy would have to get the infrastructure in place to execute such a trade such as making sure they fulfilled all the credit requirements.

CPS Energy would also need to look at bids for this trade. And I don't -- I don't see any suggestion to believe that CPS Energy was considering doing this trade.

And further, my analysis shows that,

historically, when there is a price spike in the Houston Ship Channel market, that prices have fallen. So such a trade would carry a lot of risk for CPS Energy.

Q Could CPS Energy trade out of a hedge like that if prices fell?

MS. DITTY: Objection, form.

A First, that is a hypothetical because CPS Energy did not enter into such a trade. Assuming that they had gone through all the proper protocols to approve the trade and believe that the trade was necessary and warranted and within their risk profile, CPS Energy -- whoever holds that trade in normal markets would have some ability to exit the trade; however, exiting the trade could have considerable cost.

So if the trade had fallen in value, there would be a loss associated with that trade.

Q (BY MR. DOWNING) In Paragraph 120, you have the list of required steps to execute the trade. There's no citation to any of these steps. So is this your interpretation of Exhibit 429 and what it requires, or is this procedure laid out somewhere specifically in Exhibit 429?

MS. DITTY: Objection, form.

A (Reviewing document.)

The steps I lay out in -- in Paragraph 120

Q (BY MR. DEBAUCHE) It -- it -- it's really -- I'm not trying to make it more complicated than it should be.

A Sure.

Q Have you crunched the numbers and figured out what financial risk would have been posed to CPS Energy by having excess storage?

MS. DITTY: Objection, form.

A Again, I do not know what you mean by "excess storage." Can you give me an amount, please?

Q (BY MR. DEBAUCHE) I'm just -- have you done any calculation to figure out what it would have cost CPS Energy to, let's say, maintain 1.5 Bcf of storage prior to Winter Storm Uri?

MS. DITTY: Objection, form.

Q (BY MR. DEBAUCHE) Or 2?

MS. DITTY: Same objection.

Q (BY MR. DEBAUCHE) Or any number?

A Would that include keeping it at 1.5 Bcf the entire time?

Q I'm just saying: Have you calculated what the cost would have been --

MS. DITTY: Objection, form.

Q (BY MR. DEBAUCHE) -- or what the cost was?

A I'm still not clear on your question. I've not

made calculations regarding hypotheticals of having different layers of storage.

MS. DITTY: We can stop there.

MR. DEBAUCHE: All right. Done. Thank you.

MS. DITTY: Let's go --

MR. DEBAUCHE: Appreciate it.

MS. DITTY: -- off the record. We'll take just a break. We want to confer and then get back on the record --

MR. DEBAUCHE: Okay.

MS. DITTY: -- and finish up.

THE VIDEOGRAPHER: 5:08. Off the record.

(Recess from 5:08 p.m. to 5:11 p.m.)

MS. DITTY: We reserve our questions for trial.

(Proceedings concluded at 5:11 p.m.)

CHANGES AND SIGNATURE

WITNESS NAME: KENT C. BAYAZITOGLU

DATE OF DEPOSITION: JANUARY 18, 2024

PAGE	LINE	CHANGE	REASON
See Exhibit A.			

JOB NO.: 27860

Exhibit A
KENT BAYAZITOGLU
January 18, 2024 Deposition

ERRATA SHEET

Page/Line	Change	Reason
31:4	REPLACE "I—I" with "I"	Clarity
31:6	REPLACE "I—I" with "I"	Clarity
36:16	DELETE "--purchases"	Clarity
40:5	DELETE "All purchases --" Capitalize "G"	Clarity
40:7	DELETE "-- lost of reducing" Replace with "reduce"	Clarity
42:21	REPLACE "that" with "your assertion that I disagree with Mr. McCormick.	Clarity
45:23	DELETE "if –"	Clarity
46:13	DELETE "-- an"	Clarity
53:25	REPLACE "condense" with "convince"	Clarity/Accuracy
54:1	DELETE "price –"	Clarity
55:3	DELETE "I –"	Clarity
55:6	DELETE "-- in"	Clarity
55:7	DELETE "the -- in the"	Clarity
58:24	DELETE "character --"	Clarity
71:18	REPLACE "for homes and power" with "and power for homes"	Clarity
73:6	ADD "the" between "on" and "lower"	Clarity
73:22	REPLACE "CPS Energy" with "CPS Energy's"	Clarity
75:17	DELETE "-- greatest risk"	Clarity
82:11	After yes, ADD "60,000"	Clarity
86:1	REPLACE "they -- they've" with "CPS Energy"	Clarity
86:2	ADD "in the prior five years"	Clarity
86:21	REPLACE "usage" with "daily usage"	Clarity
91:14	DELETE "I -- I --"	Clarity
94:25	REPLACE "$1" with "one"	Clarity
96:17	DELETE "-- of"	Clarity
101:9	DELETE "trade is -- this"	Clarity
103:15	DELETE "risk manage -- of the"	Clarity
103/17	DELETE "-- me"	Clarity
103:21	DELETE "analys- --"	Clarity
108:5	DELETE "; and hedges require" REPLACE with "and"	Clarity
109:25-110:1	DELETE "modification program --"	Clarity
122:12	REPLACE "2023" with "2022/2023"	Accuracy
129:11	DELETE "risk -- in"	Clarity
135:2	DELETE "Dr. -- "	Accuracy

Page/Line	Change	Reason
140:12	DELETE "; and"	Clarity
140:23	DELETE "I -- I'm --"	Clarity
142:17	DELETE "Va- --"	Clarity
144:8	DELETE "it be --"	Clarity
144:9	DELETE "can --"	Clarity
144:12	DELETE "I'm develop –"	Clarity
145:24	DELETE "are --"	Clarity
149:21	DELETE "accurately"	Clarity
149:22	REPLACE ". That" with "that"	Clarity
150:21	ADD at "." at the end of the line	Clarity
150:22	DELETE "but I" AND "used --"	Clarity
150:23-24	DELETE "-- in these -- in the"	Clarity
151:16	DELETE "is --"	Clarity
157:12	DELETE "defer --"	Clarity
158:4	ADD "with" after "familiar"	Clarity
160:1-2	DELETE "that would determine --"	Clarity
160:13	DELETE "recollect --"	Clarity
161:22	REPLACE "-- that – in" WITH "within the"	Clarity
163:10	DELETE "-- that is most"	Clarity
164:8	DELETE "protect - - to attempt to attempt --"	Clarity
168:17	REPLACE "Mr." with "Dr."	Accuracy

I, KENT C. BAYAZITOGLU, have read the foregoing deposition and hereby affix my signature that same is true and correct, except as noted above.

KENT C. BAYAZITOGLU

THE STATE OF Texas)
COUNTY OF Harris)

Before me, Eida Calvo, on this day personally appeared KENT C. BAYAZITOGLU, known to me (or proved to me under oath or through TDL) (description of identity card or other document) to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this 20 day of February, 2024.

EIDA CALVO
Notary ID #131289327
My Commission Expires
June 29, 2026

NOTARY PUBLIC IN AND FOR
THE STATE OF Texas
My Commission Expires: 1/29/26

JOB NO.: 27860

CAUSE NO. MDL 2022 CI 02879		
IN RE CPS ENERGY LITIGATION	§	IN THE DISTRICT COURT
	§	407TH JUDICIAL DISTRICT
	§	BEXAR COUNTY, TEXAS
CAUSE NO. 2021-24173		
ENTERPRISE PRODUCTS OPERATING, LLC, Plaintiff,	§	IN THE DISTRICT COURT
vs.	§	334TH JUDICIAL DISTRICT
CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY), Defendant.	§	HARRIS COUNTY, TEXAS

REPORTER'S CERTIFICATION

ORAL AND VIDEOTAPED DEPOSITION OF KENT C. BAYAZITOGLU

JANUARY 18, 2024

I, Marcy Clark, Certified Shorthand Reporter in and for the State of Texas, hereby certify to the following:

That the witness, KENT C. BAYAZITOGLU, was duly sworn by the officer and that the transcript of the oral deposition is a true record of the testimony given by the witness;

That the deposition transcript was submitted on January 31, 2024 to the witness or to the

attorney for the witness for examination, signature and return to me by February 20, 2024.

That the amount of time used by each party at the deposition is as follows:

By Mr. Downing - 4 hours, 6 minutes;

By Mr. DeBauche - 1 hour, 56 minutes;

That pursuant to information given to the deposition officer at the time said testimony was taken, the following includes counsel for all parties of record:

ON BEHALF OF PLAINTIFF, ENTERPRISE PRODUCTS OPERATING, LLC:

Thomas "Tal" DeBauche, Esq.
Lario J. Albarrán, Esq.
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ON BEHALF OF DEFENDANT, CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY), AND PAULA GOLD-WILLIAMS:

Rick Rosenblum, Esq.
Dylan Fedderman, Esq.
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-and-

Lauren Ditty, Esq.
Santosh Aravind, Esq.
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IN-HOUSE COUNSEL FOR CPS ENERGY:

Adam Kiehne, Esq.
CPS ENERGY
500 McCullough Avenue
San Antonio, Texas 78215
210.353.5598
akiehne@cpsenergy.com

ON BEHALF OF HOUSTON PIPE LINE COMPANY, LP, AND OASIS PIPELINE, LP:

Casey Downing, Esq.
YETTER COLEMAN LLP
811 Main Street
Suite 4100
Houston, Texas 77002
713.632.8000
cdowning@yettercoleman.com

I further certify that I am neither counsel for, related to, nor employed by any of the parties or attorneys in the action in which this proceeding was taken, and further that I am not financially or otherwise interested in the outcome of the action.

Further certification requirements pursuant to Rule 203 of TRCP will be certified to after they have occurred.

Certified to by me this 31st day of January, 2024.



MARCY CLARK, CLR, Texas CSR 4935
Expiration Date: 1/31/25
Hanna & Hanna, Inc.
Firm Registration No. 10434
8582 Katy Freeway, Suite 105
Houston, Texas 77024
713.840.8484 - 713.583.2442

FURTHER CERTIFICATION BY COURT REPORTING FIRM

UNDER RULE 203 TRCP

The original deposition was/[redacted] returned to the deposition officer on February 21, 2024;

If returned, the attached Changes and Signature page contains any changes and the reasons therefor;

If returned, the original deposition was delivered to Thomas "Tal" DeBauche, Custodial Attorney;

That $3,744.29 is the deposition officer's charges to the Plaintiff, Enterprise Products Operating, LLC, for preparing the original deposition transcript and any copies of exhibits;

That the deposition was delivered in accordance with Rule 203.3, and that a copy of this certificate was served on all parties shown herein and filed with the Clerk.

Certified to by me on this 21st day of February, 2024.

Ruth Hilliard

HANNA & HANNA, INC.
Firm Registration No. 10434
8582 Katy Freeway, Suite 105
Houston, Texas 77024
713.840.8484 - 713.583.2442

Exhibit A-9

CPSE Response in Opp to ET MSJ

Exhibit A-9

MDL-2022-CI-02879

exhibitsticker.com

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: February 1, 2012

The parties to this Base Contract are the following:

PARTY A City of San Antonio, acting by and through its City Public Service Board (CPS Energy)	*PARTY NAME*	PARTY B Houston Pipe Line Company LP
145 Navarro, San Antonio, Texas 78205	*ADDRESS*	711 Louisiana, Suite 900 Houston, Texas 77002
www.cpsenergy.com	*BUSINESS WEBSITE*	www.energytransfer.com
	CONTRACT NUMBER	
00-79-3607-32000	*D-U-N-S® NUMBER*	004788188
☒ US FEDERAL: 74-6002071 ☐ OTHER:	*TAX ID NUMBERS*	☒ US FEDERAL: 52-2334477 ☐ OTHER:
	JURISDICTION OF ORGANIZATION	Delaware
☐ Corporation ☐ LLC ☐ Limited Partnership ☐ Partnership ☐ LLP ☒ Other: TX municipal utility	*COMPANY TYPE*	☐ Corporation ☐ LLC ☒ Limited Partnership ☐ Partnership ☐ LLP ☐ Other:
N/A	*GUARANTOR (IF APPLICABLE)*	

CONTACT INFORMATION

145 Navarro, San Antonio, Texas 78205 *ATTN:* Gas Supply *TEL#:* 210-353-2101 *FAX#:* 210-353-4632 *EMAIL:*	▪ *COMMERCIAL*	711 Louisiana, Suite 900, Houston, Texas 77002 *ATTN:* Contract Administration *TEL#:* (832) 668-1000 *FAX#:* (832) 668-1115 *EMAIL:*
145 Navarro, San Antonio, Texas 78205 *ATTN:* Gas Supply *TEL#:* 210-353-4668 *FAX#:* 210-353-4632 *EMAIL:* N/A	▪ *SCHEDULING*	711 Louisiana, Suite 900, Houston, Texas 77002 *ATTN:* Scheduling *TEL#:* (832) 668-1000 *FAX#:* (832) 668-1115 *EMAIL:*
145 Navarro, San Antonio, Texas 78205 *ATTN:* Gas Supply *TEL#:* 210-353-2101 *FAX#:* 210-353-4632 EMAIL: N/A	▪ *CONTRACT AND LEGAL NOTICES*	711 Louisiana, Suite 900, Houston, Texas 77002 *ATTN:* Contract Administration *TEL#:* (832) 668-1000 *FAX#:* (832) 668-1115 *EMAIL:*
145 Navarro, San Antonio, Texas 78205 *ATTN:* Chief Risk Officer, Enterprise Risk Management *TEL#:* 210-353-3613 *FAX#:* 210-353-3058 *EMAIL:* N/A	▪ *CREDIT*	711 Louisiana, Suite 900, Houston, Texas 77002 *ATTN:* Credit Risk Management *TEL#:* (832) 668-1223 *FAX#:* (832) 668-1220 *EMAIL:*
145 Navarro, San Antonio, Texas 78205 *ATTN:* Gas Supply *TEL#:* 210-353-2755 *FAX#:* 210-353-4632 *EMAIL:* N/A	▪ *TRANSACTION CONFIRMATIONS*	711 Louisiana, Suite 900, Houston, Texas 77002 *ATTN:* Jennifer Kuehl *TEL#:* (832) 668-1439 *FAX#:* (832) 668-1115 *EMAIL:*

ACCOUNTING INFORMATION

145 Navarro, San Antonio, Texas 78205 *ATTN:* Gas Supply *TEL#:* 210-353-4653 *FAX#:* 210-353-4632 *EMAIL:* N/A	▪ *INVOICES* ▪ *PAYMENTS* ▪ *SETTLEMENTS*	711 Louisiana, Suite 900, Houston, Texas 77002 *ATTN:* Gas Accounting *TEL#:* (832) 668-1000 *FAX#:* (713) 452-4923 *EMAIL:*
BANK: JP Morgan Chase Bank *ABA:* 021000021 *ACCT:* 12508404931 *OTHER DETAILS:*	*WIRE TRANSFER NUMBERS (IF APPLICABLE)*	*BANK:* Wells Fargo, NA *ABA:* 053000219 *ACCT:* 2079900565247 *OTHER DETAILS:* *Attn:* Houston Pipe Line Company LP
BANK: JP Morgan Chase Bank *ACH #* 111000614 *ACCT:* 12508404931 *OTHER DETAILS:*	*ACH NUMBERS (IF APPLICABLE)*	*BANK:* *ABA:* *ACCT:* *OTHER DETAILS:*
ATTN: *ADDRESS:*	*CHECKS (IF APPLICABLE)*	*ATTN:* *ADDRESS:*

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NAESB Standard 6.3.1
September 5, 2006

Base Contract for Sale and Purchase of Natural Gas

(Continued)

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select the appropriate box(es) from each section:

Section 1.2 Transaction Procedure
☒ Oral (default)
OR
☐ Written

Section 2.7 Confirm Deadline
☒ 2 Business Days after receipt (default)
OR
☐ _____ Business Days after receipt

Section 2.8 Confirming Party
☒ Seller (default)
OR
☐ Buyer
☐ _____

Section 3.2 Performance Obligation
☒ Cover Standard (default)
OR
☐ Spot Price Standard

Note: The following Spot Price Publication applies to both of the immediately preceding.

Section 2.31 Spot Price Publication
☒ Gas Daily Midpoint (default)
OR
☐ _____

Section 6 Taxes
☒ Buyer Pays At and After Delivery Point (default)
OR
☐ Seller Pays Before and At Delivery Point

Section 7.2 Payment Date
☒ 25th Day of Month following Month of delivery (default)
OR
☐ Day of Month following Month of delivery

Section 7.2 Method of Payment
☒ Wire transfer (default)
☐ Automated Clearinghouse Credit (ACH)
☐ Check

Section 7.7 Netting
☒ Netting applies (default)
OR
☐ Netting does not apply

Section 10.2 Additional Events of Default
☒ No Additional Events of Default (default)
☐ Indebtedness Cross Default
☐ Party A: _____
☐ Party B: _____
☐ Transactional Cross Default

_____

Section 10.3.1 Early Termination Damages
☒ Early Termination Damages Apply (default)
OR
☐ Early Termination Damages Do Not Apply

Section 10.3.2 Other Agreement Setoffs
☒ Other Agreement Setoffs Apply (default)
☒ Bilateral (default)
☐ Triangular
OR
☐ Other Agreement Setoffs Do Not Apply

Section 15.5 Choice Of Law
Texas

Section 15.10 Confidentiality
☒ Confidentiality applies (default)
OR
☐ Confidentiality does not apply

X Special Provisions Number of sheets attached: **4 Pages**
☐ **Addendum(s):** _____

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

City of San Antonio, acting by and through City Public Service Board (CPS Energy)	*PARTY NAME*	**HOUSTON PIPE LINE COMPANYLP** By: HPL GP, LLC, its general partner
By:	*SIGNATURE*	By:
Mark D. Werner	*PRINTED NAME*	**Tim Small**
Director – Fuels & Hedging	*TITLE*	**–Sr. Vice President**

Legal: ____
Credit: ____
Comm: ____
CA: ____

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General Terms and Conditions
Base Contract for Sale and Purchase of Natural Gas

SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.9.

The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.

Oral Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.

Written Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract.

SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Additional Event of Default" shall mean Transactional Cross Default or Indebtedness Cross Default, each as and if selected by the parties pursuant to the Base Contract.

2.2. "Affiliate" shall mean, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of at least 50 percent of the voting power of the entity or person.

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2.3. "Alternative Damages" shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.

2.4. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.

2.5. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).

2.6. "Business Day(s)" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S.

2.7. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.

2.8. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.

2.9. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation, all of which shall form a single integrated agreement between the parties.

2.10. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.

2.11. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.

2.12. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.

2.13. "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as cash, an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, guaranty, or other good and sufficient security of a continuing nature.

2.14. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.

2.15. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.

2.16. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.

2.17. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.

2.18. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.

2.19. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.

2.20. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.

2.21. "Guarantor" shall mean any entity that has provided a guaranty of the obligations of a party hereunder.

2.22. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.

2.23. "Indebtedness Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it or its Guarantor, if any, experiences a default, or similar condition or event however therein defined, under one or more agreements or instruments, individually or collectively, relating to indebtedness (such indebtedness to include any obligation whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of borrowed money in an aggregate amount greater than the threshold specified in the Base Contract with respect to such party or its Guarantor, if any, which results in such indebtedness becoming immediately due and payable.

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2.24. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.

2.25. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.

2.26. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.

2.27. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.

2.28. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.

2.29. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.

2.30. "Specified Transaction(s)" shall mean any other transaction or agreement between the parties for the purchase, sale or exchange of physical Gas, and any other transaction or agreement identified as a Specified Transaction under the Base Contract.

2.31. "Spot Price " as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.

2.32. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.

2.33. "Transactional Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it shall be in default, however therein defined, under any Specified Transaction.

2.34. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.

2.35. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

SECTION 3. PERFORMANCE OBLIGATION

3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction.

The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.

Cover Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s) excluding any quantity for which no replacement is available; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s) excluding any quantity for which no sale is available; and (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available for all or any portion of the Contract Quantity of Gas, then in addition to (i) or (ii) above, as applicable, the sole and exclusive remedy of the performing party with respect to the Gas not replaced or sold shall be an amount equal to any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the quantity of such Gas not replaced or sold. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

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Spot Price Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

4.2. The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

SECTION 5. QUALITY AND MEASUREMENT

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

SECTION 6. TAXES

The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.

Buyer Pays At and After Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

Seller Pays Before and At Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

SECTION 7. BILLING, PAYMENT, AND AUDIT

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

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7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer; provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed without undue delay. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and assume any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 15.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury (including death) or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury (including death) or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. The parties agree that the delivery of and the transfer of title to all Gas under this Contract shall take place within the Customs Territory of the United States (as defined in general note 2 of the Harmonized Tariff Schedule of the United States 19 U.S.C. §1202, General Notes, page 3); provided, however, that in the event Seller took title to the Gas outside the Customs Territory of the United States, Seller represents and warrants that it is the importer of record for all Gas entered and delivered into the United States, and shall be responsible for entry and entry summary filings as well as the payment of duties, taxes and fees, if any, and all applicable record keeping requirements.

8.5. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payment instructions, and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder shall be in writing and may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is

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not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

9.4. The party receiving a commercially acceptable Notice of change in payment instructions or other payment information shall not be obligated to implement such change until ten Business Days after receipt of such Notice.

SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y or its Guarantor, if applicable), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount, for a term, and from an issuer, all as reasonably acceptable to X, including, but not limited to cash, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or guaranty. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party.

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its Guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; or ix) be the affected party with respect to any Additional Event of Default; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is legally permissible, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as indicated on the Base Contract.

Early Termination Damages Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section 10.3.1, "Contract Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and

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Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

Early Termination Damages Do Not Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

The parties have selected either "Other Agreement Setoffs Apply" or "Other Agreement Setoffs Do Not Apply" as indicated on the Base Contract.

Other Agreement Setoffs Apply:

Bilateral Setoff Option:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff any Net Settlement Amount against (i) any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; and (ii) any amount(s) (including any excess cash margin or excess cash collateral) owed or held by the party that is entitled to the Net Settlement Amount under any other agreement or arrangement between the parties.

Triangular Setoff Option:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option, and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff (i) any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; (ii) any Net Settlement Amount against any amount(s) (including any excess cash margin or excess cash collateral) owed by or to a party under any other agreement or arrangement between the parties; (iii) any Net Settlement Amount owed to the Non-Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Non-Defaulting Party or its Affiliates to the Defaulting Party under any other agreement or arrangement; (iv) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party to the Non-Defaulting Party or its Affiliates under any other agreement or arrangement; and/or (v) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party or its Affiliates to the Non-Defaulting Party under any other agreement or arrangement.

Other Agreement Setoffs Do Not Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of the Net Settlement Amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount as well as any setoffs applied against such amount pursuant to Section 10.3.2, shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount as adjusted by setoffs, shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

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10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Contract; (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

11.5. The party whose performance is prevented by Force Majeure must provide Notice to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6, Section 10, Section 13, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

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SECTION 14. MARKET DISRUPTION

If a Market Disruption Event has occurred then the parties shall negotiate in good faith to agree on a replacement price for the Floating Price (or on a method for determining a replacement price for the Floating Price) for the affected Day, and if the parties have not so agreed on or before the second Business Day following the affected Day then the replacement price for the Floating Price shall be determined within the next two following Business Days with each party obtaining, in good faith and from non-affiliated market participants in the relevant market, two quotes for prices of Gas for the affected Day of a similar quality and quantity in the geographical location closest in proximity to the Delivery Point and averaging the four quotes. If either party fails to provide two quotes then the average of the other party's two quotes shall determine the replacement price for the Floating Price. "Floating Price" means the price or a factor of the price agreed to in the transaction as being based upon a specified index. "Market Disruption Event" means, with respect to an index specified for a transaction, any of the following events: (a) the failure of the index to announce or publish information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading on the exchange or market acting as the index; (c) the temporary or permanent discontinuance or unavailability of the index; (d) the temporary or permanent closing of any exchange acting as the index; or (e) both parties agree that a material change in the formula for or the method of determining the Floating Price has occurred. For the purposes of the calculation of a replacement price for the Floating Price, all numbers shall be rounded to three decimal places. If the fourth decimal number is five or greater, then the third decimal number shall be increased by one and if the fourth decimal number is less than five, then the third decimal number shall remain unchanged.

SECTION 15. MISCELLANEOUS

15.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or Affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

15.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

15.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

15.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

15.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

15.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

15.7. There is no third party beneficiary to this Contract.

15.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

15.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

15.10. Unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract , (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; or (v) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure,

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and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

15.11. The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties

15.12. Any original executed Base Contract, Transaction Confirmation or other related document may be digitally copied, photocopied, or stored on computer tapes and disks (the "Imaged Agreement"). The Imaged Agreement, if introduced as evidence on paper, the Transaction Confirmation, if introduced as evidence in automated facsimile form, the recording, if introduced as evidence in its original form, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the recording, the Transaction Confirmation, or the Imaged Agreement on the basis that such were not originated or maintained in documentary form. However, nothing herein shall be construed as a waiver of any other objection to the admissibility of such evidence.

DISCLAIMER: The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas. Further, NAESB does not mandate the use of this Contract by any party. **NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.**

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TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY

Letterhead/Logo	Date: _____, ____ Transaction Confirmation #: _____

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

SELLER:	**BUYER:**
_____ _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	_____ _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____

Contract Price: $_____/MMBtu or _____

Delivery Period: **Begin:** _____, ____ **End:** _____, ____

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity):	**Firm (Variable Quantity):**	**Interruptible:**
_____ MMBtus/day ☐ EFP	_____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of ☐ Buyer or ☐ Seller	Up to _____ MMBtus/day

Delivery Point(s): _____
(If a pooling point is used, list a specific geographic and pipeline location):

Special Conditions:

Seller: _____	Buyer: _____
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

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Appendix "1"
Special Provisions "A"

Houston Pipe Line Company LP and **City of San Antonio acting by and through its City Public Service Board (CPS Energy)** hereby agree effective as of the 1st day of February, 2012 to the following Special Provisions ("Special Provisions") to the NAESB Base Contract for Sale and Purchase of Natural Gas ("Base Contract"), which hereby modifies and amends the Base Contract dated and effective as of February 1, 2012. Unless specifically agreed otherwise in a Transaction Confirmation, the Base Contract, as modified by these Special Provisions, shall apply to all transactions for the purchase and sale of Gas (each a "Transaction") between the Parties. All capitalized terms not otherwise defined herein shall have the meaning set forth in the Base Contract.

1. The second sentence of Section 1.2 Oral Transaction Procedure is amended by deleting the words "effectuated in an EDI transmission or telephone conversation with the offer and acceptance" and replacing them with "effectuated in an EDI transmission, telephone conversation or other mutually acceptable electronic means of communication indicating the offer and acceptance" and by adding the following sentence to the end of Section 1.2: "All Transactions are entered into in reliance of the fact that this Base Contract (including any Special Provisions and any Addenda hereto agreed upon by the parties) and all Transactions hereunder form a single integrated agreement between the parties and the parties would not otherwise enter into any Gas purchase and sale transactions."

2. In order to clarify the intentions of both Parties in Section 1.3, Section 1.3 is amended by replacing the last two sentences thereof with the following:

> "If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then the oral agreement reached under Section 1.2 shall be controlling and satisfy the statute of frauds. In the event of a conflict among the terms of (i) a Transaction Confirmation that is signed or passage of the Confirm Deadline without objection from the receiving party, (ii) the oral agreement of the parties which may be evidenced as set forth in Section 1.2, where the parties have selected the Oral Transaction Procedure in the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence, absent manifest error in the Transaction Confirmation referenced in item (i). In the event a Transaction Confirmation referenced in item (i) contains a manifest error and the parties have selected "Oral Transaction Procedure", the oral agreement specified in clause (ii) will have priority over such Transaction Confirmation."

3. Section 1 is further amended by adding the following new Section 1.5:

> "1.5 All transactions are entered into in reliance on the fact that all elements of the Contract described in its definition (Section 2.9) constitute a single agreement between the parties, and, in absence of the same forming a single agreement, the parties would not otherwise enter into any transactions hereunder."

4. Section 1.4 is amended by adding the following sentence between the second and third sentences in that section:

> "No party may knowingly destroy or erase a recording once the possessing party becomes aware of an actual dispute in which the recording may reasonably be anticipated to be discoverable."

5. Delete Sections 2.1 "Additional Event of Default", 2.23 "Indebtedness Cross Default", 2.30 "Specified Transaction" and 2.33 "Transactional Cross Default".

6. Section 7 is hereby further amended by adding the following new Section 7.8:

> "As to all transactions under this Contract where CPS Energy is Buyer,
>
> (i) Buyer acknowledges, agrees and represents to Seller that this Contract is a "contract subject to this subchapter" within the meaning of Section 271.151(2), Texas Local Government Code, that by entering into this Contract, Buyer waives sovereign immunity to suit for the purpose of adjudicating a claim for breach of this Contract, subject to the terms and conditions of Subchapter I, Chapter 271, Texas Local Government Code, and that Buyer enjoys no sovereign immunity from liability for breach of this Contract. It shall be the duty of the Treasurer of Buyer to transfer funds of Buyer as required from time to time to make all payment due from Buyer hereunder. It is further agreed and represented that Buyer

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expressly authorizes that the prevailing party in any adjudication between the parties hereto related to a breach of this Contract may recover its reasonable and necessary attorney's fees as specified in Texas Local Government Code Section 271.153(a)(3), and

(ii) Seller acknowledges and agrees that, notwithstanding anything herein to the contrary, (i) the obligations of Buyer under this Contract are payable solely from and to the extent of revenues available from Buyer's gas and electric utility systems, (ii) Buyer's obligations hereunder shall never constitute a pledge of Buyer's taxing powers or be payable from funds raised or to be raised by taxation and (iii) the performance by Buyer of all duties and obligations imposed upon it hereby, the exercise of all powers granted to it hereunder, the carrying out of all covenants, agreements, and promises made by it hereunder, and liability of Buyer for all warranties and other covenants herein shall be limited solely to the revenues of Buyer's gas and electric utility systems."

7. Section 8.6 is added as a new section under Section 8 -Title, Warranty and Indemnity, as follows:

"8.6 Intrastate Warranty. The following representations and warranties shall apply to Transactions if Houston Pipe Line Company LP is Buyer, Seller represents and warrants to Buyer that all Gas will have been produced (a) within the state of Texas and will not have been commingled with other Gas which is or may be sold, consumed, transported or otherwise utilized in interstate commerce in such manner which would subject an intrastate Transporter to the jurisdiction of the Federal Energy Regulatory Commission or any successor authority under the Natural Gas Act of 1938 or (b) outside of the state of Texas with any transportation on an interstate pipeline having been conducted under Section 311 (a)(1) of the Natural Gas Policy Act. "

8. Section 9.3 is amended by deleting all but the first sentence and inserting the following at the end of the first sentence:

"Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which Notice is received is not a Business Day or if such Notice is received after five p.m. on a Business Day, then such Notice shall be deemed to have been received on the next following Business Day."

9. Section 10.1 is amended (i) by deleting "If" in the line and replacing it with "Notwithstanding Section 3.2, if" and (ii) by deleting from the second sentence thereof "or guaranty" and inserting in its place ", or other mutually acceptable forms".

10. Section 10.2 is amended by deleting the phrase "within 48 hours but at least one Business Day" and replacing it with the phrase "within two (2) Business Days" and is further amended by deleting item (ix) and replacing it with the new item (ix) as follows: "(ix) consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such party under this Contract to which it or its predecessor was a party by operation of law or the resulting, surviving or transferee entity is materially weaker from a credit perspective as determined by the other party acting in good faith and in a commercially reasonable manner."

11. The following provision is added as the third paragraph of Section 10.3.1:

"The Non-Defaulting Party shall also aggregate Costs that the Non-Defaulting Party incurs in connection with the termination, acceleration and/or liquidation of each Terminated Transaction. As used herein, "Costs" means, with respect to the Non-Defaulting Party, (a) losses associated with transportation/transmission for the Terminated Transactions pursuant to this Contract incurred by the Non-Defaulting Party which cannot be avoided through the Non-Defaulting Party's reasonable efforts; and (b) commercially reasonable external attorneys' fees and court costs, if any, incurred in connection with enforcing its rights in respect of the Terminated Transactions provided however that such Costs shall only be payable if the Non-Defaulting Party ultimately prevails in enforcing its rights hereunder."

12. Section 10.5 is amended by deleting the existing text in its entirety and replacing it with the following:

"10.5 Each party acknowledges and agrees that: (i) the transactions hereunder constitute a "forward contract" within the meaning of Title 11 of the United States Code (the "Code"); (ii) each party hereto is a "forward

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contract merchant" within the meaning of the Code with respect to any transaction that constitutes a "forward contract"; (iii) all payments made or to be made pursuant to this Contract constitute "settlement payments" within the meaning of the Code; (iv) all transfers of Adequate Assurance of Performance pursuant to this Contract constitute "margin payments" within the meaning of the Code; (v) each party's rights under Sections 10.2, 10.3, and 10.4 of this Contract constitute "contractual rights to liquidate" the transactions within the meaning of the Code, (vi) it is an "eligible commercial entity" as defined in Section 1a (11) of the Commodity Exchange Act, and it is an "eligible contract participant" within the meaning of Section 1(a)12 of the Commodities Exchange Act, as amended, and (vii) it has entered into this Contract (and each transaction forming part hereof) in connection with the conduct of its business and it has the capacity or ability to make or take delivery of the Gas referred to in any transaction hereunder to which it is a party and the material economic terms of each transaction are subject to individual negotiation by the parties."

13. Section 11.1 is amended by deleting the second sentence therein and replacing it with the following:

The term "Force Majeure" as employed herein means an event not anticipated as of the date hereof, which is not within the reasonable control of the Party, or in the case of third party obligations or facilities, the third party, claiming suspension, and which by the exercise of due diligence such Party, or third party, is unable to overcome or obtain or cause to be obtained a commercially reasonable substitute performance therefore. Subject to the foregoing sentence, events of Force Majeure shall include the events as further defined in Section 11.2 and shall include an event of Force Majeure occurring with respect to the facilities or services of Buyer's or Seller's Transporter and declared by such Transporter."

14. Section 11.2 is amended by adding the following after the last sentence of the section as follows:

"Seller shall be excused from the performance of any obligation that Seller is unable to perform due to necessary pipeline integrity activities, the necessity or desirability of repairing, altering, maintaining, inspecting, replacing, changing the size of, substituting or removing pipelines or appurtenant facilities. Such excuse of performance shall continue only for such time as interruption of service may be reasonable and unavoidable; and Seller shall give Buyer reasonable notice of its intention to suspend performance hereunder, except in cases of emergency where such notice is impracticable, and shall endeavor to arrange such interruption so as to inconvenience Buyer as little as possible. Service interruptions as sanctioned by the provisions hereof are expressly included in the definition of "force majeure" for the purpose of this Agreement; provided however, the requirement that Seller shall have been unable to prevent such service interruptions by the exercise of due diligence and planning, as required in Section 11.1 above, shall not apply to such service interruptions. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance."

15. Section 11.3 is amended by deleting (v) in the first sentence thereof and replacing them with (v), (vi), and (vii) as follows:

"(v) the loss or failure of Seller's Gas supply, including, without limitation, depletion of reserves or other failure of production, (vi) increases or decreases in gas supply due to allocation or reallocation of production by well operators, pipelines, or third parties other than regulatory agencies, except, as provided in Section 11.2.; or (vii) interruption of specific supply or markets at "pooling points" or "hubs" without the hub or pooling point operator claiming Force Majeure."

16. Section 14 is amended by deleting the second sentence, reading as follows, "If either party fails to provide two quotes then the average of the other party's two quotes shall determine the replacement price for the Floating Price.", and inserting the following text in its place:

"If either party shall be unable to provide two quotes then the average of the remaining quotes shall determine the replacement price for the Floating Price."

17. Section 15 is modified by deleting 15.11 and replacing it with the following new Section 15.11:

"Section 15.11 **EACH PARTY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY**

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SUIT, ACTION OR PROCEEDING RELATING TO THIS CONTRACT, ANY TRANSACTION, OR ANY CREDIT SUPPORT DOCUMENT HEREUNDER."

18. Section 15.13 Both Parties agree that the obligations under this Agreement are performable in Bexar County, Texas.

IN WITNESS WHEREOF, the Parties have executed these Special Provisions to supplement and, where applicable, to modify and supersede the Base Contract by and between the Parties.

HOUSTON PIPE LINE COMPANY LP
By: HPL GP, LLC, its general partner

By: Tim Small
Name: Tim Small
Title: SVP - COMMERCIAL

Legal:
Credit: JC
Comm:
CA:

City of San Antonio, acting by and through its City Public Service Board (CPS Energy)

By:
Name: Mark D. Werner
Title: Director – Fuels & Hedging

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Exhibit A-10

Base Contract for Sale and Purchase of Natural Gas 880021

This Base Contract is entered into as of the following date 11-1-09 The parties to this Base Contract are the following

City of San Antonio, acting by and through its City Public Service Board (CPS Energy) **145 Navarro, San Antonio, Texas 78205** Duns Number **00-79-3607-32000** Contract Number _____ U S Federal Tax ID Number. **74-6002071**	and	Texas Energy Transfer Company, Ltd 800 E Sonterra Blvd , Suite 400, San Antonio , TX 78258 Duns Number 12-271-7866 Contract Number _____ U S Federal Tax ID Number 270030184
Notices **145 Navarro, San Antonio, Texas 78205** Attn **Gas Supply** Phone **210-353-4261** Fax **210-353-4632**		800 E Sonterra Blvd , Suite 400, San Antonio , TX 78258 Attn Contract Administration Phone (210) 403-7487 Fax (210) 403-7500
***Confirmations*:** **145 Navarro, San Antonio, Texas 78205** Attn. **Gas Supply** Phone **210-353-4261** Fax: **210-353-4632**		711 Louisiana, Suite 900, Houston, Texas 77002 Attn. Elizabeth Hernandez Phone. (832) 668-1338 Fax: (832) 668-1115
Invoices and Payments **145 Navarro, San Antonio, Texas 78205** Attn **Gas Supply** Phone: **210-353-4261** Fax **210-353-4632**		800 E. Sonterra Blvd , Suite 400, San Antonio , TX 78258 Attn Gas Accounting Phone: (210) 403-7300 Fax (210) 403-7500
Wire Transfer or ACH Numbers (if applicable): BANK **JP Morgan Chase Bank** ABA **021000021-wire 111000614-ACH** ACCT **12508404931** Other Details _____		BANK: Wachovia Bank, Winston-Salem, NC ABA 053000219 ACCT 2079900565179 Other Details. Texas Energy Transfer Company, Ltd

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions In the event the parties fail to check a box, the specified default provision shall apply Select only one box from each section

Section 1.2 Transaction Procedure	X Oral (default) [ ] Written	**Section 7.2** Payment Date	X 25th Day of Month following Month of delivery (default) [ ] _____ Day of Month following Month of delivery
Section 2.5 Confirm Deadline	X 2 Business Days after receipt (default) [ ] _____ Business Days after receipt	**Section 7.2** Method of Payment	X Wire transfer (default) [ ] Automated Clearinghouse Credit (ACH) [ ] Check
Section 2.6 Confirming Party	X Seller (default) [ ] Buyer [ ] _____	**Section 7.7** Netting	X Netting applies (default) [ ] Netting does not apply
Section 3.2 Performance Obligation	X Cover Standard (default) [ ] Spot Price Standard	**Section 10.3.1** Early Termination Damages	X Early Termination Damages Apply (default) [ ] Early Termination Damages Do Not Apply
Note: The following Spot Price Publication applies to both of the immediately preceding.		**Section 10.3.2** Other Agreement Setoffs	X Other Agreement Setoffs Apply (default) [ ] Other Agreement Setoffs Do Not Apply
Section 2.26 Spot Price Publication	X Gas Daily Midpoint (default) [ ] _____	**Section 14.5** Choice Of Law	**Texas**
Section 6 Taxes	X Buyer Pays At and After Delivery Point (default) [ ] Seller Pays Before and At Delivery Point	**Section 14.10** Confidentiality	X Confidentiality applies (default) [ ] Confidentiality does not apply
X Special Provisions Number of sheets attached 2 Pages attached **Addendum(s).** _____			

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate

City of San Antonio, Texas acting by and through its City Public Service Board (CPS Energy)	**Texas Energy Transfer Company, Ltd.** **By: TETC, LLC, its general partner**
By _____ Name Mark Werner Title Director-Fuels and Hedging	By _____ Name Mike Howard Title President - Midstream

Legal JC

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NAESB Standard 6.0
April 19, 2002

CPSE Response in Opp to ET MSJ
Exhibit A-10
MDL-2022-CI-02879
exhibitsticker.com

General Terms and Conditions
Base Contract for Sale and Purchase of Natural Gas

SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas The entire agreement between the parties shall be the Contract as defined in Section 2 7

The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.

Oral Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed" Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1 2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i e , price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e g , arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1 3 but must be expressly agreed to by both parties, provided that the foregoing shall not invalidate any transaction agreed to by the parties

Written Transaction Procedure:

1 2 The parties will use the following Transaction Confirmation procedure Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1 3

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1 2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party Each party shall obtain any necessary consent of its agents and employees to such recording Where the parties have selected the Oral Transaction Procedure in Section 1 2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract However, nothing herein shall be construed as a waiver of any objection to the admissibility of such evidence

SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein

2.1. "Alternative Damages" shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer

2.2. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference, that specifies the agreed selections of provisions contained herein, and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one

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2.3. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT)

2.4. "Business Day" shall mean any day except Saturday, Sunday or Federal Reserve Bank holidays

2.5. "Confirm Deadline" shall mean 5 00 p m in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract, provided, if the Transaction Confirmation is time stamped after 5 00 p m in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day

2.6. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party

2.7. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1 2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation

2.8. "Contract Price" shall mean the amount expressed in U S Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.

2.9. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction

2.10. "Cover Standard", as referred to in Section 3 2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with the amount of notice provided by the nonperforming party, the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable, the quantities involved; and the anticipated length of failure by the nonperforming party

2.11. "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature

2.12. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.

2.13. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction

2.14. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction

2.15. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.

2.16. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act

2.17. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.

2.18. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane

2.19. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.

2.20. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4 3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter

2.21. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm

2.22. "Month" shall mean the penod beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month

2.23. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month

2.24. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point

2.25. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management

2.26. "Spot Price " as referred to in Section 3 2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no

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single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day, and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day

2.27. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period

2.28. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation

2.29. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction

SECTION 3. PERFORMANCE OBLIGATION

3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction

The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.

Cover Standard.

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s), or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s), or (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available, then the sole and exclusive remedy of the performing party shall be any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller and received by Buyer for such Day(s). Imbalance Charges shall not be recovered under this Section 3 2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated

Spot Price Standard:

3 2 The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price, or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price Imbalance Charges shall not be recovered under this Section 3 2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4 3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

3.3. Notwithstanding Section 3 2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties

3.4. In addition to Sections 3 2 and 3 3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated

SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s) Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s)

4.2. The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s) Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

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4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer

SECTION 5. QUALITY AND MEASUREMENT

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter

SECTION 6. TAXES

The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.

Buyer Pays At and After Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof

Seller Pays Before and At Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s) If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof

SECTION 7. BILLING, PAYMENT, AND AUDIT

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer, provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7 2

7.3. In the event payments become due pursuant to Sections 3 2 or 3 3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated Payment from the nonperforming party will be due five Business Days after receipt of invoice

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum, or (ii) the maximum applicable lawful interest rate

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7, provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7 3 shall be subject to netting under this Section If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith

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SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s) Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s) Buyer shall have responsibility for and any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s)

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8 2 AND IN SECTION 14 8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury or property damage from said Gas or other charges thereon which attach before title passes to Buyer Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5

SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payments and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time

9.2. All Notices required hereunder may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered

9.3. Notice shall be given when received on a Business Day by the addressee In the absence of proof of the actual receipt date, the following presumptions will apply Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission If the day on which such facsimile is received is not a Business Day or is after five p m on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party Notice via first class mail shall be considered delivered five Business Days after mailing

SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount and for the term reasonably acceptable to X, including, but not limited to, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or a performance bond or guaranty (including the issuer of any such security).

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its guarantor shall. (i) make an assignment or any general arrangement for the benefit of creditors, (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it, (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due, (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets, (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10 1 within 48 hours but at least one Business Day of a written request by the other party, or (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due, then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10 3, in addition to any and all other remedies available hereunder

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10 3 1 of all transactions under the Contract, each a "Terminated Transaction" On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law or that are, in the reasonable opinion of the Non-Defaulting Party, commercially impracticable to liquidate and terminate ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is reasonably practicable, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10 3 1 below With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10 3 1

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The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as indicated on the Base Contract.

Early Termination Damages Apply.

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3 2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case, and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions)

For purposes of this Section 10 3.1, "Contract Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and Market Values For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner

Early Termination Damages Do Not Apply:

10 3 1 As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3 2), for which payment has not yet been made by the party that owes such payment under this Contract

The parties have selected either "Other Agreement Setoffs Apply" or "Other Agreement Setoffs Do Not Apply" as indicated on the Base Contract.

Other Agreement Setoffs Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10 3 1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff (i) any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by it in connection with any Credit Support Obligation relating to the Contract, or (ii) any Net Settlement Amount payable to the Defaulting Party against any amount(s) payable by the Defaulting Party to the Non-Defaulting Party under any other agreement or arrangement between the parties.

Other Agreement Setoffs Do Not Apply:

10.3 2 The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3 1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount") At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by it in connection with any Credit Support Obligation relating to the Contract

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10 3 2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10 3 2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party The Notice shall include a written statement explaining in reasonable detail the calculation of such amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party The Net Settlement Amount shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date Interest on any unpaid portion of the Net Settlement Amount shall accrue from the date due until the

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date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum, or (ii) the maximum applicable lawful interest rate

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract

10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith

SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10 4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe, (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters, (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances. (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed, (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch, or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Agreement, (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11 2, or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11 2 The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance

11.5. The party whose performance is prevented by Force Majeure must provide Notice to the other party Initial Notice may be given orally, however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event

11.6. Notwithstanding Sections 11 2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties

SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Penod of any transaction(s) The rights of either party pursuant to Section 7 6 and Section 10, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction

SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE

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TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS

SECTION 14. MISCELLANEOUS

14.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed, provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or affiliate by assignment, merger or otherwise without the prior approval of the other party Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder

14.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract

14.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach

14.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s) This Contract may be amended only by a writing executed by both parties.

14.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction

14.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof

14.7. There is no third party beneficiary to this Contract

14.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby

14.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract

14.10. Unless the parties have elected on the Base Contract not to make this Section 14 10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract , (iii) to the extent necessary to implement any transaction, or (iv) to the extent such information is delivered to such third party for the sole purpose of calculating a published index Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure The existence of this Contract is not subject to this confidentiality obligation Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure, and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party

14 11 The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties

DISCLAIMER The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas Further, NAESB does not mandate the use of this Contract by any party **NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.**

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HIGHLY CONFIDENTIAL – ATTORNEY'S EYES ONLY ETP_000000028

TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY

Letterhead/Logo

Date _____, ____
Transaction Confirmation # _____

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract

SELLER.

_____
_____
_____
Attn _____
Phone _____
Fax _____
Base Contract No _____
Transporter _____
Transporter Contract Number _____

BUYER:

_____
_____
_____
Attn _____
Phone _____
Fax _____
Base Contract No _____
Transporter _____
Transporter Contract Number _____

Contract Price: $_____/MMBtu or _____

Delivery Period: Begin: _____, ____ End _____, ____

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity):
_____ MMBtus/day
EFP

Firm (Variable Quantity):
_____ MMBtus/day Minimum
_____ MMBtus/day Maximum
subject to Section 4 2 at election of
Buyer or Seller

Interruptible:
Up to _____ MMBtus/day

Delivery Point(s): _____
(If a pooling point is used, list a specific geographic and pipeline location)

Special Conditions:

Seller: _____
By _____
Title _____
Date _____

Buyer: _____
By: _____
Title _____
Date _____

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HIGHLY CONFIDENTIAL – ATTORNEY'S EYES ONLY

ADDENDUM NUMBER ONE
SPECIAL PROVISIONS TO BASE CONTRACT FOR
PURCHASE AND SALE OF NATURAL GAS

City of San Antonio acting by and through its City Public Service Board (CPS Energy) and Texas Energy Transfer Company, Ltd. hereby agree as of the 1st day of November, 2009, to the following Special Provisions ("Special Provisions") to the Base Contract for the Purchase and Sale of Natural Gas ("Base Contract"), which hereby modifies and amends the Base Contract dated and effective as of the November 1, 2009 Unless specifically agreed otherwise in a Transaction Confirmation, the Base Contract, as modified by these Special Provisions, shall apply to all transactions for the Purchase and Sale of Natural Gas (each a "Transaction") between the Parties All capitalized terms not otherwise defined herein shall have the meaning set forth in the Base Contract.

1 The second sentence of Section 1 2 Oral Transaction Procedure is amended by deleting the words "effectuated in an EDI transmission or telephone conversation with the offer and acceptance" and replacing them with "effectuated in an EDI transmission, telephone conversation or other mutually acceptable electronic means of communication indicating the offer and acceptance" and by adding the following sentence to the end of Section 1 2: "All Transactions are entered into in reliance of the fact that this Base Contract (including any Special Provisions and any Addenda hereto agreed upon by the parties) and all Transactions hereunder form a single integrated agreement between the parties and the parties would not otherwise enter into any Gas purchase and sale transactions "

2 In order to clarify the intentions of both Parties in Section 1.3, Section 1 3 is amended by replacing the last two sentences thereof with the following

"If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then the oral agreement reached under Section 1 2 shall be controlling and satisfy the statute of frauds In the event of a conflict among the terms of (i) a Transaction Confirmation that is signed or passage of the Confirm Deadline without objection from the receiving party, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure in the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence, absent manifest error in the Transaction Confirmation referenced in item (i). In the event a Transaction Confirmation referenced in item (i) contains a manifest error and the parties have selected "Oral Transaction Procedure", the oral agreement specified in clause (ii) will have priority over such Transaction Confirmation "

3 Section 1 4 is amended by adding the following sentence between the second and third sentences in that section.

"No party may knowingly destroy or erase a recording once the possessing party becomes aware of an actual dispute in which the recording may reasonably be anticipated to be discoverable

4 Section 8 5 is added as a new section under Section 8 -Title, Warranty and Indemnity, as follows

"8 5 Intrastate Warranty The following representations and warranties shall apply to Transactions if Texas Energy Transfer Company, Ltd. is Buyer, Seller represents and warrants to Buyer that all Gas will have been produced (a) within the state of Texas and will not have been commingled with other Gas which is or may be sold, consumed, transported or otherwise utilized in interstate commerce in such manner which would subject an intrastate Transporter to the jurisdiction of the Federal Energy Regulatory Commission or any successor authority under the Natural Gas Act of 1938 or (b) outside of the state of Texas with any transportation on an interstate pipeline having been conducted under Section 311 (a)(1) of the Natural Gas Policy Act "

5 Section 9 3 is amended by deleting all but the first sentence and inserting the following at the end of the first sentence

"Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which Notice is received is not a Business Day or if such Notice is received after five p.m on a Business Day, then such Notice shall be deemed to have been received on the next following Business Day."

6 Section 10 1 is amended by deleting "If" in the line and replacing it with "Notwithstanding section 3.2, if".

7 Section 10 1 is further amended by deleting from the second sentence thereof "or a performance bond or guaranty" and inserting in its place ", or other mutually acceptable forms"

8 Section 10 2 is amended by deleting the phrase "within 48 hours but at least one Business Day" and replacing it with the phrase "within two (2) Business Days" and is further amended by the addition of item (ix) in the following manner Delete the word "or" prior to item (viii) and add, between the "," at the end of item (viii) and prior to the word "then", the words

"(ix) consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such party under this Contract to which it or its predecessor was a party by operation of law or the resulting, surviving or transferee entity is materially weaker from a credit perspective as determined by the other party acting in good faith and in a commercially reasonable manner "

9 Section 11 1 is amended by deleting the second sentence therein and replacing it with the following

The term "Force Majeure" as employed herein means an event not anticipated as of the date hereof, which is not within the reasonable control of the Party, or in the case of third party obligations or facilities, the third party, claiming suspension, and which by the exercise of due diligence such Party, or third party, is unable to overcome or obtain or cause to be obtained a commercially reasonable substitute performance therefore. Subject to the foregoing sentence, events of Force Majeure shall include the events as further defined in Section 11 2 and shall include an event of Force Majeure occurring with respect to the facilities or services of Buyer's or Seller's Transporter and declared by such Transporter "

10 Section 11.3 is amended by deleting (v) in the first sentence thereof and replacing them with (v), (vi), and (vii) as follows

"(v) the loss or failure of Seller's Gas supply, including, without limitation, depletion of reserves or other failure of production, (vi) increases or decreases in gas supply due to allocation or reallocation of production by well operators, pipelines, or third parties other than regulatory agencies, except, as provided in Section 11 2 ; or (vii) interruption of specific supply or markets at "pooling points" or "hubs" without the hub or pooling point operator claiming Force Majeure The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges "

11 Section 14 is modified by inserting the following new Sections 14 12, 14 13 and 14 14·

"Section 14.12 If a Market Disruption Event has occurred then the parties shall negotiate in good faith to agree on a replacement price for the Floating Price (or on a method for determining a replacement price for the Floating Price) for the affected Day, and if the parties have not so agreed on or before the second Business Day following the affected Day then the replacement price for the Floating Price shall be determined within the next two following Business Days with each party obtaining, in good faith and from non-affiliated market participants in the relevant market, two quotes for prices of Gas for the affected Day of a similar quality and quantity in the geographical location closest in proximity to the Delivery Point and averaging the four quotes If either party shall be unable to provide two quotes then the average of the remaining quotes shall determine the replacement price for the Floating Price "Floating Price" means the price or a factor of the price agreed to in the transaction as being based upon a specified index. "Market Disruption Event" means, with respect to an index specified for a transaction, any of the following events· (a) the failure of the index to announce or publish information necessary for determining the Floating Price, (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading on the exchange or market acting as the index, (c) the temporary or permanent discontinuance or unavailability of the index; (d) the temporary or permanent closing of any exchange acting as the index, or (e) both parties agree that a material change in the formula for or the method of determining the Floating Price has occurred. For the purposes of the calculation of a replacement price for the Floating Price, all numbers shall be rounded to three decimal places If the fourth decimal number is five or greater, then the third decimal number shall be increased by one and if the fourth decimal number is less than five, then the third decimal number shall remain unchanged

Section 14 13 Both Parties agree that the obligations under this Agreement are performable in Bexar County, Texas

Section 14 14 **EACH PARTY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS CONTRACT, ANY TRANSACTION, OR ANY CREDIT SUPPORT DOCUMENT HEREUNDER."**

IN WITNESS WHEREOF, the Parties have executed these Special Provisions to supplement and where applicable, to modify and supersede the Base Contract by and between the Parties.

City of San Antonio, acting by and through its City Public Service Board (CPS Energy)

By _____
Name. Mark D. Werner
Title. Director – Fuels & Hedging

Texas Energy Transfer Company, Ltd.
By; TETC, LLC, its general partner

By _____
Name. Mike Howard
Title· President - Midstream

END

MK
Legal
Credit
Commercial

ENERGY TRANSFER

711 Louisiana St., Suite 900
Houston, TX 77002
energytransfer.com

January 17, 2011

CERTIFIED MAIL RETURN RECEIPT REQUESTED
7010 1870 0002 0617 9139

City Public Service Board of San Antonio
145 Navarro
San Antonio, TX 78205
Attn: Gas Supply

RE: NOTICE OF ASSIGNMENT OF NAESB BASE AGREEMENT
Contract No. 880021

Dear Sir or Madam:

Reference is hereby made to that certain NAESB Base Agreement effective 11/1/2009, by and between City Public Service Board of San Antonio ("Company") and Texas Energy Transfer Company, Ltd. ("TETC"), as the same may have been amended and assigned from time to time (the "Agreement").

TETC hereby notifies Company that TETC has elected to assign the Agreement to its affiliate, Oasis Pipeline, L.P., effective February 1, 2011. All future notices, correspondence and invoices should be sent to:

Notices/Correspondence:

Oasis Pipeline, L.P.
Attn: Contract Administration
711 Louisiana St. Suite 900
Houston, TX 77002
Fax: (832) 668-1115

Invoices:

Oasis Pipeline, L.P.
Attn: Gas Accounting
711 Louisiana St. Suite 900
Houston, TX 77002
Fax: (713) 452-4923

Enclosed, please find the appropriate assignment documentation.

If you have any questions regarding the foregoing, please feel free to contact me at (832) 668-1364.

Very truly yours,

TEXAS ENERGY TRANSFER COMPANY, LTD.

Cheryl Dudley - Manager - Contract Administration

ASSIGNMENT

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HARRIS §

THAT TEXAS ENERGY TRANSFER COMPANY, LTD, a Texas limited partnership (herein called "Assignor") for and in consideration of the sum of Ten Dollars ($10.00) and other valuable consideration in hand paid by Assignee, the receipt and sufficiency of which are hereby acknowledged, does hereby TRANSFER, ASSIGN, CONVEY, and DELIVER unto OASIS PIPELINE, LP, a Texas limited partnership (herein called "Assignee") all of its right, title, and interest in and to the contracts and agreements identified in the listing attached hereto as Exhibit "A".

As part of the consideration for this assignment, Assignee expressly assumes and agrees to be bound by all of the obligations imposed upon Assignor under the provisions of said contracts and agreements.

TO HAVE AND TO HOLD the same, together with all and singular all rights, interest and privileges in anywise belonging, unto the said OASIS PIPELINE, LP, its successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in multiple originals on this the 10th day of January, 2011 but effective as of February 1, 2011.

TEXAS ENERGY TRANSFER COMPANY, LTD.
By: TETC, LLC, its general partner

By: _____
Name – Mackie McCrea
Title – President

"Assignee"

OASIS PIPELINE, LP
By: ETC OASIS GP, LLC, its general partner

By: _____
Name – Mackie McCrea
Title – President

"Assignor"

HIGHLY CONFIDENTIAL – ATTORNEY'S EYES ONLY

Exhibit A-11

MDL MASTER FILE NO. 2022-CI-02879

	)IN THE DISTRICT COURT
IN RE CPS ENERGY LITIGATION	)407TH JUDICIAL DISTRICT
	)BEXAR COUNTY, TEXAS

CAUSE NO. 2021-CI-05138

CPS ENERGY, Plaintiff,	) IN THE DISTRICT COURT
VS.	) 407TH JUDICIAL DISTRICT
HOUSTON PIPELINE COMPANY, LP AND OASIS PIPELINE, LP, Defendants.	) BEXAR COUNTY, TEXAS

ORAL AND VIDEOTAPED DEPOSITION OF
AMBER IRVING
JANUARY 10, 2023

ORAL AND VIDEOTAPED DEPOSITION OF AMBER IRVING, produced as a witness at the instance of the Defendants, and duly sworn, was taken in the above-styled and numbered cause on the 10th day of January 2023, from 10:06 a.m. to 2:03 p.m., before JAZZMEN CANALES, CSR, in and for the State of Texas, reported by machine shorthand at Chasnoff Mungia Valkenaar Pepping & Stribling, LLP, 1020 N.E. Loop 410, Suite 150, San Antonio, Texas 78209, pursuant to the Texas Rules of Civil Procedure and the provisions stated on the record or attached hereto.

CPSE Response in Opp to ET MSJ
Exhibit A-11
MDL-2022-CI-02879
exhibitsticker.com

A P P E A R A N C E S

FOR THE PLAINTIFF:

MR. DYLAN FEDDERMAN
Chasnoff Mungia Valkenaar Pepping & Stribling, LLP
1020 N.E. Loop 410, Suite 150
San Antonio, Texas 78209
210-904-1267
E-mail: dfedderman@chasnoffstribling.com

FOR THE DEFENDANTS AND COUNTERCLAIMANTS HOUSTON PIPELINE COMPANY, LP AND OASIS PIPELINE, LP:

MR. TYLER YOUNG
Yetter Coleman LLP
811 Main Street, Suite 4100
Houston, Texas 77002
713-632-8000
E-mail: tyoung@yettercoleman.com

FOR THE DEFENDANT ENTERPRISE PRODUCTS OPERATING:

MR. JARED MCHAZLETT
Dobrowski Larkin & Stafford
4601 Washington Avenue, Suite 300
Houston, Texas 77007
713-659-2900
E-mail: jmchazlett@doblaw.com

MR. ADAM KIEHNE
MR. DAVID RIVELA
CPS ENERGY
PO BOX 1771
San Antonio, Texas 78296
210-238-4934
E-mail: akiehne@cpsenergy.com

ALSO PRESENT:

CADE HILL, VIDEOGRAPHER

I N D E X

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Q. Okay. And was one of the things that you were supposed to learn how CPS decides how much baseload gas to purchase?

A. No. I wouldn't say I was supposed to learn. I was being copied on a litany of things to just familiarize myself with the department. I wasn't asked specifically about anything.

Q. And I think you testified that today you purchase -- you participate in cash trades, but not in baseload purchases?

A. Correct.

Q. Is that correct? How do baseload and cash trades interact? Like what is the relationship between baseload purchases and cash trading, in your understanding?

A. Baseload purchases are trades done in the month prior to the month of flow that are going to flow for each day for the entirety of the month. And cash purchases are the incremental volumes purchased on the day ahead or same-day market to fill in as demand requires.

Q. Okay. So if you purchased more baseload gas, then you don't need to purchase as much gas on the spot market theoretically?

MR. FEDDERMAN: Objection. Form.

MDL MASTER FILE NO. 2022-CI-02879

	) IN THE DISTRICT COURT
	)
IN RE CPS ENERGY LITIGATION	) 407TH JUDICIAL DISTRICT
	) BEXAR COUNTY, TEXAS

CAUSE NO. 2021-CI-05138

CPS ENERGY, Plaintiff,	) IN THE DISTRICT COURT
	)
VS.	) 407TH JUDICIAL DISTRICT
	)
HOUSTON PIPELINE COMPANY, LP AND OASIS PIPELINE, LP,	)
Defendants.	) BEXAR COUNTY, TEXAS

REPORTER'S CERTIFICATION
ORAL AND VIDEOTAPED DEPOSITION OF
AMBER IRVING
JANUARY 10, 2023

I, JAZZMEN C. CANALES, Certified Shorthand Reporter in and for the State of Texas, hereby certify to the following:

That the witness, AMBER IRVING, was duly sworn by the officer and that the transcript of the oral deposition is a true record of the testimony given by the witness;

That the deposition transcript was submitted on 1-23, 2023, to the witness or to the attorney for the witness for examination, signature and return to me by 2-19, 2023;

That the amount of time used by each party at the deposition is as follows:

MR. DYLAN FEDDERMAN - 0 hours: 0 minutes
MR. TYLER YOUNG - 2 hours: 46 minutes
MR. JARED MCHAZLETT - 0 hours: 17 minutes
MR. ADAM KIEHNE - 0 hours: 0 minutes
MR. DAVID RIVELA - 0 hours: 0 minutes

That pursuant to information given to the deposition officer at the time said testimony was taken, the following includes counsel for all parties of record:

MR. DYLAN FEDDERMAN
Chasnoff Mungia Valkenaar Pepping & Stribling, LLP
1020 N.E. Loop 410, Suite 150
San Antonio, Texas 78209

MR. TYLER YOUNG
Yetter Coleman LLP
811 Main Street, Suite 4100
Houston, Texas 77002

MR. JARED MCHAZLETT
Dobrowski Larkin & Stafford
4601 Washington Avenue, Suite 300
Houston, Texas 77007

MR. ADAM KIEHNE
MR. DAVID RIVELA
CPS Energy
PO BOX 1771
San Antonio, Texas 78296

I further certify that I am neither counsel for, related to, nor employed by any of the parties or attorneys in the action in which this proceeding was taken, and further that I am not financially or otherwise interested in the outcome of the action.

Further certification requirements pursuant to Rule 203 TRCP will be certified to after they have occurred.

Sworn to by me this 19th day of Feb., 2023.



JAZZMEN CANALES, Texas CSR 9344, RPR
Expiration Date: 04/30/2023
Esquire Deposition Solutions
1700 Pacific Avenue, Suite 1000
Dallas, Texas 75204
Firm Registration No. 286

FURTHER CERTIFICATION UNDER RULE 203.3 TRCP

The original deposition was/was not returned to the deposition officer on 2-13-23;

If returned, the attached Changes and Signature page contains any changes and the reasons therefor;

If returned, the original deposition was delivered to MR. TYLER YOUNG, Custodial Attorney;

That $1233.85 is the deposition officer's charges to the Defendants for preparing the original deposition transcript and any copies of exhibits;

That the deposition was delivered in accordance with Rule 203.3, and that a copy of this certificate was served on all parties shown herein on and filed with the Clerk.

Certified to by me this 15th day of Feb., 2023.



JAZZMEN CANALES, Texas CSR 9344, RPR
Expiration Date: 04/30/2023
Esquire Deposition Solutions
1700 Pacific Avenue, Suite 1000
Dallas, Texas 75204
Firm Registration No. 286

CHANGES AND SIGNATURE

PAGE	LINE	CHANGE	REASON
See Exhibit A.			

I, AMBER IRVING, have read the foregoing deposition and hereby affix my signature that same is true and correct, except as noted above.

Amber Lauae Irving
AMBER IRVING

THE STATE OF TEXAS)

COUNTY OF BEXAR)

Before me, Jose Ricardo Capetillo, on this day personally appeared AMBER IRVING, known to me (or proved to me under oath or through Drivers License)(description of identity card or other document) to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 13th day of February, 2023.

NOTARY PUBLIC STATE OF TEXAS
Jose Ricardo Capetillo
ID NUMBER
133180234
COMMISSION EXPIRES
June 15, 2025

NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS
06/15/2025

Notarized online using audio-video communication

Exhibit A-12

ENERGY TRANSFER

711 Louisiana St., Suite 900
Houston, TX 77002
energytransfer.com

January 17, 2011

CERTIFIED MAIL RETURN RECEIPT REQUESTED
7010 1870 0002 0617 9139

City Public Service Board of San Antonio
145 Navarro
San Antonio, TX 78205
Attn: Gas Supply

RE: NOTICE OF ASSIGNMENT OF NAESB BASE AGREEMENT
Contract No. 880021

Dear Sir or Madam:

Reference is hereby made to that certain NAESB Base Agreement effective 11/1/2009, by and between City Public Service Board of San Antonio ("Company") and Texas Energy Transfer Company, Ltd. ("TETC"), as the same may have been amended and assigned from time to time (the "Agreement").

TETC hereby notifies Company that TETC has elected to assign the Agreement to its affiliate, Oasis Pipeline, L.P., effective February 1, 2011. All future notices, correspondence and invoices should be sent to:

Notices/Correspondence:

Oasis Pipeline, L.P.
Attn: Contract Administration
711 Louisiana St. Suite 900
Houston, TX 77002
Fax: (832) 668-1115

Invoices:

Oasis Pipeline, L.P.
Attn: Gas Accounting
711 Louisiana St. Suite 900
Houston, TX 77002
Fax: (713) 452-4923

Enclosed, please find the appropriate assignment documentation.

If you have any questions regarding the foregoing, please feel free to contact me at (832) 668-1364.

Very truly yours,

TEXAS ENERGY TRANSFER COMPANY, LTD.

Cheryl Dudley - Manager - Contract Administration

CPSE Response in Opp to ET MSJ
Exhibit A-12
MDL-2022-CI-02879
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ASSIGNMENT

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HARRIS §

THAT TEXAS ENERGY TRANSFER COMPANY, LTD, a Texas limited partnership (herein called "Assignor") for and in consideration of the sum of Ten Dollars ($10.00) and other valuable consideration in hand paid by Assignee, the receipt and sufficiency of which are hereby acknowledged, does hereby TRANSFER, ASSIGN, CONVEY, and DELIVER unto OASIS PIPELINE, LP, a Texas limited partnership (herein called "Assignee") all of its right, title, and interest in and to the contracts and agreements identified in the listing attached hereto as Exhibit "A".

As part of the consideration for this assignment, Assignee expressly assumes and agrees to be bound by all of the obligations imposed upon Assignor under the provisions of said contracts and agreements.

TO HAVE AND TO HOLD the same, together with all and singular all rights, interest and privileges in anywise belonging, unto the said OASIS PIPELINE, LP, its successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in multiple originals on this the 10th day of January, 2011 but effective as of February 1, 2011.

TEXAS ENERGY TRANSFER COMPANY, LTD.
By: TETC, LLC, its general partner

By: _____
Name – Mackie McCrea
Title – President

"Assignee"

OASIS PIPELINE, LP
By: ETC OASIS GP, LLC, its general partner

By: _____
Name – Mackie McCrea
Title – President

"Assignor"

Exhibit "A"

Counterparty Name	Contract Type	Effective Date	Contract Number
City Public Service Board of San Antonio	NAESB	11/1/2009	880021

Exhibit A-13

Sealed

Exhibit A-14

Sealed

Exhibit A-15

Sealed

Exhibit A-16

NORTH AMERICAN PHYSICAL GAS HUBS

Physical Hub Name	Delivery point description for NG Firm Phys, FP and NG Firm Phys BS, LD1	Gas Daily Index Reference for NG Firm Phys, ID, GDD	Inside FERC index reference for NG Firm Phys, ID, IF	Natural Gas Intelligence index reference for NG Firm Phys, ID, NGI	ICE NGX Clearable?
AB Pool (inter)	Agua Blanca Pool (interstate gas only, contact White Water Midstream for applicable rates)	Southwest, Waha	Southwest, Waha		
AB Pool (intra)	Agua Blanca Pool (intrastate gas only, contact White Water Midstream for applicable rates)	Southwest, Waha	Southwest, Waha		
Agua Dulce Hub	Agua Dulce Hub (sellers' choice, intra-state gas only, contact NET Mexico for applicable rates)	East Texas, Houston Ship Channel	East Texas, Houston Ship Channel		
AGT-CG	Algonquin Citygates (Excluding J-Lateral deliveries)	Northeast, Algonquin, city-gates	Northeast, Algonquin, city-gates		
AGT-CG (non-G)	Algonquin Citygates (Excluding J-Lateral and G-Lateral deliveries)	Northeast, Algonquin, city-gates	Northeast, Algonquin, city-gates		
ANR-Joliet Hub	ANR Pipeline Company - Joliet Hub CDP	Upper Midwest, Chicago city-gates		Midwest, Chicago Citygate	
ANR-SE	American Natural Resources Pipeline Co. - SE Gathering Pool	Louisiana/Southeast, ANR, La.	Louisiana/Southeast, ANR, La.		
ANR-SE-T	American Natural Resources Pipeline Co. - SE Transmission Pool	Louisiana/Southeast, ANR, La.	Louisiana/Southeast, ANR, La.		Yes
ANR-SW	American Natural Resources Pipeline Co. - SW Pool	Midcontinent, ANR, Okla.	Midcontinent, ANR, Okla.		Yes
APC-ANR	Alliance Pipeline - ANR Interconnect	Upper Midwest, Chicago city-gates		Midwest, Chicago Citygate	
APC-MGTC	Alliance Pipeline - Midwestern Interconnect	Upper Midwest, Chicago city-gates		Midwest, Chicago Citygate	
APC-NGPL	Alliance Pipeline - NGPL Interconnect	Upper Midwest, Chicago city-gates		Midwest, Chicago Citygate	
APC-Nicor	Alliance Pipeline - Nicor Interconnect	Upper Midwest, Chicago city-gates		Midwest, Chicago Citygate	
APC-ACE	Alliance Pipeline - Alliance Chicago Exchange Hub	Upper Midwest, Chicago city-gates		Midwest, Chicago Citygate	Yes
APC-VPC	Alliance Pipeline - Vector Interconnect	Upper Midwest, Chicago city-gates		Midwest, Chicago Citygate	
Arena WTX Pool	Arena West Texas Pool (Waha Header and Trans-Pecos, Comanche Trail Interconnects)	Southwest, Waha	Southwest, Waha		
Atmos Zone 3	Atmos Pipeline - Zone 3, receipts	East Texas, NGPL, Texok zone	East Texas, NGPL, Texok zone		
Banquete Hub	Banquete Hub (Nueces County, TX), buyer's choice	East Texas, Houston Ship Channel	East Texas, Houston Ship Channel		
Bay Gas Storage	Bay Gas Storage	Louisiana/Southeast, Florida Gas, zone 3	Louisiana/Southeast, Florida Gas, zone 3		
Bennington	Bennington, Oklahoma - buyer's choice	East Texas, NGPL, Texok zone	East Texas, NGPL, Texok zone		
Beverly Salem	Maritimes - Hubline, Beverly Salem	Northeast, Algonquin, city-gates	Northeast, Texas Eastern, M-3		
Bluewater Hub	Bluewater Gas Storage (St.Clair county Michigan)	Upper Midwest, Mich Con city-gate	Upper Midwest, Mich Con city-gate		
Bobcat Inter	Bobcat Interconnect (buyers' choice delivered excludes in-ground transfer)				
Bobcat Stor	Bobcat Storage (In-ground transfer only)				
Carthage	Carthage Hub Tailgate	East Texas, Carthage Hub	East Texas, Houston Ship Channel		
CG-Mainline	Columbia Gulf Transmission Co. - Mainline Pool	Louisiana/Southeast, Columbia Gulf, mainline	Louisiana/Southeast, Columbia Gulf, mainline		Yes
CG-Onshore	Columbia Gulf Transmission Co. - Onshore Pool	Louisiana/Southeast, Columbia Gulf, La.	Louisiana/Southeast, Columbia Gulf, La.		Yes
Cheyenne	Cheyenne Hub	Rockies/Northwest, Cheyenne Hub	Rockies/Northwest, CIG, Rockies		Yes
CIG-Mainline	Colorado Interstate Gas Company - Mainline (sellers' choice non-lateral from Muddy Creek to Cheyenne, excluding pool gas)	Rockies/Northwest, CIG, Rockies	Rockies/Northwest, CIG, Rockies		

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Physical Hub Name	Delivery point description for NG Firm Phys, FP and NG Firm Phys BS, LD1	Gas Daily Index Reference for NG Firm Phys, ID, GDD	Inside FERC index reference for NG Firm Phys, ID, IF	Natural Gas Intelligence index reference for NG Firm Phys, ID, NGI	ICE NGX Clearable?
CIG-Mainline Pool	Colorado Interstate Gas Company - Mainline Pool	Rockies/Northwest, CIG, Rockies	Rockies/Northwest, CIG, Rockies		
CIG-Mainline South	Colorado Interstate Gas Company - Mainline South (sellers' choice from Cheyenne South to Kit Carson)	Rockies/Northwest, CIG, Rockies	Rockies/Northwest, CIG, Rockies		
Clarington	Clarington (excluding Tennessee) delivered generic location as agreed upon by buyer and seller				
Clarington-Tenn	Clarington Tennessee				
Consumers	Consumers Energy Citygate	Upper Midwest, Consumers Energy city-gate	Upper Midwest, Consumers city-gate		Yes
Cove Point	Cove Point - on system delivery	Northeast, Transco, Zone 5 delivered North			Yes
Dracut	Dracut Interconnect - Maritimes, Tennessee, Portland	Northeast, Dracut, Mass.	Northeast, Texas Eastern, M-3		
Eastern Gas-North	Eastern Gas Transmission System - North Point	Appalachia, Eastern Gas, North	Appalachia, Eastern Gas, Appalachia		Yes
Eastern Gas-South	Eastern Gas Transmission System - South Point	Appalachia, Eastern Gas, South	Appalachia, Eastern Gas, Appalachia		Yes
Egan Inter	Egan Interconnect (buyers' choice delivered excludes in-ground transfer)				
Egan Stor	Egan Storage (In-ground transfer only)				
EGT-Flex	Enable Gas Transmission - Flex Pool only	Midcontinent, Enable Gas, East	Midcontinent, Enable Gas, East		Yes
EGT-North	Enable Gas Transmission - North Pool only	Midcontinent, Enable Gas, East	Midcontinent, Enable Gas, East		
EGT-Perryville Hub	Enable Gas Transmission - Perryville Hub	Louisiana/Southeast, Columbia Gulf, mainline	Louisiana/Southeast, Columbia Gulf, mainline		
EGT-South	Enable Gas Transmission - South Pool only	Midcontinent, Enable Gas, East	Midcontinent, Enable Gas, East		
EGT-West	Enable Gas Transmission - West (generic - W1 or W2 as mutually agreed upon)	Midcontinent, Enable Gas, East	Midcontinent, Enable Gas, East		
Enable East Pool	Enable East Pool	Midcontinent, Enable Gas, East	Midcontinent, Enable Gas, East		
Enable West Pool	Enable West Pool	Midcontinent, Panhandle, Tx.-Okla.	Midcontinent, Panhandle, Tx.-Okla.		
ENT-STX Map	Enterprise Pipeline - South Texas MAP (meter 050015)	East Texas, Houston Ship Channel	East Texas, Houston Ship Channel		
EP-Anadarko	El Paso - Anadarko Pool	Midcontinent, Panhandle, Tx.-Okla.	Midcontinent, Panhandle, Tx.-Okla.		
EP-Keystone	El Paso - Keystone Pool				Yes
EP-Keystone (EP Perm id)	El Paso - Keystone Pool (El Paso, Permian index)	Southwest, El Paso, Permian	Southwest, El Paso, Permian Basin		Yes
EP-Keystone (EP WTX id)	El Paso - Keystone Pool (El Paso, West Texas index)	Southwest, El Paso, West Texas	Southwest, El Paso, West Texas		Yes
EP-Plains Pool	El Paso - Plains Pool				
EP-Plains Pool (EP Perm id)	El Paso - Plains Pool (El Paso, Permian index)	Southwest, El Paso, Permian	Southwest, El Paso, Permian Basin		
EP-Plains Pool (EP Plains id)	El Paso - Plains Pool (El Paso, Plains Pool index)	Southwest, ICE El Paso, Plains Pool	Southwest, ICE El Paso, Plains Pool		
EP-S. Mainline	El Paso - South Mainline - buyers' choice west of Cornudas excluding Ehrenberg (buyer to select NAESB swing and identify contract other than seller)	Southwest, El Paso, South Mainline		California, Southern Cal. Border Avg.	
EP-SJ Blanco Pool	El Paso - San Juan Basin, Blanco Pool (Primary only)	Southwest, El Paso, San Juan	Southwest, El Paso, San Juan		Yes
EP-SJ Bondad Stn	El Paso - San Juan Basin, Bondad Station (Primary only)	Southwest, El Paso, Bondad	Southwest, El Paso, San Juan		
EP-Waha Pool	El Paso - Waha Pool				
EP-Waha Pool (EP Perm id)	El Paso - Waha Pool (El Paso, Permian index)	Southwest, El Paso, Permian	Southwest, El Paso, Permian Basin		

Physical Hub Name	Delivery point description for NG Firm Phys, FP and NG Firm Phys BS, LD1	Gas Daily Index Reference for NG Firm Phys, ID, GDD	Inside FERC index reference for NG Firm Phys, ID, IF	Natural Gas Intelligence index reference for NG Firm Phys, ID, NGI	ICE NGX Clearable?
EP-Waha Pool (EP WTX id)	El Paso - Waha Pool (El Paso, West Texas index)	Southwest, El Paso, West Texas	Southwest, El Paso, West Texas		
ETC-Cleburne	ETC-Cleburne	East Texas, NGPL, Texok zone	East Texas, NGPL, Texok zone		
ETC-Maypearl	ETC-Maypearl	East Texas, NGPL, Texok zone	East Texas, NGPL, Texok zone		
ETC-Tiger Gas (receipt)	ETC-Tiger Gas Pipeline (receipt) (receipt gas East or West of Hwy 789, including pool gas, seller's choice)	Louisiana/Southeast, Columbia Gulf, mainline	Louisiana/Southeast, Columbia Gulf, mainline		
FGT-CG	Florida Gas Transmission Co. - Citygate	Louisiana/Southeast, Florida Gas, zone 3	Louisiana/Southeast, Florida Gas, zone 3		
FGT-Z1	Florida Gas Transmission - Zone 1 (non-constrained pool gas only)	East Texas, Florida Gas, zone 1	East Texas, Florida Gas, zone 1		
FGT-Z2	Florida Gas Transmission - Zone 2 (non-constrained pool gas only)	Louisiana/Southeast, Florida Gas, zone 2	Louisiana/Southeast, Florida Gas, zone 2		
FGT-Z3	Florida Gas Transmission - Zone 3 (downstream of station 10)	Louisiana/Southeast, Florida Gas, zone 3	Louisiana/Southeast, Florida Gas, zone 3		Yes
GCX Waha Hub	Gulf Coast Express Pipeline - Waha Hub (buyer's choice, contact Kinder Morgan for applicable rates)	Southwest, Waha	Southwest, Waha		
Gillis Hub	Gillis Hub – Contact Sempra LNG for applicable rates	Louisiana/Southeast, Henry Hub	Louisiana/Southeast, Henry Hub		
Golden Triangle	Golden Triangle Storage & Hub (Contact GTS&H for applicable rates.)				
GLGT-St.Clair	Great Lakes Gas Transmission - St. Clair				
GTN-Kingsgate	Gas Transmission Northwest Pipeline - Kingsgate	Rockies/Northwest, GTN, Kingsgate		California, Malin	Yes
GTN-Malin	Gas Transmission Northwest Pipeline - Malin	Rockies/Northwest, PG&E, Malin		California, Malin	Yes
GTN-Stanfield	Gas Transmission Northwest Pipeline - Stanfield	Rockies/Northwest, Stanfield, Ore.		California, Malin	Yes
Guardian Hub	Guardian Pipeline - Guardian Hub	Upper Midwest, Chicago city-gates		Midwest, Chicago Citygate	
Gulf S. Pool 16	Gulf South Pipeline - Pool Area #16	East Texas, ICE Gulf South, Pool Area #16	East Texas, Houston Ship Channel		
Gulf South - Perryville	Gulf South Pipeline - Perryville Exchange Point	Louisiana/Southeast, Columbia Gulf, mainline	Louisiana/Southeast, Columbia Gulf, mainline		
Henry	Henry Hub (IHT)	Louisiana/Southeast, Henry Hub	Louisiana/Southeast, Henry Hub		Yes
HPL-ETX Pool	HPL-East Texas Pool (Contact ETC for applicable rates.)				
HSC-HPL Pool	Houston Ship Channel - Houston Pipe Line Pool (contact ETC for applicable rates)	East Texas, Houston Ship Channel	East Texas, Houston Ship Channel		Yes
HSC-Kinder Morgan	Houston Ship Channel - Kinder Morgan Pipeline Company (contact Kinder Morgan for applicable rates)	East Texas, Houston Ship Channel	East Texas, Houston Ship Channel		
Iroquois (into)	Iroquois Gas Transmission System & TransCanada Pipelines - Interconnect (U.S.)	Northeast, Iroquois, receipts	Northeast, Iroquois, receipts		Yes
Iroquois-Z1	Iroquois - Zone 1 (Delivered excl. Waddington)	Northeast, Iroquois, zone 1			
Iroquois-Z2	Iroquois - Zone 2 (non-Hunts Point/Eastchester Lateral)	Northeast, Iroquois, zone 2	Northeast, Iroquois, zone 2		
Iroquois-Z2 Hunts Pt	Iroquois - Zone 2 Hunts Point/Eastchester Lateral	Northeast, Iroquois, zone 2			
Jefferson Island	Jefferson Island Storage and Hub (Contact Jefferson Island Storage and Hub for applicable rates.)		Louisiana/Southeast, Henry Hub		
Katy-Enstor Pool	Katy - ENSTOR Pool (all interconnects excl. Kinder Morgan Texas Pipeline)	East Texas, Katy			Yes
Katy-Lonestar Inter	Katy - Lonestar Interstate	East Texas, Katy			
Katy-Lonestar Intra	Katy - Lonestar (Warranted as Intrastate)	East Texas, Katy			
Katy-Oasis	Katy - Oasis Pipeline	East Texas, Katy			Yes

Physical Hub Name	Delivery point description for NG Firm Phys, FP and NG Firm Phys BS, LD1	Gas Daily Index Reference for NG Firm Phys, ID, GDD	Inside FERC index reference for NG Firm Phys, ID, IF	Natural Gas Intelligence index reference for NG Firm Phys, ID, NGI	ICE NGX Clearable?
Katy-Enstor Pool (HSC id)	Katy - ENSTOR Pool (all interconnects excl. Kinder Morgan Texas Pipeline) (Houston Ship Channel index)		East Texas, Houston Ship Channel		Yes
Katy-Lonestar Inter (HSC id)	Katy - Lonestar Interstate (Houston Ship Channel index)		East Texas, Houston Ship Channel		
Katy-Lonestar Intra (HSC id)	Katy - Lonestar (Warranted as Intrastate) (Houston Ship Channel index)		East Texas, Houston Ship Channel		
Katy-Oasis (HSC id)	Katy - Oasis Pipeline (Houston Ship Channel index)		East Texas, Houston Ship Channel		Yes
Katy-Enstor Pool (Katy id)	Katy - ENSTOR Pool (all interconnects excl. Kinder Morgan Texas Pipeline) (Katy index)		East Texas, Katy		Yes
Katy-Lonestar Inter (Katy id)	Katy - Lonestar Interstate (Katy index)		East Texas, Katy		
Katy-Lonestar Intra (Katy id)	Katy - Lonestar (Warranted as Intrastate) (Katy index)		East Texas, Katy		
Katy-Oasis (Katy id)	Katy - Oasis Pipeline (Katy index)		East Texas, Katy		Yes
KRGT-Del Pool	Kern River Gas Transmission Co. - on system delivery (excl. Wheeler, Kramer, Daggett and delivery points with incremental IT fees)	Southwest, Kern River, delivered		California, Southern Cal. Border Avg.	Yes
KRGT-Rec Pool	Kern River Gas Transmission Co. - on system receipt (see list below)	Rockies/Northwest, Kern River, Opal	Rockies/Northwest, Northwest, Rocky Mountains		Yes
Lebanon	Lebanon delivered - generic location as agreed upon by buyer and seller	Appalachia, Lebanon Hub	Appalachia, Lebanon Hub		
Leidy	Leidy delivered - generic location as agreed upon by buyer and seller	Appalachia, Leidy Hub	Appalachia, Leidy Hub		
Leidy-Transco	Leidy-Transco - Leidy production point to station 505, receipt points	Appalachia, Transco, Leidy Line receipts	Appalachia, Transco, Leidy Line receipts		Yes
M&N US	Maritimes and Northeast Pipeline US (buyer's choice delivered)				
MEP-Lamar	Midcontinent Express Pipeline - Lamar	East Texas, NGPL, Texok zone	East Texas, NGPL, Texok zone		
Michcon	Michigan Consolidated Citygate	Upper Midwest, Mich Con city-gate	Upper Midwest, Mich Con city-gate		Yes
Midship (receipt)	Midship Pipeline - receipt gas into Midship Pipeline, seller's choice	Midcontinent, Oneok, Okla.	Midcontinent, Oneok, Okla.		
Millennium	Millennium Pipeline - buyers' choice delivered				
Millennium-Ramapo	Millennium Pipeline - Ramapo - receipts into Algonquin Gas Transmission at the Ramapo interconnect	Northeast, Tx. Eastern, M-3	Northeast, Texas Eastern, M-3		
Millennium East Pool	Millennium East Pool - receipts into Millennium Pipeline, east of Corning	Appalachia, Millennium, East receipts	Appalachia, Millennium, East receipts		Yes
Moss Bluff Inter	Moss Bluff Interconnect (buyers' choice delivered excludes in-ground transfer)				Yes
Moss Bluff Stor	Moss Bluff Storage (In-ground transfers only)				
MountainWest-North	MountainWest Pipeline - North Pool	Rockies/Northwest, MountainWest, Rocky Mountains			
MountainWest-South	MountainWest Pipeline - South Pool	Rockies/Northwest, MountainWest, Rocky Mountains			
MS Hub	MS Hub Storage	Louisiana/Southeast, Southern Natural, La.	Louisiana/Southeast, Southern Natural, La.		
NBPL-Bakken (receipt)	Northern Border Pipeline - Bakken (receipt) (receipt gas into Northern Border Pipeline west of the Glen Ulin compressor station, including Port of Morgan, seller's choice)	Upper Midwest, Northern, Ventura	Upper Midwest, Northern, Ventura		
NBPL-Harper	Northern Border Pipeline - Harper Transfer Point	Midcontinent, NGPL, Midcontinent	Midcontinent, NGPL, Midcontinent		
NBPL-Nicor	Northern Border Pipeline - Nicor Interconnect	Upper Midwest, Chicago city-gates		Midwest, Chicago Citygate	
NBPL-Vector	Northern Border Pipeline - Vector Interconnect	Upper Midwest, Chicago city-gates		Midwest, Chicago Citygate	
NBPL-Ventura	Northern Border Pipeline - Ventura Transfer Point	Upper Midwest, Northern Border, Ventura TP	Upper Midwest, Northern, Ventura		Yes
NBPL-Will County	Northern Border Pipeline - Will County	Upper Midwest, Chicago city-gates		Midwest, Chicago Citygate	

Physical Hub Name	Delivery point description for NG Firm Phys, FP and NG Firm Phys BS, LD1	Gas Daily Index Reference for NG Firm Phys, ID, GDD	Inside FERC index reference for NG Firm Phys, ID, IF	Natural Gas Intelligence index reference for NG Firm Phys, ID, NGI	ICE NGX Clearable?
NGPL-AM Pool	Natural Gas Pipeline Co. of America - Amarillo Pooling PIN (Amar. Leg)	Midcontinent, NGPL, Amarillo receipt	Midcontinent, NGPL, Midcontinent		
NGPL-AM Stor	Natural Gas Pipeline Co. of America - Amarillo Storage PIN	Midcontinent, NGPL, Amarillo receipt	Midcontinent, NGPL, Midcontinent		
NGPL-GC Mainline	Natural Gas Pipeline Co. of America - Gulf Coast Mainline Pool	East Texas, NGPL, Texok zone	East Texas, NGPL, Texok zone		
NGPL-IA/IL AM Pool	Natural Gas Pipeline Co. of America - Iowa-Illinios Pooling PIN, AM leg, Pooling PIN 10561	Midcontinent, NGPL, Midcontinent	Midcontinent, NGPL, Midcontinent		
NGPL-IA/IL GC Pool	Natural Gas Pipeline Co. of America - Iowa-Illinios Pooling PIN, GC leg, Pooling PIN 10562	Upper Midwest, REX, Zone 3 delivered	Upper Midwest, REX, Zone 3 delivered		
NGPL-IA/IL AM Stor	Natural Gas Pipeline Co. of America - Iowa-Illinois Storage PIN, AM leg, Storage PIN 25656	Midcontinent, NGPL, Midcontinent	Midcontinent, NGPL, Midcontinent		
NGPL-IA/IL GC Stor	Natural Gas Pipeline Co. of America - Iowa-Illinois Storage PIN, GC leg, Storage PIN 10550	Upper Midwest, REX, Zone 3 delivered	Upper Midwest, REX, Zone 3 delivered		
NGPL-LA Pool	Natural Gas Pipeline Co. of America - Louisiana Pooling PIN				
NGPL-LA Stor	Natural Gas Pipeline Co. of America - Louisiana Storage PIN				
NGPL-MidAm	Natural Gas Pipeline Co. of America - Mid-American Citygate	Upper Midwest, Chicago city-gates		Midwest, Chicago Citygate	
NGPL-Midcont Pool	Natural Gas Pipeline Co. of America - Mid-Continent Pooling PIN	Midcontinent, NGPL, Midcontinent	Midcontinent, NGPL, Midcontinent		Yes
NGPL-Midcont Stor	Natural Gas Pipeline Co. of America - Mid-Continent Storage PIN	Midcontinent, NGPL, Midcontinent	Midcontinent, NGPL, Midcontinent		
NGPL-Nicor	Natural Gas Pipeline Co. of America - Nicor Citygate	Upper Midwest, Chicago city-gates		Midwest, Chicago Citygate	Yes
NGPL-Nipsco	Natural Gas Pipeline Co. of America - Nipsco Citygate	Upper Midwest, Chicago city-gates		Midwest, Chicago Citygate	Yes
NGPL-STX	Natural Gas Pipeline Co. of America - South Texas Pool	East Texas, NGPL, STX	East Texas, NGPL, STX		Yes
NGPL-TXOK East	Natural Gas Pipeline Co. of America - TXOK East Pool (Gulf Coast)	East Texas, NGPL, Texok zone	East Texas, NGPL, Texok zone		Yes
NGPL-TXOK East Stor	Natural Gas Pipeline Co. of America - TXOK East Storage (Gulf Coast) PIN 25658	East Texas, NGPL, Texok zone	East Texas, NGPL, Texok zone		
NGPL-TXOK West	Natural Gas Pipeline Co. of America - TXOK West Pool (Arkoma Gas)	East Texas, NGPL, Texok zone	East Texas, NGPL, Texok zone		
NNG-Demarc	Northern Natural Gas - Demarcation Pool	Upper Midwest, Northern, demarc	Upper Midwest, Northern, demarc		Yes
NNG-Mid 1-7	Northern Natural Gas - Mid 1-7 Pool (POI 78930)				
NNG-Mid 1-7 (EP Perm id)	Northern Natural Gas - Mid 1-7 Pool (POI 78930) (El Paso, Permian index)	Southwest, El Paso, Permian	Southwest, El Paso, Permian Basin		
NNG-Mid 1-7 (EP WTX id)	Northern Natural Gas - Mid 1-7 Pool (POI 78930) (EL Paso, West Texas index)	Southwest, El Paso, West Texas	Southwest, El Paso, West Texas		
NNG-Mid 8-12	Northern Natural Gas - Mid 8 -12 Pool (POI 78931)	Midcontinent, Panhandle, Tx.-Okla.	Midcontinent, Panhandle, Tx.-Okla.		
NNG-Mid 13-16A	Northern Natural Gas - Mid 13 - 16A Pool (POI 71314)	Midcontinent, Panhandle, Tx.-Okla.	Midcontinent, Panhandle, Tx.-Okla.		
NNG-Ventura	Northern Natural Gas - Ventura	Upper Midwest, Northern, Ventura	Upper Midwest, Northern, Ventura		Yes
Nortex - Tolar Hub	Nortex-Tolar Hub	East Texas, NGPL, Texok zone	East Texas, NGPL, Texok zone		
NWP-Rocky Mtn	Northwest Pipeline Corp. - Rocky Mountain Pool	Rockies/Northwest, NW, s. of Green River	Rockies/Northwest, Northwest, Rocky Mountains		
NWP-Sumas	Northwest Pipeline Corp. - Canadian Border	Rockies/Northwest, NW, Can. bdr. (Sumas)	Rockies/Northwest, Northwest, Canadian border (Sumas)		
NWP-Wyoming	Northwest Pipeline Corp. - Wyoming Pool	Rockies/Northwest, NW, Wyo. Pool	Rockies/Northwest, Northwest, Rocky Mountains		
Oasis - Waha Pool	Oasis - Waha Pool (Seller pays pool fee. Contact ETC for applicable rates.)	Southwest, Waha	Southwest, Waha		Yes
OGT	ONEOK Gas Transportation	Midcontinent, Oneok, Okla.	Midcontinent, Oneok, Okla.		Yes

Physical Hub Name	Delivery point description for NG Firm Phys, FP and NG Firm Phys BS, LD1	Gas Daily Index Reference for NG Firm Phys, ID, GDD	Inside FERC index reference for NG Firm Phys, ID, IF	Natural Gas Intelligence index reference for NG Firm Phys, ID, NGI	ICE NGX Clearable?
ONEOK Westex	ONEOK Westex Pool	Southwest, Waha	Southwest, Waha		
Opal	Opal Plant Tailgate	Rockies/Northwest, Kern River, Opal	Rockies/Northwest, Northwest, Rocky Mountains		Yes
Panhandle	Panhandle Eastern Pipe Line Co. - Pool Gas	Midcontinent, Panhandle, Tx.-Okla.	Midcontinent, Panhandle, Tx.-Okla.		Yes
PG&E-CG Imbalance	PG&E - Citygate - Imbalance (subject to G-BAL trading schedule, excludes CA production imbalances)				
PG&E-Citygate	PG&E - Citygate	Southwest, PG&E city-gate		California, PG&E Citygate	Yes
PG&E-Daggett	PG&E - Daggett	Southwest, PG&E, South		California, Southern Cal. Border Avg.	
PG&E-KRS	PG&E - Kern River Station	Southwest, PG&E, South		California, Southern Cal. Border Avg.	
PG&E-Topock	PG&E-Topock, seller's choice	Southwest, PG&E, South		California, Southern Cal. Border Avg.	Yes
PGLC	Peoples Gas Light and Coke Citygate	Upper Midwest, Chicago city-gates		Midwest, Chicago Citygate	
Pine Prairie	Pine Prairie Hub (Evangeline Parish, LA)	Louisiana/Southeast, Pine Prairie Hub	Louisiana/Southeast, Pine Prairie Hub		Yes
Pioneer	Pioneer Plant Tailgate	Rockies/Northwest, Kern River, Opal	Rockies/Northwest, Northwest, Rocky Mountains		
PNGTS	Portland Natural Gas Transmission System (buyer's choice delivered)	Northeast, Portland Natural Gas Transmission System			
REX Cheyenne Comp Pool	Rockies Express Pipeline Cheyenne Compression Pool, Location ID 60364	Rockies/Northwest, Cheyenne Hub	Rockies/Northwest, CIG, Rockies		Yes
REX E-ANR	Rockies Express Pipeline (East) - delivered into American Natural Resources Pipeline Co.	Upper Midwest, REX, Zone 3 delivered	Upper Midwest, REX, Zone 3 delivered		Yes
REX E-NGPL	Rockies Express Pipeline (East) - delivered into Natural Gas Pipeline of America (Gulf Coast Leg).	Upper Midwest, REX, Zone 3 delivered	Upper Midwest, REX, Zone 3 delivered		Yes
REX E-MidW	Rockies Express Pipeline (East) - delivered into Midwestern Gas Transmission Co.	Upper Midwest, REX, Zone 3 delivered	Upper Midwest, REX, Zone 3 delivered		Yes
REX E-PEPL	Rockies Express Pipeline (East) - delivered into Panhandle Eastern Pipeline Co.	Upper Midwest, REX, Zone 3 delivered	Upper Midwest, REX, Zone 3 delivered		Yes
REX E-Trunk	Rockies Express Pipeline (East) - delivered into Trunkline Gas Co.	Upper Midwest, REX, Zone 3 delivered	Upper Midwest, REX, Zone 3 delivered		Yes
REX W-ANR	Rockies Express Pipeline (West) - delivered into American Natural Resources Pipeline Co.	Midcontinent, Panhandle, Tx.-Okla.	Midcontinent, Panhandle, Tx.-Okla.		
REX W-NGPL	Rockies Express Pipeline (West) - delivered into Natural Gas Pipeline of America	Midcontinent, Panhandle, Tx.-Okla.	Midcontinent, Panhandle, Tx.-Okla.		
REX W-NNG	Rockies Express Pipeline (West) - delivered into Northern Natural Gas Co.	Midcontinent, Panhandle, Tx.-Okla.	Midcontinent, Panhandle, Tx.-Okla.		
REX W-PEPL	Rockies Express Pipeline (West) - delivered into Panhandle Eastern Pipe Line Co.	Midcontinent, Panhandle, Tx.-Okla.	Midcontinent, Panhandle, Tx.-Okla.		
REX-Z3 (receipt)	Rockies Express Pipeline - Zone 3 (receipt) - receipt gas into Rockies Express Pipeline (Zone 3), excluding Seneca lateral, seller's choice	Appalachia, Texas Eastern, M-2 receipts	Appalachia, Texas Eastern, M-2 receipts		
REX-Z3 Del Pool	Rockies Express Pipeline - Zone 3 Delivered Pool	Upper Midwest, REX, Zone 3 delivered	Upper Midwest, REX, Zone 3 delivered		
Rover-ANR	Rover Pipeline - delivered into American Natural Resources Pipeline Co.	Upper Midwest, REX, Zone 3 delivered	Upper Midwest, REX, Zone 3 delivered		
Rover-PEPL	Rover Pipeline - delivered into Panhandle Eastern Pipeline Co.	Upper Midwest, REX, Zone 3 delivered	Upper Midwest, REX, Zone 3 delivered		
Rover (receipt)	Rover Pipeline (receipt) - receipt gas into Rover Pipeline supply zone upstream of Leesville	Appalachia, Texas Eastern, M-2 receipts	Appalachia, Texas Eastern, M-2 receipts		
Ruby-Onyx Hill	Ruby Pipeline - Onyx Hill	Rockies/Northwest, PG&E, Malin		California, Malin	
Ruby-Rec Pool	Ruby Pipeline - Receipt Pool	Rockies/Northwest, Kern River, Opal	Rockies/Northwest, Northwest, Rocky Mountains		
Ryckman Creek Stor	Ryckman Creek Gas Storage	Rockies/Northwest, Kern River, Opal	Rockies/Northwest, Northwest, Rocky Mountains		
Salt Plains Inter	Salt Plains Storage (buyers' choice delivered excludes in-ground transfer)	Midcontinent, Southern Star	Midcontinent, Southern Star		

Physical Hub Name	Delivery point description for NG Firm Phys, FP and NG Firm Phys BS, LD1	Gas Daily Index Reference for NG Firm Phys, ID, GDD	Inside FERC index reference for NG Firm Phys, ID, IF	Natural Gas Intelligence index reference for NG Firm Phys, ID, NGI	ICE NGX Clearable?
Salt Plains Stor	Salt Plains Storage (In-ground transfer only)	Midcontinent, Southern Star	Midcontinent, Southern Star		
Socal-Blythe	Socal - Blythe	Southwest, SoCal Gas		California, Southern Cal. Border Avg.	
Socal-Border	Socal - sellers' choice delivered incl. CA production (late cycle changes allowed w/ consent only)	Southwest, SoCal Gas		California, Southern Cal. Border Avg.	
Socal-CG Imbalance	Southern California Gas - Citygate - Imbalance				
Socal-Citygate	Southern California Gas - Citygate	Southwest, SoCal Gas city-gate		California, SoCal Citygate	Yes
Socal-CG (border ID)	Southern California Gas - Citygate (Socal border index)	Southwest, SoCal Gas		California, Southern Cal. Border Avg.	
Socal-Ehrenberg	Socal - Ehrenberg (delivered)	Southwest, SoCal Gas		California, Southern Cal. Border Avg.	
Socal-Firm Stor	Socal - Firm Storage only (Citygate)	Southwest, SoCal Gas city-gate		California, SoCal Citygate	
Socal-IT Stor	Socal - Interruptible Storage only (Citygate)	Southwest, SoCal Gas city-gate		California, SoCal Citygate	
Socal-Kramer	Socal - Kramer Junction	Southwest, SoCal Gas		California, Southern Cal. Border Avg.	
Socal-KRS	Socal - Kern River Station	Southwest, SoCal Gas		California, Southern Cal. Border Avg.	
Socal-Needles	Socal - Needles	Southwest, SoCal Gas		California, Southern Cal. Border Avg.	
Socal-Storage	Socal - In-ground transfer only (Citygate)	Southwest, SoCal Gas city-gate		California, SoCal Citygate	
Socal-Topock (EP)	Socal - Topock, El Paso	Southwest, SoCal Gas		California, Southern Cal. Border Avg.	
Socal-Topock (TW)	Socal - Topock, Transwestern	Southwest, SoCal Gas		California, Southern Cal. Border Avg.	
Socal-WR	Socal - Wheeler Ridge	Southwest, SoCal Gas		California, Southern Cal. Border Avg.	
Sonat-Z0 South	Sonat - Zone 0 South Louisiana Pool	Louisiana/Southeast, Southern Natural, La.	Louisiana/Southeast, Southern Natural, La		Yes
Sonat-Z1 North	Sonat - Zone 1 North Pool	Louisiana/Southeast, Southern Natural, La.	Louisiana/Southeast, Southern Natural, La		
Southern Pines Hub	Southern Pines Hub	Louisiana/Southeast, Florida Gas, zone 3	Louisiana/Southeast, Florida Gas, zone 3		
Southern Star	Southern Star Central Gas Pipeline - generic production pools as mutually agreed upon	Midcontinent, Southern Star	Midcontinent, Southern Star		
Stagecoach	Stagecoach Marcellus Hub				Yes
Stingray	Stingray Pipeline Company - pool delivery				
TCO	Columbia Gas Transmission Corp. - TCO IPP Pool (Appalachia)	Appalachia, Columbia Gas, App.	Appalachia, Columbia Gas, App.		Yes
TCO-Seg Pool	Columbia Gas Transmission Corp. - TCO Segmentation Pool (Appalachia)	Appalachia, Columbia Gas, App.	Appalachia, Columbia Gas, App.		
TCO-A04 Pool	Columbia Gas Transmission Corp. - TCO A04 Pool (Appalachia)	Appalachia, Columbia Gas, App.	Appalachia, Columbia Gas, App.		Yes
TCO-A06 Pool	Columbia Gas Transmission Corp. - TCO A06 Pool (Appalachia)	Appalachia, Texas Eastern, M-2 receipts	Appalachia, Texas Eastern, M-2 receipts		
TCO-A08 Pool	Columbia Gas Transmission Corp. - TCO A08 Pool (Appalachia)	Appalachia, Texas Eastern, M-2 receipts	Appalachia, Texas Eastern, M-2 receipts		
TETCO-ELA	Texas Eastern Transmission Corp. - East Louisiana Zone	Louisiana/Southeast, Texas Eastern, ELA	Louisiana/Southeast, Texas Eastern, ELA		Yes
TETCO-ETX	Texas Eastern Transmission Corp. - East Texas Zone	East Texas, Texas Eastern, ETX	East Texas, Texas Eastern, ETX		
TETCO-M1 24	Texas Eastern Transmission Corp. - M1 24 inch	Midcontinent, Tx. Eastern, M-1 24-in.	Louisiana/Southeast, Texas Eastern, M-1 30-in.		
TETCO-M1 30	Texas Eastern Transmission Corp. - M1 30 inch	Louisiana/Southeast, Texas Eastern, M-1 30-in.	Louisiana/Southeast, Texas Eastern, M-1 30-in.		Yes

Physical Hub Name	Delivery point description for NG Firm Phys, FP and NG Firm Phys BS, LD1	Gas Daily Index Reference for NG Firm Phys, ID, GDD	Inside FERC index reference for NG Firm Phys, ID, IF	Natural Gas Intelligence index reference for NG Firm Phys, ID, NGI	ICE NGX Clearable?
TETCO-M2	Texas Eastern Transmission Corp. - M2 Zone (delivered)				
TETCO-M2 (receipt)	Texas Eastern Transmission Corp. - M2 Zone (receipt gas into TETCO-M2, including pool gas)	Appalachia, Texas Eastern, M-2 receipts	Appalachia, Texas Eastern, M-2 receipts		Yes
TETCO-M3	Texas Eastern Transmission Corp. - M3 Zone (delivered, excluding points on the Philadelphia lateral)	Northeast, Tx. Eastern, M-3	Northeast, Texas Eastern, M-3		Yes
TETCO-Manhattan	Texas Eastern Transmission Corp. - Manhattan Lateral (delivered)	Northeast, Tx. Eastern, M-3	Northeast, Texas Eastern, M-3		
TETCO-STX	Texas Eastern Transmission Corp. - South Texas Zone	East Texas, Tx. Eastern, STX	Texas Eastern Transmission Corp. - South Texas Zone		Yes
TETCO-WLA	Texas Eastern Transmission Corp. - West Louisiana Zone	Louisiana/Southeast, Texas Eastern, WLA	Louisiana/Southeast, Texas Eastern, WLA		Yes
TGP-500L	Tennessee Gas Pipeline Co. - Zone L, 500 Leg Pool	Louisiana/Southeast, Tennessee, 500 Leg	Louisiana/Southeast, Tennessee, Louisiana, 500 Leg		Yes
TGP-800L	Tennessee Gas Pipeline Co. - Zone L, 800 Leg Pool	Louisiana/Southeast, Tennessee, 800 Leg	Louisiana/Southeast, Tennessee, Louisiana, 800 Leg		Yes
TGP-Mahwah	Tennessee Gas Pipeline-Mahwah - receipts into Algonquin Gas Transmission at the Mahwah interconnect	Northeast, Tx. Eastern, M-3	Northeast, Texas Eastern, M-3		
TGP-Niagara	Tennessee Gas Pipeline Co. & TransCanada Pipelines, Niagara interconnect (U.S.)	Northeast, Niagara	Northeast, Niagara		
TGP-Z0 Border Pool	Tennessee Gas Pipeline Co. - Zone 0 100 Leg South Texas Border Pool	East Texas, Tennessee, zone 0	East Texas, Tennessee, zone 0		
TGP-Z0 North	Tennessee Gas Pipeline Co. - Zone 0 North	East Texas, Tennessee, zone 0	East Texas, Tennessee, zone 0		Yes
TGP-Z0 South	Tennessee Gas Pipeline Co. - Zone 0 South	East Texas, Tennessee, zone 0	East Texas, Tennessee, zone 0		Yes
TGP-Z1 100L	Tennessee Gas Pipeline Co. - Zone 1 100 Leg Pool	Louisiana/Southeast, Tennessee, zone 1	Louisiana/Southeast, Tennessee, zone 1		
TGP-Z1 Sta-87	Tennessee Gas Pipeline Co. - Zone 1, Station 87 Pool	Louisiana/Southeast, Tennessee, zone 1	Louisiana/Southeast, Tennessee, zone 1		
TGP-Z1 800L Pool	Tennessee Gas Pipeline Co. - Zone 1 800 Leg Pool	Louisiana/Southeast, Tennessee, 800 Leg	Louisiana/Southeast, Tennessee, 800 Leg		
TGP-Z4 Sta-219	Tennessee Gas Pipeline Co. - Zone 4, Station 219 Pool	Appalachia, Tennessee, zone 4-200 leg	Appalachia, Tennessee, zone 4-200 leg		
TGP-Z4 Sta-313	Tennessee Gas Pipeline Co. - Zone 4, Station 313 Pool	Appalachia, Tennessee, zone 4-313 Pool	Appalachia, Tennessee, zone 4-313 Pool		
TGP-Z4 Marcellus	Tennessee Gas Pipeline Co. - Zone 4, Station 315 to 321	Appalachia, Tennessee, zone 4-300 leg	Appalachia, Tennessee, zone 4-300 leg		
TGP-Z5 200L	Tennessee Gas Pipeline Co. - Zone 5, 200 Line, delivered downstream of station 245	Northeast, Tennessee, z5 (200 leg)			
TGP-Z6 200L North	Tennessee Gas Pipeline Co. - Zone 6, 200 Line North (delivered, downstream of Station 267, excluding the Fitchburg-to-Gloucester lateral)	Northeast, Tennessee, zone 6, del. North	Northeast, Tennessee, zone 6, del. North		
TGP-Z6 200L South	Tennessee Gas Pipeline Co. - Zone 6, 200 Line South (delivered, upstream of Station 267)	Northeast, Tennessee, zone 6, del. South	Northeast, Tennessee, zone 6, del. South		
TGP-Z6 200L	Tennessee Gas Pipeline Co. - Zone 6, 200 Line (delivered)	Northeast, Tennessee, zone 6 del.	Northeast, Tennessee, zone 6 del.		
TGP-Z6 300L	Tennessee Gas Pipeline Co. - Zone 6, 300 Line (delivered)	Northeast, Tennessee, z6 (300 leg) del.			
TGT-SL	Texas Gas Transmission Corp. - Zone SL Pool	Louisiana/Southeast, Texas Gas, zone SL	Louisiana/Southeast, Texas Gas, zone SL		Yes
TGT-Mainline	Texas Gas Transmission Corp. - Mainline Pool	Louisiana/Southeast, Texas Gas, zone 1	Louisiana/Southeast, Texas Gas, zone 1		Yes
TGT-North La	Texas Gas Transmission Corp. - North Louisiana Pool	Louisiana/Southeast, Texas Gas, zone 1	Louisiana/Southeast, Texas Gas, zone 1		Yes
Transco-30	Transcontinental Gas Pipe Line Corp. - Station 30 (Zone 1)	East Texas, Transco, zone 1	East Texas, Transco, zone 1		Yes
Transco-45	Transcontinental Gas Pipe Line Corp. - Station 45 (Zone 2)	East Texas, Transco, zone 2	East Texas, Transco, zone 2		
Transco-65	Transcontinental Gas Pipe Line Corp. - Station 65 Pool				Yes
Transco-65 (65 id)	Transcontinental Gas Pipe Line Corp. - Station 65 Pool (Transco, station 65 index)	Louisiana/Southeast, Transco, station 65	Louisiana/Southeast, Transco, station 65		Yes

Physical Hub Name	Delivery point description for NG Firm Phys, FP and NG Firm Phys BS, LD1	Gas Daily Index Reference for NG Firm Phys, ID, GDD	Inside FERC index reference for NG Firm Phys, ID, IF	Natural Gas Intelligence index reference for NG Firm Phys, ID, NGI	ICE NGX Clearable?
Transco-65 (Z3 id)	Transcontinental Gas Pipe Line Corp. - Station 65 Pool (Transco, zone 3 index)	Louisiana/Southeast, Transco, zone 3	Louisiana/Southeast, Transco, zone 3		Yes
Transco-85	Transcontinental Gas Pipe Line Corp. - Station 85 (Zone 4)	Louisiana/Southeast, Transco, zone 4	Louisiana/Southeast, Transco, zone 4		Yes
Transco-River Road	Transcontinental Pipeline - River Road Interconnect	Northeast, Transco, zone 6 non-N.Y. North	Northeast, Transco, zone 6 non-N.Y. North		Yes
Transco-Z5	Transcontinental Gas Pipe Line Corp. - Zone 5 delivered, excluding deliveries into Transco at the Pleasant Valley receipt point from Dominion's Cove Point LNG terminal	Northeast, Transco, zone 5 del.	Northeast, Transco, zone 5 del.		
Transco-Z5 North	Transcontinental Gas Pipe Line Corp. - Zone 5 delivered (north of Stn 165)	Northeast, Transco, Zone 5 delivered North			
Transco-Z5 South	Transcontinental Gas Pipe Line Corp. - Zone 5 delivered (south of Stn 165 and including Stn 165)	Northeast, Transco, Zone 5 delivered South	Northeast, Transco, Zone 5 delivered South		Yes
Transco-Z6 Sta-210	Transcontinental Gas Pipeline Corp. - Zone 6 Station 210 Pool	Northeast, Transco, zone 6 non-N.Y. North	Northeast, Transco, zone 6 non-N.Y. North		Yes
Transco-Z6 (non-NY)	Transcontinental Gas Pipeline Corp. - Zone 6 (non-NY)	Northeast, Transco, zone 6 non-N.Y.	Northeast, Transco, zone 6 non-N.Y.		Yes
Transco-Z6 (non-NY north)	Transcontinental Gas Pipe Line Corp. - Zone 6 (non-NY north) - north of Station 195, including Delta	Northeast, Transco, zone 6 non-N.Y. North	Northeast, Transco, zone 6 non-N.Y. North		Yes
Transco-Z6 (non-NY north ML)	Transcontinental Gas Pipe Line Corp. - Zone 6 (non-NY north mainline) - north of Station 195, including Delta, excluding Marcus Hook and Trenton	Northeast, Transco, zone 6 non-N.Y. North	Northeast, Transco, zone 6 non-N.Y. North		Yes
Transco-Z6 (non-NY south)	Transcontinental Gas Pipe Line Corp. - Zone 6 (non-NY south) - south of Station 195	Northeast, Transco, zone 6 non-N.Y. South	Northeast, Transco, zone 6 non-N.Y. South		
Transco-Z6 (NY)	Transcontinental Gas Pipeline Corp. - Zone 6 (NY)	Northeast, Transco, zone 6 N.Y.	Northeast, Transco, zone 6 N.Y.		Yes
Tres Palacios (inj)	Tres Palacios Hub - Injection	East Texas, ICE Tres Palacios Hub - Injection			
Tres Palacios (w/d)	Tres Palacios Hub - Withdrawal	East Texas, ICE Tres Palacios Hub - Withdrawal			
Trunkline-ELA	Trunkline Gas Company - East Louisiana Pool	Louisiana/Southeast, Trunkline, ELA	Louisiana/Southeast, Trunkline, La.		Yes
Trunkline-WLA	Trunkline Gas Company - West Louisiana Pool	Louisiana/Southeast, Trunkline, WLA	Louisiana/Southeast, Trunkline, La.		Yes
Trunkline-Z1A	Trunkline Gas Company - Zone 1A Pool	Louisiana/Southeast, Trunkline, zone 1A	Louisiana/Southeast, Trunkline, zone 1A		Yes
TW-Blanco	Transwestern Pipeline Co. - San Juan Blanco Pool	Southwest, Transwestern, San Juan	Southwest, El Paso, San Juan		
TW-Central	Transwestern Pipeline Co. - Central Pool	Southwest, Transwestern, Permian	Southwest, Transwestern Permian Basin		
TW-Panhandle	Transwestern Pipeline Co. - Panhandle Pool	Midcontinent, Panhandle, Tx.-Okla.	Midcontinent, Panhandle, Tx.-Okla.		
TW-WTX	Transwestern Pipeline Co. - West Texas Pool	Southwest, Transwestern, Permian	Southwest, Transwestern Permian Basin		
Union-Dawn	Union-Dawn		Upper Midwest, Dawn, Ontario		
Waha	Waha Hub - West Texas (delivered/buyer's choice)	Southwest, Waha	Southwest, Waha		Yes
White River Hub	White River Hub (delivered/buyer's choice. REX, WIC, CIG, Questar, TransColorado, Northwest).	Rockies/Northwest, White River Hub	Rockies/Northwest, CIG, Rockies		
WIC	Wyoming Interstate Company - Pool	Rockies/Northwest, CIG, Rockies	Rockies/Northwest, CIG, Rockies		

HSC - Houston Pipe Line Pool Meter List (effective Feb 1, 2011)	
Meter Name (Interruptible service)	**Meter Number**
Air Liquide Bayport	988001
Air Products La Porte	981281
Air Products Pasadena Chemical	981418
Celanese Clear Lake	988018
Chevron Phillips Cedar Bayou	981024
Dow Deer Park	981506
Enterprise Mont Belvieu	981326
Equistar Channelview North	981373
Equistar Laporte Polymers	981553
ExxonMobil Baytown Refinery	981631
ExxonMobil Plastics Mont Belvieu	981379
Gulf Coast Fractionators	981389
Ineos Chocolate Bayou	981686
Ineos Deer Park	983409
Lanxess Baytown	981550
LCY Elastomers	981531
LyondellBasell Houston Refinery	981063
Optim Altura Channelview Cogen	981563
Oxy Vinyls Battleground Rd	981485
Oxy Vinyls LaPorte	981444
San Jacinto Cogen	981554
Shell Deer Park Cogen	981581
Shell Deer Park East	981060
Shell Deer Park South	981095
Targa Mt Belview	981084
Valero Houston Refinery	981394
Valero Premcor	981511
ICE HSC HPL Pool meter # 987342	987342

Shippers delivering gas to the ICE HSC Pool meter shall pay a fee of $0.0025 per MMBtu under their Pooling Confirmation. Transportation from the ICE HSC-HPL Pool meter to the other points listed above in the pool shall be interruptible and subject to negotiated fees under a transportation confirmation. Transporter reserves the right to modify the points listed herein from time to time. Please contact Mark McCoy at 210-403-7352 for questions concerning the services provided.

KRGT-Receipt Points
Carter Creek
CIG Muddy Creek
Clear Creek
Goshen
Hams Fork
NWP Muddy Creek
Opal
Overthrust
Painter
Pioneer Plant
Questar Roberson Creek
Rendezvous
Whitney Canyon

Oasis Waha Pool	
Pool Meter List	**Meter Number**
SUG Mi Vida Plant	3350
NGPL Pyote	6481
Transwestern	6301
EPN Gathering Line System	8610
ET Fuel Waha	1527
Oneok/Westex Waha	5896
El Paso Waha	6541
Regency Waha	4663
SUG Waha	5337
Enterprise Texas Pipeline	1265
NNG Waha	8724
Hoover Gomez	4466
Please contact ETC for current transportation rates.	

Change Log for Physical Gas Market Additions, Removals and Other Changes

March 1, 2024 - KRGT-Receipt Points table updated

March 1, 2024 - 'ID, GDD' product added for 'PNGTS' location

March 1, 2024 - Inside FERC reference index changed to 'Tennessee, zone 1' for the 'NG Firm , ID, IF - TGP-Z1 Sta-87' market

March 1, 2024 - 'ID, IF' product added for 'TGP-Z1 100L' location

October 23, 2023 - Transco-65 (Z3 id) added for 'ID, GDD' and 'ID, IF' products

October 23, 2023 - Transco-65 (65 id) added for 'ID, GDD' and 'ID, IF' products

October 9, 2023 - Questar-South changed to MountainWest-South

October 9, 2023 - Questar-North changed to MountainWest-North

September 18, 2023 - ETC-Tiger Gas (receipt) added as a new bilateral-only market

September 18, 2023 - NBPL-Bakken (receipt) added as a new bilateral-only market

October 17, 2022 - NGX Clearing added to REX-East NGPL, Midwestern, PEPL and Trunkline locations

July 18, 2022 - PG&E Citygate Monthly Imbalance added as a new bilateral-only market

June 1, 2022 - NGPL-TXOK East Stor added as a new bilateral-only market

November 1, 2021 - REX-Z3 Del Pool added as a new bilateral-only market

July 1, 2021 - Dominion-North name changed to Eastern Gas-North

July 1, 2021 - Dominion-South name changed to Eastern Gas-South

July 1, 2021 - Cove Point delivery point description updated to 'Cove Point - on system delivery'

April 12, 2021 - REX W-NGPL added as a new location

April 12, 2021 - Bay Gas Storage added as a new location

April 5, 2021 - Socal-Citygate Monthly Imbalance market added as a new location

October 19, 2020 - 'HSC-Kinder Morgan' added as a new location

October 19, 2020 - 'REX Cheyenne Comp Pool' became an ICE NGX cleared location

October 5, 2020 - 'PG&E-Topock' became an ICE NGX cleared location, 'seller's choice' added to market definition

September 1, 2020 - 'Midship (receipt)' added as a new location

July 20, 2020 - 'REX Cheyenne Comp Pool' added as a new location.

April 6, 2020 - 'Transco-River Road' added as a new location. This location was launched as NGX cleared.

April 6, 2020 - 'MEP-Lamar' added as a new location

April 6, 2020 - 'ID, GDD' products added for 'Tres Palacios (inj)' and 'Tres Palacios (w/d)' locations

November 18, 2019 - 'TGP-Z0 Border Pool' added as a new location

October 2, 2019 - 'Gillis Hub' added as a new location

September 30, 2019 - Gas Daily and Inside Ferc indexes updated for 'Pine Prairie Hub' 'ID, GDD' ad 'ID, IF' products

September 30, 2019 - 'Pine Prairie Hub' became ICE NGX cleared location

July 1, 2019 - 'TCO-A08 Pool' added as a new location

May 1, 2019 - 'EP-Anadarko' added as a new location

April 1, 2019 - reference/anchor index for 'NG Firm Phys, ID, GDD - TW-Panhandle' market changed from 'TW Permian' index to 'Panhandle' index

March 4, 2019 - 'EP-Keystone (EP Perm id)' added for 'ID, GDD' and 'ID, IF' products

March 4, 2019 - 'EP-Keystone (EP WTX id)' added for 'ID, GDD' and 'ID, IF' products

March 4, 2019 - 'EP-Plains Pool (EP Perm id)' added for 'ID, GDD' and 'ID, IF' products

March 4, 2019 - 'EP-Plains Pool (EP Plains id)' added for 'ID, GDD' and 'ID, IF' products

March 4, 2019 - 'EP-Waha Pool (EP Perm id)' added for 'ID, GDD' and 'ID, IF' products

March 4, 2019 - 'EP-Waha Pool (EP WTX id)' added for 'ID, GDD' and 'ID, IF' products

March 4, 2019 - 'NNG-Mid 1-7 (EP Perm id)' added for 'ID, GDD' and 'ID, IF' products

March 4, 2019 - 'NNG-Mid 1-7 (EP WTX id)' added for 'ID, GDD' and 'ID, IF' products

November 5, 2018 - reference/anchor index for 'NG Firm Phys, ID, GDD - Iroquois-Z1' market changed from 'Iroquois (into)' index to 'Iroquois Zone 1' index

November 1, 2018 - ' Arena WTX Pool' added as a new location

November 1, 2018 - 'Banquete Hub' added as a new location

November 1, 2018 - 'NG Firm Phys, ID, GDD - TGP-Z5 200L' added as a new market to complement exusting suite of fixed price and physical basis markets

October 29, 2018 - 'Leidy-Transco' became ICE NGX cleared location

October 22, 2018 - reference/anchor index for 'NG Firm Phys, ID, GDD - FGT-CG' market changed from 'Florida Gas, zone 3' index to 'Florida city-gates' index

October 1, 2018 - 'AB Pool (intra)' added as a new location

October 1, 2018 - 'NG Firm Phys, ID, GDD - Agua Dulce Hub' and 'NG Firm Phys, ID, IF - Agua Dulce Hub' added as new markets to complement existing suite of fixed price and physical basis markets

October 1, 2018 - 'TGP-Z1 800L Pool' added as a new location

October 1, 2018 - 'TGP-Z6 200L North' added as a new location

October 1, 2018 - 'TGP-Z6 200L South' added as a new location

July 16, 2018 - 'FGT-Z3' became an ICE NGX cleared location

July 16, 2018 - 'NGPL-Nipsco' became an ICE NGX cleared location

August 6, 2018 - ICE NGX added Same Day clearing to all ICE NGX locations

Sept 17, 2018 - 'AB Pool (inter)' added as a new location

Sept 17, 2018 - 'Cove Point' added as a new location

Sept 17, 2018 - 'ENT-STX Map' added as a new location

Sept 17, 2018 - 'NGPL-IA/IL AM Pool' added as a new location

Sept 17, 2018 - 'NGPL-IA/IL AM Stor' added as a new location

Sept 17, 2018 - 'NGPL-IA/IL GC Pool' added as a new location

Sept 17, 2018 - 'NGPL-IA/IL GC Stor' added as a new location

Sept 17, 2018 - 'NG Firm Phys, ID, GDD - Pine Prairie' added as a new market to complement exusting suite of fixed price and physical basis markets

Sept 17, 2018 - 'REX-Z3 (receipt)' added as a new location

Sept 17, 2018 - 'Rover (receipt)' added as a new location

June 17, 2018 - 'Rover-PEPL' added as a new location

June 17, 2018 - 'Rover-ANR' added as a new location

Exhibit A-17

Contract No. _____

FIRM INTRASTATE GAS TRANSPORTATION AGREEMENT

between

CITY OF SAN ANTONIO
acting by and through the
CITY PUBLIC SERVICE BOARD
(Shipper)

and

HOUSTON PIPE LINE COMPANY LP
(Transporter)

July 1, 2007

CPSE Response in Opp to ET MSJ
Exhibit A-17
MDL-2022-CI-02879
exhibitsticker.com

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Attorneys Eyes Only

FIRM INTRASTATE
GAS TRANSPORTATION AGREEMENT

THIS FIRM INTRASTATE GAS TRANSPORTATION AGREEMENT the ("Agreement") made and entered into effective and operative as of the 1st day of July, 2007, by and between CITY OF SAN ANTONIO acting by and through the CITY PUBLIC SERVICE BOARD, hereinafter referred to as ("Shipper"), and HOUSTON PIPE LINE COMPANY LP, hereinafter referred to as ("Transporter"). Transporter and Shipper are sometimes collectively referred to herein as the ("Parties"), and individually as a ("Party").

W I T N E S S E T H :

THAT WHEREAS, Shipper owns and/or controls certain quantities of Gas produced in Texas and desires to have Transporter transport certain quantities of natural Gas for Shipper from time to time; and

WHEREAS, Transporter has available pipeline facilities in Texas and agrees to receive and transport said gas for Shipper as hereinafter provided.

NOW, THEREFORE, in consideration of the sum of Ten Dollars ($10.00) cash in hand paid by Shipper to Transporter and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto have agreed as follows:

1. DEFINITIONS

The following definitions shall apply hereunder:

1.1 "Adequate Assurance of Performance" is defined in Section 13.1.

1.2 "Authorized Overrun Fee" is defined in Section 6.2.

1.3 "Btu" The term "Btu" shall mean British Thermal Unit.

1.4 "Business Day" shall mean any day except Saturday, Sunday or Federal Reserve Bank holidays.

1.5 "CCT" The term "CCT" shall mean Central Clock Time and is defined as current time in the Central Time Zone taking into consideration the seasonal changes back and forth between Daylight Savings and Standard time.

1.6 "Commodity Fee" is defined in Section 6.2.

1.7 "Cumulative Operational Gas Imbalance Account" is defined in Section 4.5.

1.8 "Cumulative Operational Imbalance Fee" is defined in Section 4.5.

1.9 "Cumulative Operational Imbalance Tolerance" is defined in Section 4.5.

1.10 "Day" shall mean a period of time beginning at 9:00 a.m. Central Clock Time (CCT) on each calendar Day and ending at 9:00 a.m. CCT on the next succeeding calendar Day.

1.11 "Delivery Point(s)" is defined in Section 3.2.

1.12 "Demand Fee" is defined in Section 6.1.

1.13 "Firm" or "Firm Service" as used herein means that Shipper's Reserved Capacity is not subject to a prior claim by another shipper or class of shipper or service.

1.14 "Gas" shall mean natural Gas as produced from wells classified as Gas wells or oil wells.

1.15 "Gas Daily Houston Ship Channel index (midpoint) posting" means the Spot Price (Midpoint) set forth in Gas Daily® (Platts, a division of McGraw-Hill Companies), or successor publication, in the column "Daily Price Survey" under Houston Ship Channel as posted for the Flow Date(s) pricing period in which the day of flow occurred.

1.16 "Gas Daily Katy index (midpoint) posting" means the Spot Price (Midpoint) set forth in Gas Daily® (Platts, a division of McGraw-Hill Companies), or successor publication, in the column "Daily Price Survey" under Houston Ship Channel as posted for the Flow Date(s) pricing period in which the day of flow occurred.

1.17 "Gross Heating Value" shall mean the number of Btu's liberated by the complete combustion, at constant pressure, of one (1) cubic foot of Gas at a base temperature of sixty degrees Fahrenheit (60°F.) and a referenced pressure base of fourteen and sixty-five hundredths (14.65) Psia with air of the same temperature and pressure of the Gas, after products of combustion are cooled to the initial temperature of the Gas, and after the water of the combustion is condensed to the liquid state. The Gross Heating Value of the Gas shall be corrected for the water vapor content of Gas being delivered provided, however, that if the water vapor content of the Gas is seven (7) pounds or less per one million (1,000,000) cubic feet the Gas shall be assumed to be dry and no correction shall be made.

1.18 "Gas Imbalance Account" means the aggregate daily imbalances that may occur on a daily basis.

1.19 "Inside FERC HSC Price" means the Market Center Spot-Gas Prices, East Texas, Houston Ship Channel Index as published in the first publication of the Month in Inside F.E.R.C.'s Gas Market Report published bi-Monthly by The McGraw-Hill Companies, Inc., or successor publisher.

1.20 "Interruptible" or "Interruptible Service" as used herein means that Transporter, in its sole and unfettered discretion, shall have the right to interrupt, curtail or suspend the receipt, transportation or delivery of Gas hereunder at any time and from time to time without any liability to Shipper by reason thereof.

1.21 "Maximum Hourly Quantity" or "MaxHQ" is defined in Section 4.2.

1.22 "Minimum Hourly Quantity" or "MinHQ" is defined in Section 4.2.

1.23 "Mcf" shall mean one thousand (1,000) cubic feet of Gas measured at a base temperature of sixty degrees Fahrenheit (60°F), and at a pressure base of fourteen and sixty-five one-hundredths (14.65) pounds per square inch absolute.

1.24 "MMBtu" shall mean one million (1,000,000) British Thermal Units.

1.25 "Month" shall mean a period of time beginning at 9:00 a.m. CCT on the first Day of a calendar month and ending at 9:00 a.m. CCT on the first Day of the next succeeding calendar month.

1.26 "Psia" shall mean pounds per square inch absolute.

1.27 "Psig" shall mean pounds per square inch gauge.

1.28 "Shipper's Reserved Capacity" means the aggregate daily transportation capacity (expressed in MMBtu's) reserved for Shipper in Transporter's transmission system under this Agreement.

1.29 "Ratable Basis" is defined in Section 3.2

1.30 "Receipt Point(s)" is defined in Section 3.1.

1.31 "Retention Volume" means the quantity of Gas retained by Transporter equal to the percentage(s) set forth in Section 3.1 of all volumes received at the Receipt Point(s) for any fuel, lost and other unaccounted for volumes.

2. OBLIGATIONS OF PARTIES

2.1 Transporter will receive Gas at the Receipt Point(s) as nominated and tendered by Shipper under the terms of this Agreement, transport the Gas, and deliver equivalent quantities of Gas to Shipper at the Delivery Point(s), as set forth herein, less the Retention Volumes. Transporter's obligations are subject to: (i) the maximum quantities (if any) stated in this Agreement; (ii) an event of Force Majeure; (iii) Shipper's failure or refusal to deliver Gas to, or receive Gas from, Transporter as required under this Agreement; (iv) any laws, rules, orders, or requirements of any governmental or regulatory authority, which limit, prevent, or interfere with Transporter's performance; and (v) as otherwise provided under any other terms and conditions of this Agreement.

2.2 Shipper will tender the quantities of Gas nominated under this Agreement at the Receipt Point(s), and accept the Gas, less the Retention Volumes, at the Delivery Point(s). Shipper's obligations set forth in the preceding sentence are subject to: (i) an event of Force Majeure; (ii) Transporter's failure or refusal to receive Gas from, or deliver Gas to, Shipper as required under this Agreement; (iii) any laws, rules, orders, or requirements of any governmental or regulatory authority, which limit, prevent, or interfere with Shipper's performance; and (iv) as otherwise provided under any other terms and conditions of this Agreement.

3. RECEIPT POINT(S) AND DELIVERY POINT(S)

3.1 (a) The Primary Receipt Point(s) for all Gas attributable to Shipper's Reserved Capacity delivered or caused to be delivered by Shipper to Transporter for transportation hereunder shall be at the receipt point(s) listed below. The Secondary Receipt Point(s) for Gas delivered or caused to be delivered by Shipper to Transporter for transportation hereunder shall be at such receipt point(s) as may be established by mutual agreement of the Parties. The Secondary Receipt Point(s) are to be provided to Shipper on an Interruptible basis; provided that in the event capacity at such Secondary Receipt Point(s) for the Days nominated by Shipper are confirmed by Transporter, then the Secondary Receipt Ponit(s) for such capacity shall be on Firm basis for the Days so nominated. The Primary Receipt Point(s) and the Secondary Receipt Point(s) are hereinafter called the ("Receipt Point(s)").

(b) Receipts at the following Receipt Points shall be on a ratable basis as specified below. Meter capacities shall be Firm for quantities nominated by 9:00 a.m. (CCT) one (1) Business Day prior to the period of flow. The below mentioned Meter Capacities represent Shipper's Firm measurement capacity for each Receipt Point and are a share of the total Meter Capacties. It is not intended to represent total meter capacity. Other mutually agreeable receipt point(s) may be added by Transporter and Shipper from time to time. Shipper or Shipper's designee shall be responsible to provide sufficient pressures to effectuate deliveries into Transporter's system at the Receipt Points listed below. Transporter shall not be obligated to provide compression or alter pipeline operations to effectuate the receipts of Gas into Transporter's system.

Location/Meter#	Meter Capacity MMBtu/d	Fuel Requirements per MMBtu (Retention Volume)	Commodity Fee/MMBtu
Oasis Katy #98-6780	75,000	0.25%	$0.02
Duke Katy #98-8740	20,000	0.25%	$0.03
HSC Pool #98-7342	20,000	0.25%	$0.02
Lone Star Katy #98-0067	20,000	0.25%	$0.03
Bammel #98-7367	15,000	0.25%	$0.06
Enstor Katy #98-0072	25,000	0.25%	$0.03

3.2 (a) The Primary Delivery Point for Gas that Transporter transports or causes to be redelivered for the account of Shipper hereunder shall be at Transporter's Karnes Delivery Point measurement facilities (Meter # 98-1608) located in Karnes County, Texas. The Karnes Delivery Point capacity shall be a minimum of 10,000 MMBtu per day up to a maximum of 125,000 MMBtu per day. Transporter shall have the right ot require Shipper to reschedule up to 20,000 MMBtu per day of the Karnes Delivery Point volumes to the Oasis Delivery Point.

(b) The Secondary Delivery Point for Gas that Transporter transports or causes to be redelivered for the account of Shipper hereunder shall be at the Oasis Pipe Line Company Texas LP CPS Delivery Point measurement facilities (Meter # 98-1483) located in Bexar County, Texas. The CPS Delivery Point is provided to Shipper on a firm basis; provided, however, Transporter may interrupt deliveries for days in which the physical movement of gas on the Oasis pipeline system flows from east to west or for days in which the Gas Daily Katy mid posting is less than the Gas Daily Waha mid posting. The CPS Delivery Point capacity shall be up to a maximum of 20,000 MMBtu per day. The parties may agree to add additional secondary delivery point(s) from time to time. Shipper shall nominate a like volume of gas at the Oasis Katy Receipt Point for redelivery to the CPS Delivery Point.

(c) The Primary Delivery Point and the Secondary Delivery Point are hereinafter called the ("Delivery Point(s)"). The combined Maximum Daily Quantity for both delivery points shall not exceed 125,000 MMBtu per day.

3.3 Shipper recognizes that quantities of Gas may be transported through the Receipt Point(s) and/or the Delivery Point(s) by third parties, and therefore, the measurement of Gas under this Agreement may involve the allocation of Gas receipts or deliveries. As between Transporter and Shipper, Transporter will, in its sole discretion, determine the allocation of all Gas deliveries hereunder. Each Party will furnish or cause to be furnished to the other Parties all data required to accurately account for all Gas received and delivered hereunder.

4. QUANTITY, NOMINATIONS, BALANCING

4.1 Notwithstanding Shipper's rights under Section 4.2, all quantities subject to this Agreement shall be balanced between the Receipt Point(s) and the Delivery Point(s) at consistent daily volumes based on the nominated volumes as specified herein. Shipper shall balance the receipt volumes (less Retention Volumes) with the delivery volumes on a daily basis.

4.2 Shipper's Reserved Capacity under this Agreement is a Maximum Daily Quantity ("MDQ") equal to 125,000 MMBtu per day and a Maximum Hourly Quantity ("MaxHQ") shall not exceed an instantaneous rate of 5,208 MMBtu per hour. However, in the event Shipper nominates any volume less than the MDQ for delivery to the Delivery Point(s) for any given Day during the term hereof,

then the MaxHQ instantaneous rate Transporter is obligated to deliver, and Shipper obligated to receive, shall equal Shipper's total nominated receipts at the Receipt Point(s) divided by twenty-four (24). Subject to the terms, conditions and limitations contained herein, Shipper agrees to deliver, or cause to be delivered, to the Receipt Point(s), and Transporter agrees to accept, or cause to be accepted, on a Firm basis those daily quantities of Shipper's Gas scheduled in accordance with this Section 4 and tendered daily at the Receipt Point(s), however, in no event shall Shipper tender volumes of Gas for transportation hereunder on any Day in excess of the volumes of transport Gas that Shipper has nominated at the Delivery Point(s) each Day. Subject to the terms, conditions and limitations contained herein, Shipper agrees to accept, or cause to be accepted, at the Delivery Point(s), and Transporter agrees to transport and redeliver, or cause to be transported and redelivered, on a Firm basis all volumes received for transportation to the Delivery Point(s) a scheduled hourly and daily volume of Gas, in terms of MMBtu, equal to the scheduled hourly and daily volume of Gas, in terms of MMBtu, delivered by or for the account of Shipper at the Receipt Point(s). Transporter and Shipper may agree for Transporter to transport or deliver quantities of Gas in excess of Shipper's Reserved Capacity or Shipper's daily nominated quantity, whichever is less, or the Maximum Hourly Quantity on an interruptible basis. Any variation will be confirmed in writing via fax or email by Transporter, with an acknowledgment returned to Transporter by Shipper.

4.3 Shipper must nominate prior to 9:00 a.m. (Central Clock Time) at the Receipt Point(s) and Delivery Point(s) each day, the gas volumes to be received and delivered the following day. Weekend and holiday deliveries shall be nominated no later than 9:00 a.m. of the Business Day prior to delivery. Shipper shall have the right to make not more than two (2) intra-day nomination changes between all Points, such change shall be made as soon as practical if, at Transporter's sole discretion, such change can be made without detriment to other volumes being handled by Transporter's pipeline facilities, with the last intra-day nomination change request due pror to 5:00 p.m. on the day of flow. Transporter will send Shipper a confirmation for each receipt or delivery point nomination requested by Shipper, Shipper must acknowledge such confirmation in writing, facsimile or by email and return same to Transporter before any nomination is valid. The deadline for submitting nominations for the first (1st) of each month is 9:00 a.m. (CCT) two (2) Business Days prior to the beginning of each month. Shipper has the right to nominate volumes up to Shipper's Reserved Capacity.

4.4 Notwithstanding Shipper's rights under Section 4.2, Shipper will balance, on a daily basis, between the Gas received by Transporter at the Receipt Point(s), less the Retention Volumes, and the Gas delivered at the Delivery Point(s). Shipper must monitor and adjust its nominations, deliveries, and receipts to maintain the daily balances between the Receipt Point(s) and Delivery Point(s), and notify within a reasonable amount of time Transporter of any imbalances or situations that may cause imbalances. If Transporter is unable to receive Gas at the Receipt Point(s) in the quantities scheduled, or deliver Gas at the Delivery Point(s) in the quantities scheduled, as provided for herein, Transporter will notify Shipper as soon as practicable. Notwithstanding Shipper's rights under Section 4.2, Transporter has no obligation to receive or deliver quantities of Gas on a daily basis that differ from the scheduled volumes.

4.5 After application of the Firm Intrastate Gas Transportation volumes, any remaining volumes of Gas delivered at the Delivery Point(s) during a given Day will be recorded in a Gas Imbalance Account identified as the "Cumulative Operational Gas Imbalance Account". If the absolute volume in the Cumulative Operational Gas Imbalance Account is greater than a plus or minus MMBtu tolerance equal to 15,000 MMBtu ("Cumulative Operational Imbalance Tolerance"), daily imbalances greater than or less than the Cumulative Operational Imbalance Tolerance shall be cashed out daily. Daily quantities that exceed the Cumulative Operational Imbalance Tolerance of 15,000 MMBtu (gas due Shipper) shall be purchased by Transporter priced at the lower of (i) 98.25% of the Gas Daily Katy index (midpoint) posting as posted for the Flow Date(s) pricing period in which the day of flow occurred less

$0.04, or (ii) 98.25% of the Gas Daily Katy index (midpoint) posting as posted for the Flow Date(s) pricing period after the Flow Date(s) pricing period in which the day of flow occurred less $0.04; and daily quantities less than the Cumulative Operational Imbalance Tolerance of (15,000) MMBtu (gas due Transporter) shall be sold to Shipper at the higher of (i) the Gas Daily Houston Ship Channel index (midpoint) posting as posted for the Flow Date(s) pricing period in which the day of flow occurred plus $0.04, or (ii) the Gas Daily Houston Ship Channel index (midpoint) posting as posted for the Flow Date(s) pricing period after the Flow Date(s) pricing period in which the day of flow occurred plus $0.04. Any physical flow adjustments for imbalance makeup will be made as mutually agreed to by the Parties (which shall be confirmed in writing via fax or email by Transporter, with an acknowledgment to be returned to Transporter by Shipper) to adequately control Imbalance levels. The daily and cumulative imbalance(s) will be determined at the end of each Gas Day and will be provided to Shipper upon request daily during normal business hours.

4.6 Notwithstanding Shipper's rights under Sections 4.1 or 4.2, Transporter may, at any time and from time to time, with notice to Shipper, restrict, interrupt, or reduce its receipts or deliveries of Gas at the Receipt Point(s) or Delivery Point(s), and direct Shipper to make adjustments in its receipts or deliveries, in order to maintain a daily and hourly balance or to correct an imbalance.

5. TERM

5.1 This Agreement shall become effective as of July 1, 2007 and shall continue through June 30, 2010. Notwithstanding the foregoing, the Transporter's obligation to transport Gas herender shall not commence until July 1, 2007. In the event there is an imbalance in the Cumulative Operational Gas Imbalance Account on the date of termination of this Agreement, then the imbalance volume will be cashed-out under the following terms. If gas is owed to Transporter, Shipper shall pay Transporter the Inside FERC HSC Price for the current month plus $0.10 per MMBtu. If gas is owed to Shipper, Transporter shall pay Shipper the Inside FERC HSC Price for the current month less $0.10 per MMBtu.

6. FEE

6.1 Demand Fee: Subject to the terms and conditions of this Agreement, Shipper shall pay Transporter a Demand Fee each Day (the "Demand Fee") equal to $0.021 per MMBtu multiplied by the greater of either the receipt volume or Shipper's Reserved Capacity.

6.2 Commodity Fee. Subject to the terms and conditions of this Agreement, Shipper shall pay Transporter a Commodity Fee each Day (the "Commodity Fee") equal to the applicable Commodity Fees per MMBtu set forth in Section 3.1(b) multiplied by the volumes received at the Receipt Point(s) for such Day and provide to Transporter a volume of Gas equal to the Retention Volume as set forth in Section 3.1.

6.3 Authorized Overrun Fee: In the event that Shipper receives authorization to overrun Shipper's Reserved Capacity, Shipper shall be subject to an authorized overrun charge per MMBtu as agreed to in writing at the time Transporter communicates its authorization to Shipper to overrun Shipper's Reserved Capacity (the "Authorized Overrun Fee").

6.4 In addition to the other fees and charges set forth in this Agreement, upon thirty (30) day advance notice, Shipper will pay, in advance, all applicable filing, reporting, and application fees, if any, that will be required of Transporter, or any other Party, including Shipper, in providing transportation services hereunder. At the time of this Agreement, Transporter is unaware of any applicable fees or charges under this Section 6.4.

7. PRESSURES

7.1 The Gas delivered by Shipper to the Receipt Point(s) hereunder shall be delivered at a pressure sufficient to overcome the operating pressure existing in Transporter's facilities from time to time; provided, however, in no event shall such pressures ever exceed the Maximum Allowable Operating Pressure ("MAOP") and Shipper shall at its sole cost and expense ensure that all documentation and data required by the applicable regulatory authority with regard to Shipper's or Shipper's supplier's overpressure protection facilities upstream of the Delivery Point(s) are made available and updated on an annual basis throughout the term of this Agreement. If Shipper fails to comply with the foregoing covenant, Transporter may, at Shipper's sole cost and expense, install such overpressure protection facilities (either upstream or downstream of the metering facilities, as Transporter may elect) in order to ensure compliance with applicable laws and regulations. The Gas delivered by Transporter to the Karnes and CPS Delivery Point(s) shall be delivered at a minimum pressure of 600 psig.

8. QUALITY

8.1 Shipper agrees that all Gas received by Transporter at the Receipt Point(s) hereunder and Transporter agrees that all Gas delivered hereunder to or for the account of Shipper at the Delivery Point(s) hereunder shall be merchantable Gas which shall:

a. Have a total heating value of not less than nine hundred fifty (950) British Thermal Units per cubic foot when saturated with water vapor (gross basis);

b. Be commercially free of all dust, hydrocarbon liquids, water, suspended matter, all gums and gum forming constituents and any other objectionable substances;

c. Not contain more than two (2) grains of total sulfur, nor more than one-fourth (1/4) grain of hydrogen sulfide per one hundred (100) standard cubic feet;

d. Contain no more than two percent (2%) by volume of carbon dioxide, two tenths of one percent (0.2%) by volume of oxygen, and three percent (3%) by volume of total inerts;

e. Have a temperature of not more than one hundred twenty degrees Fahrenheit (120°F.) or less than forty degrees Fahrenheit (40°F.);

f. Not contain more than seven (7) pounds of entrained water vapor per million cubic feet; and

g. Have a hydrocarbon dewpoint of 45°F or less at pipeline operating pressures between 200 psig and 1100 psig.

8.2 Shipper shall be responsible for odorizing any part of the Gas delivered hereunder at the Delivery Point(s) which is diverted and/or used for any purpose for which odorization is required pursuant to regulations of the Texas Railroad Commission.

8.3 Should the Gas delivered to either party hereunder fail to meet the quality specifications above, either party shall notify the other and the party responsible for the deficiency shall make a diligent effort to correct such failure. The party receiving the deficient Gas shall have the right to refuse to accept such Gas for so long as the other party is unable to deliver Gas conforming to such specifications, or either party may accept delivery of such Gas or any part thereof during such period. Should either party's tender of deficient Gas hereunder extend for a period greater than sixty (60) Days, the receiving party shall have the right and option at the end of such sixty (60) Days, and as long thereafter as the other

party continues to tender such non-conforming Gas, to terminate this Agreement on twenty-four (24) hours advance written notice to the other party stating the effective date of such termination.

8.4 Notwithstanding the foregoing, Transporter expressly reserves the right, at any time in the future, upon at least ninety (90) Days prior written notice to Shipper, to institute new, and from time to time revise, the quality specifications set forth above. Any modifications to the quality specifications set forth above will be applied on a nondiscriminatory basis for all similarly situated Shippers. Upon such modification of any such quality specifications by Transporter, Shipper will have the right to terminate this Agreement on the effective date of the modification by giving thirty (30) Days prior written notice to Transporter. If accepted by the Shipper, upon the effective date, such new quality specifications will supersede and replace the quality specifications set forth above.

9. METERING FACILITIES AND MEASUREMENT STANDARDS

9.1 Except as otherwise agreed by Transporter, the metering facilities to measure the volumes of Gas delivered at each Receipt Point(s) and Delivery Point(s) shall be maintained and operated or caused to be maintained and operated by Transporter. Measurement facilities shall include orifice, turbine, ultrasonic, or displacement meters or any other method that is mutually agreed upon by both parties and will be constructed and operated in accordance with the applicable standard identified below. Gas volumes shall be measured, meters and instruments calibrated, corrections undertaken, and measurement settlement adjustments made by Transporter in accordance with industry accepted practices. Such facilities and measurement data with respect to the Gas covered hereby shall at all reasonable times be subject to joint inspection by the parties hereto.

9.2 Gas volumes measured with the use of orifice meters shall be determined in accordance with the provisions of the Gas Measurement Committee Report No. 3 of the American Gas Association, dated 2000, as amended and/or supplemented from time to time or as mutually agreed upon by both parties. Gas volumes measured with the use of turbine meters shall be determined on the basis of Gas Measurement Committee Report No. 7 of the American Gas Association, dated 1996, as amended and/or supplemented from time to time or as mutually agreed upon by both parties. Gas volumes measured with the use of ultrasonic meters shall be determined in accordance with the provisions of the Gas Measurement Committee Report No. 9 of the American Gas Association, dated 1998, as amended and/or supplemented thereafter from time to time or as mutually agreed upon by both parties. Gas volumes measured with the use of positive meters shall be determined on the basis of Gas Measurement Committee Report No. 6 of the American Gas Association, dated 1971, as amended and/or supplemented from time to time or as mutually agreed upon by both parties.

9.3 The unit of volume for measurement of Gas delivered hereunder shall be one (1) cubic foot of Gas at a base temperature of sixty degrees Fahrenheit (60°F.) and at an absolute pressure of fourteen and sixty-five one hundredths (14.65) pounds per square inch absolute (psia) with volume reported in Mcf and energy reported in Dth (MMBtu). Atmospheric pressure for each of the Receipt or Delivery Point(s), or another point(s) selected by Transporter, shall be assumed to be the pressure value determined by the Transporter for the county in which such point is located pursuant to generally accepted industry practices (but not less than 14.1 psia nor more than 14.7 psia) irrespective of the actual atmospheric pressure at such points from time to time.

9.4 If electronic flow measurement (EFM) is used, the EFM device shall perform flow calculations as defined above and data logging requirements as recommended in the American Petroleum Institute, Manual of Petroleum Measurement Standards, Chapter 21, Section 1 – Electronic Gas Measurement (API Chapter 21).

9.5 Samples of the flowing gas stream shall be used for determining the relative density,

heating value, and compressibility. The compressibility factor shall be determined in accordance with the American Gas Association Report No. 8, as amended and/or supplemented from time to time or by other mutually agreeable methods. Sampling of the flowing gas stream shall be by on-line chromatograph, continuous sampling device, or spot sample at intervals determined to be appropriate by Transporter, but in no event less frequently than once every ninety (90) Days. Sampling shall be in accordance with Gas Producers Association (GPA) Standard 2166, as amended and/or supplemented from time to time or by other mutually agreeable methods. The determination of the chemical composition of the sample shall be in accordance with Gas Producers Association Standard 2261, as amended and/or supplemented from time to time or by other mutually agreeable methods. Component values shall be in accordance with the latest edition of Gas Producers Association Standard 2145, as amended and/or supplemented from time to time or by other mutually agreeable methods. Determination of relative density and heating value shall be in accordance with Gas Producers Association (GPA) Standard 2172, as amended and/or supplemented from time to time or by other mutually agreeable methods. Gas analysis results from a continuous sample or on line chromatograph shall be used to calculate volumes delivered during the same period in which the sample or analysis was conducted or accumulated. Gas analysis results from a spot sample shall be used to calculate volumes during the subsequent period until another sample is taken. The volume of Gas measured and reported in Mcf shall be multiplied by the applicable Btu factor for such Gas to determine the total energy content of the Gas in Dth (MMBtu).

10. METER TEST AND MEASUREMENT ERRORS.

10.1 At intervals determined to be appropriate by the measuring party, orifice and other types of meters and appurtenant instruments shall be calibrated in the presence of representatives of the other party. If the aggregate error in any measurement devices is found on test to register not more than one percent (1%) fast or slow in volume, then they shall be deemed to be correct. All measuring devices shall be adjusted upon test to register accurately within the tolerance allowed by their respective manufacturers. If the aggregate error in any measurement devices is more than one percent (1%) fast or slow in volume, adjustments shall be made by applying the percentage of error to the volume involved during the time the metering equipment was out of calibration, if this period can be ascertained. If the length of time the metering equipment was out of calibration cannot be ascertained, then the percentage of error will be applied to the volume delivered for one-half of the time elapsed since the date of the last calibration. During the time any meter is out of repair or is being tested, or in the event of a sudden failure of any meter to register for any period accurately within the one percent (1%) variation allowed herein, and if it is not feasible to install another meter, then the volume of Gas flowed shall be estimated with the mutual concurrence of both parties until a new or repaired meter is installed. Adjustment and settlement shall be made at the regular monthly periods on the basis of the best available data using the first of the following methods which is feasible:

a. By using the registration of any check measuring equipment, if installed and registering;

b. By correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculations; and

c. By estimating the quantity of deliveries by deliveries during preceding periods under similar conditions when the meter was registering accurately.

10.2 The measuring party shall give the other party notice of the time of all tests of meters and appurtenant instruments sufficiently in advance of the holding of such tests so that the other party may conveniently have its representatives present; provided, however, if the measuring party has given such notice to the other party and the other party is not present at the time specified, then the measuring party

may proceed with the tests as though the other party were present, and the results there from shall be deemed correct and accurate.

10.3 If Transporter determines that any measurement error results from pulsation, Shipper shall cause the owner of the facilities that are causing the pulsation to (at its or their expense), within sixty (60) Days of its receipt of notification, reduce the pulsation to a level such that the square root error in respect of pulsation is not greater than one percent (1%).

11. FORCE MAJEURE

11.1 Definition. An event of "Force Majeure" shall mean a restraint on Transporter's performance of one or more of its obligations under this Agreement ("Obligation" or "Obligations") resulting from a cause not within the control of Transporter (including, but not limited to, acts of negligence or willful misconduct of third parties, whether or not under the control, contract or supervision of Transporter) and which, by the exercise of due diligence and planning, that Transporter was unable to prevent. In this Section 11, the expression "due diligence and planning" shall mean that the standards and practices generally prevailing among operators of similar intrastate pipeline facilities in the United States have been adhered to.

11.2 Suspension. If, due to an event of Force Majeure, Transporter is unable to perform any Obligation in whole or in part, it shall be entitled, *unless otherwise* provided to the contrary in this Agreement, to claim suspension of that Obligation to the extent of and for the duration of the event of Force Majeure; *provided, however, that* Transporter gives written notice to Shipper, setting out the details of such Force Majeure event and its expected duration (if known) as soon as reasonably possible after the commencement of the event of Force Majeure.

11.3 Mitigation. When Transporter has claimed suspension of an Obligation under Subsection 11.2 above, Transporter shall be relieved of its commitment to perform that Obligation to the extent and for the period that the event of Force Majeure restrains Transporter's performance of that Obligation, *provided, however, that*:

i. Transporter effects those measures that are commercially reasonable in the circumstances to mitigate the cause of and effect of Force Majeure;

ii. Transporter recommences performance of such Obligation to the extent reasonably possible during the cessation of and upon the conclusion of the event of Force Majeure; and

iii. as soon as reasonably possible after the conclusion of the event of Force Majeure, gives notice to Shipper of the date of such conclusion.

11.4 Labor Disputes. Notwithstanding the above, the settlement of a strike, lockout or other industrial disturbance shall be entirely within the discretion of the Transporter.

11.5 Dependent Obligations. If pursuant to the provisions of Subsection 11.2 above, an Obligation of Transporter is suspended in whole or in part, the Obligations of Shipper (other than Shipper's payment obligations hereunder) shall also be suspended if and to the extent that such Obligations of Shipper are dependent upon or are a consequence of the performance of that Obligation. Notwithstanding the foregoing, should a Force Majeure event render Transporter unable to satisfy its obligations to Shipper for at least seven (7) consecutive days, then Transporter shall, for the remainder of the Force Majeure event, waive the Demand Fee for the obligations that cannot be satisfied by Transporter; provided, however, such waiver shall be effective only if (i) mutually acceptable alternative Primary and/or secondary Receipt Point(s) and/or Delivery Point(s) to satisfy the obligations of both parties are not available, (ii) Shipper is not in breach of this Agreement, and (iii) Shipper is not obligated to make payments of Demand Fees as set forth in Subsection 11.6 below.

11.6 Extended Force Majeure. If, due to any event of Force Majeure, Transporter cannot perform its Obligations fully or partially during any period of ninety (90) consecutive day, at Transporter's request, Shipper shall either, (i) resume payments of all Demand Fees, or (ii) agree to reduce the Maximum Daily Transportation Quantity and the Maximum Daily Delivery Quantities hereunder by the quantities that Transporter has consistently been unable to receive, transport and deliver in response to Shipper's nominations made during the preceding 90 day period.

11.7 Exclusions. Transporter shall not be entitled to the benefit of the provisions of Force Majeure hereunder if: (i) the failure resulting in an event of Force Majeure was caused by the gross negligence of Transporter; (ii) the failure was caused or extended by Transporter where Transporter failed to remedy the event by making all reasonable efforts (short of litigation, if such remedy would require litigation); or (iii) the failure was caused by lack of funds.

11.8 Service Interruptions. Transporter shall be excused from the performance of any Obligation that Transporter is unable to perform due to the necessity or desirability of repairing, altering, maintaining, inspecting, replacing, changing the size of, substituting or removing pipelines or appurtenant facilities. Such excuse of performance shall continue only for such time as interruption of service may be reasonable and unavoidable; and Transporter shall give Shipper reasonable notice of its intention to suspend performance hereunder, except in cases of emergency where such notice is impracticable, and shall endeavor to arrange such interruption so as to inconvenience Shipper as little as possible. Service interruptions as sanctioned by the provisions of this Subsection 11.8 are expressly included in the definition of "force majeure" for the purpose of this Agreement; provided however, the requirement that Transporter shall have been unable to prevent such service interruptions by the exercise of due diligence and planning, as required in Subsection 11.1 above, shall not apply to such service interruptions.

12. WARRANTIES, INDEMNIFICATIONS

12.1 Shipper warrants title to all Gas delivered by it hereunder and that it has the right to deliver the same hereunder and that such Gas is free from liens and adverse claims of every kind. Shipper shall be deemed to be in control and possession of the Gas prior to the receipt of the Gas by Transporter at the Receipt Point(s). Transporter shall be deemed to be in control and possession of the Gas after its receipt by Transporter at the Receipt Point(s) and prior to its delivery to Shipper or for Shipper's account at the Delivery Point(s). The Party in control and possession of the Gas will be responsible for and shall indemnify the other Party with respect to any losses, injuries, claims, liabilities or damages caused thereby or on account of royalties, taxes, payments, or other charges applicable and occurring while the Gas is in its possession. Each Party hereto covenants that with respect to the Gas delivered or redelivered by it hereunder, it will indemnify and save the other Party harmless from and against any and all suits, actions, causes of action, claims and demands arising from or out of any adverse claims by third parties claiming ownership of or an interest in the Gas so delivered or redelivered. Notwithstanding the foregoing, neither Party shall be indemnified for its own negligence, and the Parties acknowledge and agree that Shipper shall at all times have title to all Gas transported hereunder.

12.2 Shipper represents and warrants to Transporter (i) that all Gas delivered to Transporter hereunder will be produced in the State of Texas from reserves not dedicated or committed to interstate commerce, and (ii) that the Gas which Shipper delivers or receives hereunder will not have been or be sold, consumed, transported or otherwise utilized in interstate commerce at any point upstream of the Receipt Point(s) or downstream of the Delivery Point(s), nor have been or be commingled at any point upstream of the Receipt Point(s) or downstream of the Delivery Point(s) with other Gas which is or may be sold, consumed, transported or otherwise utilized in interstate commerce in such a manner which will subject the Gas subject to this Agreement or Transporter's or its designee's pipeline system, or any

portion thereof, to the jurisdiction of the Federal Energy Regulatory Commission or any successor authority under the Natural Gas Act. Shipper agrees to indemnify and hold Transporter harmless from and against any and all suits, actions, damages, costs, losses and expenses sustained by Transporter relative to any breach by Shipper of the covenants herein expressed.

12.3 THE PARTIES HERETO AGREE THAT NEITHER PARTY SHALL BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES OF ANY CHARACTER, INCLUDING BUT NOT LIMITED TO THE LOSS OF USE, LOST PROFITS, ADDITIONAL OUT OF POCKET EXPENSES INCURRED BY THE OTHER PARTY, TORT AND CONTRACT CLAIMS, OR CONSEQUENT PROPERTY DAMAGES SUFFERED BY THE OTHER PARTY, IRRESPECTIVE OF WHETHER CLAIMS OR ACTIONS FOR SUCH DAMAGES ARE BASED ON CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE; PROVIDED HOWEVER TRANSPORTER MAY RECOVER CONSEQUENTIAL DAMAGES RESULTING FROM THE DELIVERY BY SHIPPER OF GAS THAT DOES NOT CONFORM TO THE QUALITY SPECIFICATIONS IN SECTION 8 HEREOF OR BREACH OF SECTION 12.2 ABOVE.

13. CREDIT ASSURANCE

13.1 In the event Transporter determines Shipper's credit to be unsatisfactory in Transporter's sole reasonable opinion at any time during the term of this Agreement, Transporter may demand "Adequate Assurance of Performance" which shall mean sufficient security in an amount and for a term determined solely by Transporter and shall meet the requirements of this Section 13.1. Shipper, at its option, may provide one of the following forms of security:

(a) Post an irrevocable standby letter of credit in a form and from a bank reasonably satisfactory to Transporter, or

(b) Provide a prepayment or deposit for services.

13.2 Transporter will not be required to perform or continue to perform service hereunder in the event Shipper (i) makes an assignment or any general arrangement for the benefit of creditors; (ii) has voluntarily filed for bankruptcy protection under any chapter of the Bankruptcy Code; (iii) is the subject of an involuntary petition of bankruptcy under any chapter of the Bankruptcy Code, and such involuntary petition has not been settled or otherwise dismissed within ninety (90) Days of such filing; (iv) otherwise becomes insolvent, whether by an inability to meet its debts as they come due in the ordinary course of business or because its liabilities exceed its assets on a balance sheet test; and/or however such liabilities may otherwise be evidenced; or (v) fails to pay any amount due Tansporter hereunder on or before the second Business Day following written notice that such payment is due.

13.3 Should Shipper fail to provide Adequate Assurance of Performance to Transporter within two (2) Business Days after receipt of written demand for such assurance, then Transporter shall have the right to suspend performance under this Agreement until such time as Shipper furnishes Adequate Assurance of Performance. If such assurance is not provided by Shipper within ten (10) Business Days from written demand, Shipper may terminate this Agreement in addition to having any and all other remedies available hereunder.

14. BILLING, PAYMENT AND NOTICES

14.1 On or before the fifteenth (15th) Day of each calendar month, Transporter will render, a statement to Shipper setting forth, in terms of Mcf's and MMBtu's, the total quantity of Gas received hereunder at the Receipt Point(s), the quantity of Gas retained by Transporter, and the quantity of Gas delivered hereunder at the Delivery Point(s) during the immediately preceding calendar month and the amount payable therefore. Shipper agrees to pay Transporter by wire transfer (identifying the invoice number) the full amount payable according to such statement on or before ten (10) Days following the receipt thereof by Shipper. In the event such quantities are estimated for any period, corrected statements shall be rendered by Transporter to Shipper and paid by Shipper, or refunded or credited by Transporter, as the case may be, in each instance in which the actual quantity received or delivered hereunder with respect to a month shall be determined to be at variance with the estimated quantity theretofore made the basis of billing and payment hereunder. If an error is discovered in the amount billed in any statement rendered by Transporter, then such error will be adjusted within thirty (30) Days of the discovery of the error.

14.2 If a bonafide dispute arises as to the amount payable in any statement rendered, then Shipper will nevertheless pay the undisputed amount payable to Transporter under the statement rendered pending resolution of the dispute. Upon resolution of such dispute, Shipper will pay any monies owed Transporter per the terms of this Section 14.

14.3 In addition to all other remedies available to Transporter, should Shipper fail to pay any amount when the same becomes due, interest shall accrue thereon at a rate equal to the prime rate from time to time in effect and charged by the Citibank, N.A., New York, New York, plus two percent (2%) per annum, (but in no event greater than the maximum rate of interest permitted by law) with adjustments in such rate to be made on the same Day as any change in such prime rate, for any period during which the same shall be overdue, such interest to be paid when the amount past due is paid. Each Party hereto or its representative shall have the right at all reasonable times to examine the books and records of the other Party to the extent necessary to verify the accuracy of any statement, charge, computation or demand made under or pursuant to this Agreement. If any such examination shall reveal or if either Party shall discover, any error in its own or the other Party's statements, calculation, or determinations, then proper adjustments and correction thereof shall be made promptly as practicable thereafter. Any statement shall be final as to all Parties unless questioned within two (2) years after payment thereof has been made. Any notice, request or statement provided pursuant to this Agreement shall be in writing and shall be considered as having been given if delivered personally or, if mailed by United States mail, postage prepaid, or if sent by express mail or overnight delivery or electronic mail or if sent be facsimile to the other Party when sent to the following:

Transporter:

For Remittance:
By Wire Transfer:
Wachovia Bank, Winston-Salem, NC
Acct. Redacted
ABA
Other Details: For credit to:
Houston Pipe Line Company LP

For Notices and Correspondence:

Attorneys Eyes Only CPSE-MDL_000026203

Houston Pipe Line Company LP
Attn: Contract Administration
1201 Louisiana St., Suite 1200
Houston, Texas 77002-5600
Telephone: (832)668-1000
FAX: (832)668-1119

For Accounting Matters:
Houston Pipe Line Company LP
Attn: Gas Revenue Accounting
1201 Louisiana St., Suite 1200
Houston, Texas 77002-5600
Telephone: (832)668-1000
FAX: (832)668-1113

For Gas Control:
Houston Pipe Line Company LP
Attn: Gas Control
1201 Louisiana St., Suite 1200
Houston, TX 77002-5600
Telephone: (832) 668-1003
1-800-392-1965
FAX: (832) 668-1120

For Scheduling/Nominations:
Houston Pipe Line Company LP
Attn: Scheduling/Nominations
1201 Louisiana St., Suite 1200
Houston, TX 77002-5600
Telephone: (832) 668-1000
FAX: (832) 668-1117

Shipper:

For Notices and Scheduling:
City Public Service Board
Attn: Fuels Division
145 Navarro
San Antonio, Texas 78296
Telephone: (210) 353-4261
FAX: (210) 353-4632

For Invoices and Statements:
City Public Service Board
Attn: Fuels Division
145 Navarro
San Antonio, Texas 78296
Telephone: (210) 353-4261
FAX: (210) 353-4632

For Gas Imbalance Account:
City Public Service Board
Attn: Fuels Division
145 Navarro
San Antonio, Texas 78296
Telephone: (210) 353-4261
FAX: (210) 353-4632

15. ASSIGNMENT

15.1 This Agreement shall be binding upon and inure to the benefit of the successors, assigns and legal representatives of the Parties hereto; provided, however, Shipper shall not assign this Agreement, or any portion hereof, or any of its rights and obligations hereunder, by merger or otherwise, without first securing the prior written consent of Transporter which will not be unreasonably withheld. Notwithstanding the foregoing, either Party may assign this Agreement to an affiliated entity without consent.

16. TAXES

16.1 Shipper agrees to reimburse Transporter upon invoice for the full amount of any taxes or charges (of every kind and character except franchise and excess profits taxes and taxes measured by net income) levied, assessed or fixed by any municipal or governmental authority against Transporter or its business in connection with or attributable to the volumes, value or gross receipts from the transportation of the Gas received from Shipper hereunder or against such Gas itself or the act, right or privilege of ownership, production, severance, handling, transmission, compression, treating, distribution, sale, delivery or redelivery of such Gas, whether such tax or charge is based upon the volume, value or gross receipts from the transportation of such Gas or upon some other basis.

17. GOVERNMENTAL REGULATIONS

17.1 This Agreement and the transportation arrangement hereunder are subject to all valid existing and future laws, orders, rules, regulations and proclamations of duly constituted governmental authorities having jurisdiction or control over the parties hereto or the subject matter hereof. If at any time any such governmental authority shall take any action which is, with respect to or as a result of the transportation service provided for under this Agreement, designed to subject or otherwise subjects either party or any of its pipeline or related facilities to any greater or different regulation or jurisdiction than that existing on the date hereof (or thereafter as such regulation or jurisdiction may have changed and been accepted by such party), then upon written notice to the other, the party so affected may at any time thereafter or effective one (15) Day prior to the effective date of such action terminate this Agreement without further obligation to the other party except in the case of Shipper to make payment for services

rendered hereunder and, in the case of either Transporter or Shipper, to correct any Gas imbalance existing on the date of such termination.

17.2 In the event any governmental or regulatory body exercising jurisdiction over the service hereunder establishes fees for applications or reports filed in conjunction with such service, Shipper shall reimburse or cause to be reimbursed Transporter upon billing for any fees so paid by Transporter, and to the extent that such fees are imposed on the aggregate number of shippers or on a volumetric basis, these fees shall be charged on a prorate basis or based on volume.

18. MISCELLANEOUS

18.1 This Agreement contains the entire agreement between the Parties hereto on the date hereof, respecting the subject matter hereof, and there are no prior or contemporaneous agreements or representations affecting such subject matter other than those therein expressed.

18.2 It is further agreed that no modification or change herein shall be enforceable unless reduced to writing and executed by both Parties.

18.3 No waiver by either Party hereto of any one or more defaults by the other in the performance of any of the provisions of this Agreement shall operate or be construed as a waiver of any future default or defaults whether of a like kind or different nature.

18.4 This Agreement shall be construed, enforced and performed in accordance with the laws of the State of Texas, disregarding any conflict of laws principles that would refer to the laws of any different jurisdiction for any interpretation or construction of this Agreement. If any provision hereof conflicts with such laws or with public policy that cannot be or is not waived hereby, then to the extent of such conflict this Agreement shall be deemed modified to conform therewith.

18.5 Except with respect to specific enforcement of any confidentiality obligation or a request for injunctive relief, any and all claims, demands, causes of action, disputes, controversies and other matters arising out of or relating to this Agreement, and of its provisions or the relationship between the Parties created by this Agreement, whether sounding in tort, contract, or the common law, for damages or any other relief, shall be resolved by binding, self-administered arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association ("AAA") and all such proceedings shall be subject to the Federal Arbitration Act. There shall be three arbitrators. Each Party shall designate an arbitrator, who needs not be neutral, within thirty (30) days of receiving notification of the filing with the AAA of a demand for arbitration. If either Party fails to designate an arbitrator within thirty (30) days, the other Party may have an arbitrator appointed by applying to the senior active United States District Judge for the Southern District of Texas. The two arbitrators shall select a third arbitrator. If the two arbitrators chosen by the Parties fail to agree upon the third arbitrator, both or either of the Parties may apply to the senior active United States District Judge for the Southern District of Texas for the appointment of a third arbitrator. The third arbitrator shall take an oath of neutrality. The third arbitrator must have knowledge of and over five years of professional experience in connection with similar transactions and must not have had been employed or retained by either Party and must not have a direct or indirect interest in either Party or the subject matter of the arbitration. Such arbitration shall be held in Houston, Texas. The rules of the AAA shall apply to the extent not inconsistent with the rules herein specified. The arbitration shall be conducted according to the following procedures: (a) the arbitration hearing shall commence no later than one hundred twenty (120) days after the selection of the third arbitrator; (b) not lather than seven (7) Days prior to the hearing date set by the arbitrators each Party shall submit a brief detailing its factual and legal position and a final offer for settlement of the dispute including a dollar amount, if appropriate; (c) the hearing shall be conducted on a confidential basis without continuance or adjournment; (d) the arbitrators shall be limited to selecting only one (1) of the

two (2) offers or, if applicable, one (1) of the dollar amounts submitted by the Parties; (e) each Party shall divide equally the cost of the third arbitrator and the hearing and each Party shall be responsible for its own expenses and those of its arbitrator, counsel and representatives; and (f) evidence concerning the financial position of the Parties, any offer made or the details of any negotiation prior to arbitration and the cost to the Parties of their representatives and counsel shall not be permissible. The award of the arbitrators shall be made no later than thirty (30) days after the date of closing of the hearing, or if oral hearings have been waived, after the date of transmitting the final statements and proof to the arbitrators. The decision of the arbitrators shall be final and binding on the Parties, enforceable in any state court, and shall not be appealed by either Party. The arbitrators shall apply the substantive laws of the State of Texas (excluding Texas choice-of-law principles that might call for application of the law of some other state). Only damages allowed pursuant to this Agreement may be awarded and the arbitrators shall have no authority to award treble, exemplary or punitive damages of any type under any circumstances regardless of whether such damages may be available under Texas law.

18.6 The provisions of this Agreement shall not impart rights enforceable by any person, firm or organization not a Party or not bound as a Party, or not a successor or assignee of a Party bound to this Agreement.

18.7 This Agreement was prepared jointly by the Parties hereto. This Agreement was prepared with each of the Parties having access to their own legal counsel, and the Parties waive any claim they may have now or in the future based on this Agreement not having been prepared jointly by the Parties.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed in multiple originals effective and operative as of the date first hereinabove written.

TRANSPORTER:

HOUSTON PIPE LINE COMPANY LP
By: HPL GP, LLC, Its General Partner

By: _____

Name: Robert Bourne

Title: Senior Vice President – South Division

SHIPPER:

CITY OF SAN ANTONIO, acting by or through the CITY PUBLIC SERVICE BOARD

By: _____

Name: Michael Kotara

Title: Executive Vice President

Attorneys Eyes Only CPSE-MDL_000026207

AMENDMENT
TO
FIRM INTRASTATE GAS TRANSPORTATION AGREEMENT

THIS AMENDMENT TO FIRM INTRASTATE GAS TRANSPORTATION AGREEMENT ("Amendment") is made and entered into on this the ___ day of June, 2010, but effective and operative as of July 1, 2010 (the "Effective Date"), by and between City of San Antonio acting by and through the City Public Service Board ("Shipper") and Houston Pipe Line Company LP, a Delaware limited partnership, ("Transporter") (each a "Party" and collectively, "Parties").

W I T N E S S E T H :

WHEREAS Shipper and Transporter have entered into that certain Firm Intrastate Gas Transportation Agreement effective and operative as of the 1st day of July, 2007 (the "Agreement"), governing the transportation of natural gas by Transporter for Shipper that is not subject to the Federal Energy Regulatory Commission's ("FERC") regulations under the Natural Gas Act of 1938, as amended ("NGA"); and

WHEREAS, Shipper and Transporter desire to and hereby agree to amend the Agreement as hereinafter provided.

NOW, THERFORE, in consideration of the sum of One Dollar ($1.00) and the mutual covenants and agreements herein set forth, the parties agree that the Agreement is amended as follows:

A. **Amendments**. Shipper and Transporter agree that:

1. The following definitions are modified in or added to Article 1:

   a. Section 1.15 is amended to insert the words "or "Gas Daily HSC mid posting"" following the words ""Gas Daily Houston Ship Channel index (midpoint) posting"".

   b. Section 1.16 is amended to insert the words "or "Gas Daily Katy mid posting"" following the words ""Gas Daily Katy index (midpoint) posting""

   c. 1.32 "ICE" shall mean the electronic interface operated as part of the electronic exchange relating to energy commodities including natural gas, facilitated by the Intercontinental Exchange or its successor or assign.

2. Paragraph 3.1 (b) of Article 3, Receipt Point(s) and Delivery Point(s), of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to-wit:

> "(b) Receipts at the following Receipt Points shall be on a ratable basis as specified below. Meter capacities shall be Firm for quantities nominated by 11:30 a.m. (CCT) one (1) Business Day prior to the period of flow. The below mentioned Meter Capacities represent Shipper's Firm measurement capacity for each Receipt Point and are a share of the total Meter Capacities. It is not intended to represent total meter capacity. Other mutually agreeable receipt point(s) may be added by Transporter and Shipper from time to time. Shipper or

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Shipper's designee shall be responsible to provide sufficient pressures to effectuate deliveries into Transporter's system at the Receipt Points listed below. Transporter shall not be obligated to provide compression or alter pipeline operations to effectuate the receipts of Gas into Transporter's system.

Location/Meter#	Meter Capacity MMBtu/d	Fuel Requirements per MMBtu (Retention Volume)	Commodity Fee/MMBtu
Oasis Katy #98-6780	75,000	0.25%	$0.02
Duke Katy #98-8740	20,000	0.25%	$0.03
HSC Pool #98-7342	20,000	0.25%	$0.02
Lone Star Katy #98-0067	20,000	0.25%	$0.03
Bammel #98-7367	15,000	0.25%	$0.05
Enstor Katy #98-0072	25,000	0.25%	$0.03
Freeport LNG #98-8470	10,000	0.50%	$0.08
Copano Sheridan #98-7443	10,000	0.25%	$0.05
Lobo Aqua Dulce #98-7038	5,000	1.00%	$0.06
King Ranch Tailgate #98-84892	5,000	1.25%	$0.06

3. Paragraph 3.2 (a) of Article 3, Receipt Point(s) and Delivery Point(s), of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to wit:

"(a) The Primary Delivery Point for Gas that Transporter transports or causes to be redelivered for the account of Shipper hereunder shall be at Transporter's Karnes Delivery Point measurement facilities (Meter # 98-7357) located in Karnes County, Texas. The Karnes Delivery Point capacity shall be a minimum of 10,000 MMBtu per day up to a maximum of 125,000 MMBtu per day."

4. Paragraph 3.2 (b) of Article 3, Receipt Point(s) and Delivery Point(s), of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to-wit:

"(b) The Secondary Delivery for Gas that Transporter transports or causes to be redelivered for the account of Shipper shall be at the HPL Bammel Delivery Point (HPL Meter #98-7367) located in Harris County, Texas. The HPL Bammel Delivery Point is provided to Shipper on a firm basis for up to a maximum of 30,000 MMBtu per day provided that Shipper has entered into a Firm Intrastate Gas Storage Agreement with Transporter."

5. Paragraph 4.3 of Article 4, Quantity, Nominations, Balancing, of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to-wit:

"4.3 Shipper must nominate prior to 11:30 a.m. (Central Clock Time) the Receipt Point(s) and Delivery Point(s) each day, the gas volumes to be received and delivered the following day. Weekend and ICE recognized holiday deliveries shall be nominated no later than the applicable 11:30 a.m. of the Business Day prior to delivery. Any intra-day nomination changes between Receipt Point(s) and Delivery Point(s), if notified during normal business hours at least one and one-half hours prior to the time such change is to take effect, shall be made as soon as practical if, at Transporter's sole discretion, such change can be made without detriment to other volumes being handled by

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Transporter's pipeline facilities. In the event that Transporter establishes a Web-based online nomination system, Shipper shall submit nominations using that system. Transporter will schedule and confirm Shipper's Nomination with upstream and downstream operators. The deadline for submitting nominations for the first (1st) of each month is 11:30 a.m. (CCT), as applicable by points, two (2) Business Days prior to the beginning of each month. Shipper has the right to nominate volumes up to Shipper's Reserved Capacity."

6. Paragraph 4.4 of Article 4, Quantity, Nominations, Balancing, of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to-wit:

"4.4 Shipper will balance, on an hourly and daily basis, between the Gas received by Transporter at the Receipt Point(s), less the Retention Volumes, and the Gas delivered at the Delivery Point(s). If Shipper's imbalance exceeds the imbalance tolerances as defined in this Agreement, then Shipper remains responsible for such imbalances in accordance with the imbalance provisions of this Agreement providing such imbalance was not caused by Transporter. Imbalances caused by Transporter will be scheduled as payback as soon as practical. If Transporter is unable to receive Gas at any Receipt Point in the quantities scheduled, or deliver Gas at any Delivery Point in the quantities scheduled, as provided for herein, Transporter will notify Shipper as soon as practicable."

7. Paragraph 4.5 of Article 4, Quantity, Nominations, Balancing, of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to-wit:

"4.5 After application of the scheduled volumes any remaining variance or imbalance between the volumes of Gas received at the Receipt Point(s) and delivered at the Delivery Point(s) during a given Day will be recorded in a Gas Imbalance Account. If the absolute volume in the Gas Imbalance Account is greater than a plus or minus MMBtu tolerance equal to 20,000 MMBtu ("Cumulative Operational Imbalance Tolerance"), imbalances greater than or less than the Cumulative Tolerance shall be cashed out on a daily basis. Daily quantities that exceed the Cumulative Tolerance noted above (gas due Shipper) shall be purchased by Transporter priced at the lower of (i) 98.25% of the Gas Daily Katy or Gas Daily HSC mid posting for the day of flow less $0.04, or (ii) 98.25% of the next Gas Daily Katy or Gas Daily HSC mid postings published the day after flow less $0.04.; and daily quantities less than the Cumulative Operational Imbalance Tolerance of noted above (gas due Transporter) shall be sold to Shipper at the higher of (i) the Gas Daily Katy or Gas Daily HSC mid posting for the day of flow plus $0.04, (ii) the next Gas Daily Katy or Gas Daily HSC mid postings published after the day of flow plus $0.04. Any physical flow adjustments for imbalance makeup will be made as mutually agreed to by the Parties (which shall be confirmed in writing via fax or email by Transporter, with an acknowledgment to be returned to Transporter by Shipper) to adequately control Imbalance levels. The daily and cumulative imbalance(s) will be determined at the end of each Gas Day and will be made available to Shipper upon request. Imbalance information shall be based on the best data then available to Transporter, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Transporter shall not relieve Shipper of its obligations under this Agreement to avoid, correct and eliminate actual imbalances."

8. Paragraph 5.1 of Article 5, Term, of the Agreement is amended by deleting the first sentence in its entirety and substituting the following in lieu thereof, to-wit:

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"This Agreement shall become effective as of July 1, 2007 and shall continue through June 30, 2013."

9. Paragraph 6.1 of Article 6, Fee, of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to-wit:

"6.1 Demand Fee: Subject to the terms and conditions of this Agreement, Shipper shall pay Transporter a Demand Fee each Day (the "Demand Fee") equal to $0.04 per MMBtu multiplied by the greater of either the receipt volume or Shipper's Reserved Capacity.

B. **Miscellaneous**

1. Entire Agreement. This Amendment constitutes the entire agreement and understanding of the parties with respect to its subject matter, and except as amended herein, the Agreement shall remain in full force and effect as written.

2. Non-reliance. Each Party acknowledges that in agreeing to this Amendment it has not relied on any oral or written representation, warranty or other assurance and waives all rights and remedies which might otherwise be available to it in respect thereof, except that nothing in this Amendment will limit or exclude any liability of a Party for fraud.

3. Headings. The headings used in this Amendment are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Amendment.

4. Governing Law. This Amendment will be governed by and construed in accordance with the law specified to govern the Agreement.

5. Counterparts. This Amendment (and each amendment, modification and waiver in respect of it) may be executed and delivered in any number of counterparts (including by facsimile transmission or PDF files) and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment to take effect as of the Effective Date stated above.

HOUSTON PIPE LINE COMPANY LP
By: HPL GP, LLC, its general partner

By: _____
Name: _____
Title: Mike Howard
President - Midstream

CITY OF SAN ANTONIO, acting by or through the CITY PUBLICE SERVICE BOARD

By: _____
Name: Richard M. Peña
Title: SVP Energy Development

Attorneys Eyes Only CPSE-MDL_000026211

ENERGY TRANSFER
Houston Pipe Line Company LP

711 Louisiana St., Suite 900
Houston, TX 77002
energytransfer.com

July 12, 2010

City Public Service Board
Attn Fuels Division
145 Navarro
San Antonio TX 78296

Re: Amendment to Firm Intrstate Transport Agreement # 97001347

Dear Sir,

Enclosed is one (1) fully executed original of the above referenced document for your files. We have retained one original for our files.

If you have any questions, please feel free to call me at 832-668-1367.

Very Truly Yours,

Juanita Marchand
Specialist, Contract Administration

Enclosures

SECOND AMENDMENT
TO
FIRM INTRASTATE GAS TRANSPORTATION AGREEMENT

THIS SECOND AMENDMENT TO FIRM INTRASTATE GAS TRANSPORTATION AGREEMENT ("Amendment") is made and entered into effective and operative as of April 18, 2012 (the "Effective Date"), by and between City of San Antonio acting by and through its City Public Service Board ("Shipper") and Houston Pipe Line Company LP, a Delaware limited partnership, ("Transporter") (each a "Party" and collectively, "Parties").

W I T N E S S E T H :

WHEREAS Shipper and Transporter have entered into that certain Firm Intrastate Gas Transportation Agreement effective and operative as of the 1st day of July, 2007, as heretofore amended, (the "Agreement"), governing the transportation of natural gas by Transporter for Shipper that is not subject to the Federal Energy Regulatory Commission's ("FERC") regulations under the Natural Gas Act of 1938, as amended ("NGA"); and

WHEREAS, Shipper and Transporter desire to and hereby agree to further amend the Agreement as hereinafter provided.

NOW, THERFORE, in consideration of the sum of One Dollar ($1.00) and the mutual covenants and agreements herein set forth, the parties agree that the Agreement is amended as follows:

A. **Amendments.** Shipper and Transporter agree that:

1. Paragraph 3.1 (b) of Article 3, Receipt Point(s) and Delivery Point(s), of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to-wit:

> "3.1 (b) Receipts at the following Receipt Points shall be on a ratable basis as specified below. Meter capacities shall be Firm for quantities nominated by 11:30 a.m. (CCT) one (1) Business Day prior to the period of flow. The below mentioned Meter Capacities represent Shipper's Firm measurement capacity for each Receipt Point and are a share of the total Meter Capacities. It is not intended to represent total meter capacity. Other mutually agreeable receipt point(s) may be added by Transporter and Shipper from time to time. Shipper or Shipper's designee shall be responsible to provide sufficient pressures to effectuate deliveries into Transporter's system at the Receipt Points listed below. Transporter shall not be obligated to provide compression or alter pipeline operations to effectuate the receipts of Gas into Transporter's system.

Location/Meter#	Meter Capacity MMBtu/d	Fuel Requirements per MMBtu (Retention Volume)	Commodity Fee/MMBtu
Oasis Katy #98-6780	100,000	0.25%	$0.02
Duke Katy #98-8740	20,000	0.25%	$0.03
HSC Pool #98-7342	60,000	0.25%	$0.02
Lone Star Katy #98-0067	20,000	0.25%	$0.03
Bammel #98-7367	50,000	0.25%	$0.04
Enstor Katy #98-0072	25,000	0.25%	$0.03

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Freeport LNG #98-8470	10,000	0.50%	$0.08
Copano Sheridan #98-7443	10,000	0.25%	$0.05
Lobo Aqua Dulce #98-7038	10,000	1.00%	$0.06
King Ranch Tailgate #98-9643	10,000	1.25%	$0.06"

2. Paragraph 3.2 (a) of Article 3, Receipt Point(s) and Delivery Point(s), of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to wit:

"3.2 (a) Deliveries at the following Primary Delivery Points shall be on a ratable basis except as otherwise specified below. Meter capacities shall be Firm for quantities nominated by 11:30 a.m. (CCT) one (1) Business Day prior to the period of flow. The below mentioned Meter Capacities represent Shipper's Firm measurement capacity for each Delivery Point and are a share of the total Meter Capacities. It is not intended to represent total meter capacity. Other mutually agreeable delivery point(s) may be added by Transporter and Shipper from time to time.

Primary Delivery Points

Location/Meter#	**Meter Capacity MMBtu/d**	**Commodity Fee/MMBtu**
*HPL Rio Nogales #98-1621	135,000	$0.06
*Oasis Rio Nogales #1702	135,000	$0.06
Enterprise Karnes #98-1451	20,000	$0.01
HPL Karnes #98-7357	150,000	$0.00
Bammel #98-7367	25,000	$0.00

*The Non-Ratable Delivery Point(s) (Nominated Volume divided by 16) for Gas that Transporter transports or causes to be redelivered for the account of Shipper hereunder shall be at the above Rio Nogales Delivery Point(s) measurement facilities located in Guadalupe County, Texas, such Rio Nogales Delivery Point(s) being the only non-ratable points – nominated volume divided by 16. The combined Rio Nogales Delivery Point(s) capacity shall be a maximum of 135,000 MMBtu per day with deliveries thereat shall be on a non-ratable basis and the Maximum Hourly Quantity shall be the scheduled volume divided by 16 capped at 5,800 MMbtu per hour. Transporter agrees to operate on pressure control at the Rio Nogales Delivery Point(s) and maintain an operating pressure of not less than 600 psig."

3. Paragraph 3.2 (b) of Article 3, Receipt Point(s) and Delivery Point(s), of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to-wit:

"(b) The Gas that Transporter transports or causes to be redelivered for the account of Shipper at the Oasis Rio Nogales Delivery Point shall be used for HPL operational issues only. The Oasis Rio Nogales Delivery Point is provided to Shipper on a firm basis and Shipper shall have no obligation to nominate the volumes or pay any additional fees for volumes that Transporter delivers thereat."

4. Paragraph 3.2 (c) of Article 3, Receipt Point(s) and Delivery Point(s), of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to-wit:

"(c) The Primary Delivery Points identified in paragraphs (a) and (b) above are hereinafter called the ("Delivery Points"). The combined Maximum Daily Quantity for all delivery points shall not exceed 150,000 MMBtu per day."

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5. Paragraph 4.2, of Article 4, Quantity, Nominations, Balancing, of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to-wit:

"4.2 Shipper's Reserved Capacity under this Agreement is a Maximum Daily Quantity ("MDQ") equal to 150,000 MMBtu per day. In the event Shipper nominates any volume less than the MDQ for delivery to the Rio Nogales Delivery Point(s) for any given Day during the term hereof, then the Maximum Hourly Quantity (MaxHQ) Transporter is obligated to deliver, and Shipper is obligated to receive, shall equal Shipper's total nominated deliveries at the Rio Nogales Delivery Point(s) divided by sixteen (16) capped at 5,800 MMBtu per hour plus Shipper's total nominated deliveries at the other Delivery Point(s) divided by twenty four (24), plus the available storage withdrawal quantity divided by twenty-four (24). Subject to the terms, conditions and limitations contained herein, Shipper agrees to deliver, or cause to be delivered, to the Receipt Point(s), and Transporter agrees to accept, or cause to be accepted, those daily quantities of Shipper's Gas scheduled in accordance with this Article 4 and tendered daily at the Receipt Point(s), however, in no event shall Shipper tender volumes of Gas for transportation hereunder on any Day in excess of the volumes of transport Gas that Shipper has nominated at the Delivery Point(s) each Day, balanced with available storage injections and withdrawals. Subject to the terms, conditions and limitations contained herein, Shipper agrees to accept, or cause to be accepted, at the Delivery Point(s), and Transporter agrees to transport and redeliver, or cause to be transported and redelivered, on a Firm basis all volumes received, up to the MDQ, for transportation to the Delivery Point(s), the scheduled daily volume of Gas, in terms of MMBtu, equal to the scheduled daily volume of Gas, in terms of MMBtu, delivered by or for the account of Shipper at the Receipt Point(s), balanced with available storage injections and withdrawals. Transporter and Shipper may agree for Transporter to transport or deliver quantities of Gas in excess of the MDQ or Shipper's daily nominated quantity, whichever is less, or the Maximum Hourly Quantity on an interruptible basis. Any variation will be confirmed in writing via fax or email by Transporter, with an acknowledgment returned to Transporter by Shipper."

6. Paragraph 4.4 of Article 4, Quantity, Nominations, Balancing, of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to-wit:

"4.4 (a) Shipper will balance, on an hourly and daily basis, between the Gas received by Transporter at the Receipt Point(s), less the Retention Volumes, and the Gas delivered at the Delivery Point(s) as described herein. If Shipper's imbalance exceeds the imbalance tolerances as defined in this Agreement, then Shipper remains responsible for such imbalances in accordance with the imbalance provisions of this Agreement providing such imbalance was not caused by Transporter. Imbalances caused by Transporter will be scheduled as payback as soon as practical. If Transporter is unable to receive Gas at any Receipt Point in the quantities scheduled, or deliver Gas at any Delivery Point in the quantities scheduled, as provided for herein, Transporter will notify Shipper as soon as practicable.

"(b) An hourly imbalance shall exist if the quantities of Gas delivered at an hourly rate to a Delivery Point(s) for the account of Shipper are more than the quantities of Gas received at the Receipt Point(s) adjusted for the non-ratable 16 hour swing provision provided for the account of Shipper, less the Retention Volume and adjusted with available storage withdrawals. If upon Transporter's notice, Shipper does not adjust

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its hourly flows to be within the defined tolerances within this Agreement as to the MaxHQ, then in addition to any other remedies available to Transporter, Shipper may be assessed an hourly fee equal to (i) twenty-five ($0.25) per MMBtu for hourly imbalances of greater than ten percent (10) of the MaxHQ or (ii) fifty cents ($0.50) per MMBtu for hourly imbalances of greater than twenty-five percent (25%) of the MaxHQ, such fees to be applied to over-delivered quantities (the "Hourly Imbalance Fee"). (See the attached schedule for an example of the treatment of hourly imbalances.)

"(c) Notwithstanding Shipper's rights under Section 4.2, Shipper will balance, on a daily basis, between the Gas received by Transporter at the Receipt Point(s), less the Retention and Fuel Volume, and the Gas delivered at the Delivery Point(s) balanced with available storage injections and withdrawals. Any imbalances, hourly, daily, and cumulative, accrued under this Agreement will be first reduced by available injections or withdrawals utilizing Shipper's Master Intrastate Gas Storage Agreement of even date herewith. To the extent that there are sufficient capacities available under Shipper's Master Intrastate Gas Storage Agreement to balance receipts and deliveries under this Agreement, then Transporter shall utilize without notice such capacities to balance Shipper's receipts and deliveries on an hourly and a daily basis and Shipper will not be responsible or liable for otherwise applicable daily balancing charges for the volumes of storage activity that is utilized to reduce or eliminate imbalances. For purposes of balancing daily, Shipper will only be charged for the net of the combined hourly injections and withdrawals, resulting in either a net injection or a net withdrawal for the Day. However, if resulting from Shipper exceeding the maximum daily quantities set forth in Shipper's Master Intrastate Gas Storage Agreement, Shipper's imbalance exceeds the imbalance tolerances as defined in this Agreement, then Shipper remains responsible for such imbalances in accordance with the imbalance provisions of this Agreement. Shipper must monitor and adjust its nominations, deliveries, and receipts to maintain the daily balances between the Receipt Point(s) and Delivery Point(s) adjusted for the no notice service provisions under this Agreement. Notwithstanding Shipper's rights under Section 4.2, Transporter has no obligation to receive or deliver quantities of Gas on a daily basis that differ from the scheduled volumes as adjusted for the no notice service described herein."

7. Paragraph 4.5 of Article 4, Quantity, Nominations, Balancing, of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to-wit:

"4.5 After application of the scheduled receipt volumes, previous Day's Gas Imbalance Account volumes and available storage injection and withdrawal volumes, any remaining variance or imbalance during a given Day will be recorded in a "Gas Imbalance Account". If the absolute volume in Gas Imbalance Account is greater than a plus or minus MMBtu tolerance equal to 15,000 MMBtu (the "Daily Operational Imbalance Tolerance") or 30,000 MMBtu (the "Cumulative Operational Imbalance Tolerance") , then imbalances greater than or less than the Cumulative or Daily Operational Imbalance Tolerance shall be cashed out on a daily basis. Daily quantities that exceed the Cumulative or Daily Operational Imbalance Tolerance noted above (gas due Shipper) shall be purchased by Transporter priced at the lower of (i) 98.25% of the Gas Daily Katy or Gas Daily HSC mid posting for the day of flow less $0.04, or (ii) 98.25% of the next Gas Daily Katy or Gas Daily HSC mid postings published the day after flow less $0.04.; and daily quantities less than the Cumulative or Daily Operational Imbalance Tolerance noted above (gas due Transporter) shall be sold to Shipper at the higher of (i) the Gas Daily Katy or Gas Daily HSC mid posting for the day of flow plus $0.04, (ii) the next Gas Daily Katy or Gas Daily HSC mid postings published after the day of flow plus $0.04.

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Any physical flow adjustments for imbalance makeup will be made as mutually agreed to by the Parties (which shall be confirmed in writing via fax or email by Transporter, with an acknowledgment to be returned to Transporter by Shipper) to adequately control Imbalance levels. The daily and cumulative imbalance(s) will be determined at the end of each Gas Day and will be made available to Shipper upon request. Imbalance information shall be based on the best data then available to Transporter, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Transporter shall not relieve Shipper of its obligations under this Agreement to avoid, correct and eliminate actual imbalances."

8. Paragraph 5.1 of Article 5, Term, of the Agreement is amended by deleting the first sentence in its entirety and substituting the following in lieu thereof, to-wit:

"This Agreement shall become effective as of July 1, 2007 and shall continue through March 31, 2015."

9. Paragraph 6.1 of Article 6, Fee, of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to-wit:

"6.1 Demand Fee: Subject to the terms and conditions of this Agreement, Shipper shall pay Transporter a Demand Fee each Day (the "Demand Fee") equal to $0.06 per MMBtu multiplied by the greater of either the receipt volume or Shipper's Reserved Capacity."

10. Paragraph 6.2 of Article 6, Fee, of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to-wit:

"6.2 Commodity Fee: Subject to the terms and conditions of this Agreement, Shipper shall pay Transporter a Commodity Fee each Day (the "Commodity Fee") equal to the applicable Commodity Fees per MMBtu set forth in Section 3.1(b) and 3.2(a) multiplied by volumes received at the Receipt Point(s) or delivered at the Delivery Point(s), as applicable, for such Day and provide to Transporter a volume of Gas equal to the Retention Volume as set forth in Section 3.1."

B. Miscellaneous

1. Entire Agreement. This Amendment constitutes the entire agreement and understanding of the parties with respect to its subject matter, and except as amended herein, the Agreement shall remain in full force and effect as written.

2. Non-reliance. Each Party acknowledges that in agreeing to this Amendment it has not relied on any oral or written representation, warranty or other assurance and waives all rights and remedies which might otherwise be available to it in respect thereof, except that nothing in this Amendment will limit or exclude any liability of a Party for fraud.

3. Headings. The headings used in this Amendment are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Amendment.

4. Governing Law. This Amendment will be governed by and construed in accordance with the law specified to govern the Agreement.

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5. Counterparts. This Amendment (and each amendment, modification and waiver in respect of it) may be executed and delivered in any number of counterparts (including by facsimile transmission or PDF files) and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment to take effect as of the Effective Date stated above.

HOUSTON PIPE LINE COMPANY LP
By: HPL GP, LLC, its general partner

By: M. P. Gallegos
Name: Manuel P. Gallegos
Title: Sr. V.P. Commercial Support

CITY OF SAN ANTONIO, acting by and through its CITY PUBLICE SERVICE BOARD

By: Richard M Pena
Name: RICHARD M. PENA
Title: SVP Energy Development

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THIRD AMENDMENT
TO
FIRM INTRASTATE GAS TRANSPORTATION AGREEMENT
(Contract Number 97001347)

THIS THIRD AMENDMENT TO FIRM INTRASTATE GAS TRANSPORTATION AGREEMENT ("Amendment") is made and entered into effective and operative as of April 1, 2015 (the "Effective Date"), by and between City of San Antonio acting by and through the City Public Service Board ("Shipper") and Houston Pipe Line Company LP, a Delaware limited partnership, ("Transporter") (each a "Party" and collectively, "Parties").

W I T N E S S E T H :

WHEREAS Shipper and Transporter have entered into that certain Firm Intrastate Gas Transportation Agreement effective and operative as of the 1st day of July, 2007, as heretofore amended, (the "Agreement"), governing the transportation of natural gas by Transporter for Shipper that is not subject to the Federal Energy Regulatory Commission's ("FERC") regulations under the Natural Gas Act of 1938, as amended ("NGA"); and

WHEREAS, Shipper and Transporter desire to and hereby agree to further amend the Agreement as hereinafter provided.

NOW, THERFORE, in consideration of the sum of One Dollar ($1.00) and the mutual covenants and agreements herein set forth, the parties agree that the Agreement is amended as follows:

A. **Amendments**. Shipper and Transporter agree that:

1. Paragraph 3.1 (b) of Article 3, Receipt Point(s) and Delivery Point(s), of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to-wit:

> "3.1 (b) Receipts at the following Receipt Points shall be on a ratable basis as specified below. Meter capacities shall be Firm for quantities nominated by 11:30 a.m. (CCT) one (1) Business Day prior to the period of flow. Other mutually agreeable receipt point(s) may be added by Transporter and Shipper from time to time. Shipper or Shipper's designee shall be responsible to provide sufficient pressures to effectuate deliveries into Transporter's system at the Receipt Points listed below. Transporter shall not be obligated to provide compression or alter pipeline operations to effectuate the receipts of Gas into Transporter's system.

Location/Meter#	**Fuel Requirements per MMBtu (Retention Volume)**	**Commodity Fee/MMBtu**
Zone 1 – Katy Area Receipt Points – an aggregate quantity of 105,000 MMBtu per day		
Oasis Katy #98-6780	0.5%	$0.02
HSC Pool #98-7342	0.5%	$0.02
Lone Star Katy #98-0067	0.5%	$0.03
Bammel #98-7367*	0.5%	$0.04

Enstor Katy #98-0072	0.5%	$0.03

*Receipts from Shipper's Storage Account only.

Location/Meter#	Fuel Requirements per MMBtu (Retention Volume)	Commodity Fee/MMBtu

Zone 2 – South Texas Receipt Points – an aggregate quantity of 15,000 MMBtu per day

DCP Three Rivers Plant #98-9948	0.75%	$0.04
ETC Kenedy Plant #98-4598	0.50%	$0.06
DCP – Dewville into MidTex*	0.50%	$0.03

* If use is requested by Shipper and associated costs are reviewed in advance and approved in writing by Shipper, Shipper shall reimburse Transporter for the capital cost to install the interconnect facilities between the "South Texas 30" and the DCP Guadalupe system. The upstream pipeline shall be required to provide the necessary compression to effectuate deliveries into Transporter's South Texas 30" system.

Location/Meter#	Fuel Requirements per MMBtu (Retention Volume)	Commodity Fee/MMBtu

Zone 3 – Agua Dulce Area Receipt Points – an aggregate quantity of 15,000 MMBtu per day

Conoco Lobo AD #98-7038	0.75%	$0.02
NET AD #98-0114	0.75%	$0.03
DCP Gulf Plains #98-6363	0.75%	$0.02
Teak AD #98-0113	0.75%	$0.02
ETC King Ranch #98-9643	0.75%	$0.01

Location/Meter#	Fuel Requirements per MMBtu (Retention Volume)	Commodity Fee/MMBtu

Zone 4 – Waha Area Receipt Points – an aggregate quantity of 25,000 MMBtu per day

Oasis/HPL Prairie Lea #98-7101*	0.00%	$0.00

*Receipts from Shippers Oasis transport agreement #28-10318-02-201 and 28-10318-02-101

The quantity of gas available for receipt at each of the Receipt Point(s) listed above is subject to available capacity as agreed by the parties in accordance with the Nomination procedures." Total receipts under this agreement, Houston Pipe Line Company NGPA 311 confirmation # 103180401, Oasis NGPA 311 confirmation # 28-10318-02-201 and Oasis confirmation # 28-10318-02-101 shall not exceed 150,000 MMBtu per day.

2. Paragraph 3.2 (a) of Article 3, Receipt Point(s) and Delivery Point(s), of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to wit:

"3.2 (a) Deliveries at the following Primary Delivery Points shall be on a ratable basis except as otherwise specified below. Meter capacities shall be Firm for quantities nominated by 11:30 a.m. (CCT) one (1) Business Day prior to the period of flow. The below mentioned Meter Capacities represent Shipper's Firm measurement capacity for each Delivery Point and are a share of the total Meter Capacities. It is not intended to represent total meter capacity. Other mutually agreeable delivery point(s) may be added by Transporter and Shipper from time to time.

Primary Delivery Points

Location/Meter#	Meter Capacity MMBtu/d	Commodity Fee/MMBtu
*HPL Rio Nogales #98-1621	135,000	$0.00
*Oasis Rio Nogales #1702	135,000	$0.00
Enterprise Karnes #98-1451	50,000	$0.00
HPL CPS Karnes #98-7357	135,000	$0.00
Bammel #98-7367	35,000	$0.00

*The Non-Ratable Delivery Point(s) (Nominated Volume divided by 16) for Gas that Transporter transports or causes to be redelivered for the account of Shipper hereunder shall be at the above Rio Nogales Delivery Point(s) measurement facilities located in Guadalupe County, Texas, such Rio Nogales Delivery Point(s) being the only non-ratable points – nominated volume divided by 16. The combined Rio Nogales Delivery Point(s) capacity shall be a maximum of 135,000 MMBtu per day with deliveries thereat shall be on a non-ratable basis and the Maximum Hourly Quantity shall be the scheduled volume divided by 16 capped at 5,800 MMBtu per hour (plus a 10% hourly imbalance tolerance per hour provided on an as available basis only). Transporter agrees to operate on pressure control at the Rio Nogales Delivery Point(s) and maintain an operating pressure of not less than 600 psig."

3. Paragraph 4.2, of Article 4, Quantity, Nominations, Balancing, of the Agreement is amended by deleting the first sentence thereof in its entirety and substituting the following in lieu thereof, to-wit:

"Shipper's Reserved Capacity under this Agreement and under HPL Transport Confirmation Number 103180401 is an aggregate Maximum Daily Quantity ("MDQ") equal to 150,000 MMBtu per day."

4. Paragraph 5.1 of Article 5, Term, of the Agreement is amended by deleting the first sentence in its entirety and substituting the following in lieu thereof, to-wit:

"This Agreement shall become effective as of July 1, 2007 and shall continue through June 30, 2018."

5. Paragraph 6.1 of Article 6, Fee, of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to-wit:

"6.1 Demand Fee: Subject to the terms and conditions of this Agreement, Shipper shall pay Transporter a Demand Fee each Day (the "Demand Fee") equal to $0.105 per MMBtu multiplied by the greater of either the receipt volume or Shipper's Reserved Capacity."

6. Paragraph 6.2 of Article 6, Fee, of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to-wit:

"6.2 Commodity Fee: Subject to the terms and conditions of this Agreement, Shipper shall pay Transporter a Commodity Fee each Day (the "Commodity Fee") equal to the applicable Commodity Fees per MMBtu set forth in Section 3.1(b) multiplied by

volumes received at the Receipt Point(s), for such Day and provide to Transporter a volume of Gas equal to the Retention Volume as set forth in Section 3.1."

7. Paragraph 8.1 of Article 8, Quality, of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to-wit:

"8.1 Shipper agrees that all Gas received by Transporter at the Receipt Point(s) hereunder and Transporter agrees that all Gas delivered hereunder to or for the account of Shipper at the Delivery Point(s) hereunder shall be merchantable gas which shall:

a. Have a total heating value of not less than nine hundred fifty (950) Btu per cubic foot nor more than eleven hundred (1,100) Btu per cubic foot when saturated with water vapor (gross basis).

b. Be commercially free of all dust, gum, gum-forming constituents, gasoline, liquid hydrocarbons, water, and any other substance of any kind that may become separated from the Gas during the handling thereof or that may cause injury to or interference with proper operation of the lines, meters, regulators, or other appliances through which it flows;

c. Not contain more than five (5) grains of total sulfur nor more than one-fourth (1/4) grain of hydrogen sulfide per one hundred (100) standard cubic feet;

d. Not contain more than ten (10) parts per million of oxygen, and shall not contain more than two percent (2%) by volume of carbon dioxide, not contain more than three percent (3%) by volume of nitrogen or three percent (3%) by volume of total inert gases;

e. Have a temperature of not more than one hundred twenty degrees Fahrenheit (120°F) nor less than forty degrees Fahrenheit (40°F);

f. Not contain more than seven (7) pounds of entrained water vapor per one million (1,000,000) standard cubic feet; and

g. Have a hydrocarbon dew point below forty degrees Fahrenheit (40°F)."

B. Miscellaneous

1. Entire Agreement. This Amendment constitutes the entire agreement and understanding of the parties with respect to its subject matter, and except as amended herein, the Agreement shall remain in full force and effect as written.

2. Non-reliance. Each Party acknowledges that in agreeing to this Amendment it has not relied on any oral or written representation, warranty or other assurance and waives all rights and

remedies which might otherwise be available to it in respect thereof, except that nothing in this Amendment will limit or exclude any liability of a Party for fraud.

3. Headings. The headings used in this Amendment are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Amendment.

4. Governing Law. This Amendment will be governed by and construed in accordance with the law specified to govern the Agreement.

5. Counterparts. This Amendment (and each amendment, modification and waiver in respect of it) may be executed and delivered in any number of counterparts (including by facsimile transmission or PDF files) and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment to take effect as of the Effective Date stated above.

HOUSTON PIPE LINE COMPANY LP
By: HPL GP, LLC, its general partner

By: _____
Name: Mackie McCrea
Title: President & COO

Legal: OGM
Credit: CA
Comm:
Credit: JM

PP
KC

CITY OF SAN ANTONIO, acting by and through the CITY PUBLIC SERVICE BOARD

By: _____
Name: John Bonnin
Title: Vice President

PM

FOURTH AMENDMENT
TO
FIRM INTRASTATE GAS TRANSPORTATION AGREEMENT
(Contract Number 97001347)

THIS FOURTH AMENDMENT TO FIRM INTRASTATE GAS TRANSPORTATION AGREEMENT ("Amendment") is made and entered into effective and operative as of July 1, 2018 (the "Effective Date"), by and between City of San Antonio acting by and through the City Public Service Board ("Shipper") and Houston Pipe Line Company LP, a Delaware limited partnership, ("Transporter") (each a "Party" and collectively, "Parties").

W I T N E S S E T H :

WHEREAS, Shipper and Transporter have entered into that certain Firm Intrastate Gas Transportation Agreement effective and operative as of the 1st day of July, 2007 (Transporter Contract No. 97001347), as heretofore amended, (the "Agreement"), governing the transportation of natural gas by Transporter for Shipper that is not subject to the Federal Energy Regulatory Commission's ("FERC") regulations under the Natural Gas Act of 1938, as amended ("NGA"); and

WHEREAS, the parties hereby desire to amend the Agreement as provided herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, the parties hereby agree to amend the Agreement effective as of the date first hereinabove written, as follows:

1. All capitalized terms used in the recitals above and the succeeding provisions of this Amendment which are not defined herein shall have the meaning ascribed to such terms in the Agreement.

2. Paragraph 3.1 (b) of Article 3, Receipt Point(s) and Delivery Point(s), of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to-wit:

"3.1 (b) Receipts at the following Receipt Points shall be on a ratable basis as specified below. Meter capacities shall be Firm for quantities nominated by 1:30 p.m. (CCT) one (1) Business Day prior to the period of flow. The below mentioned Meter Capacities represent Shipper's Firm measurement capacity for each Receipt Point and are a share of the total Meter Capacities. It is not intended to represent total meter capacity. Other mutually agreeable receipt point(s) may be added by Transporter and Shipper from time to time. Shipper or Shipper's designee shall be responsible to provide sufficient pressures to effectuate deliveries into Transporter's system at the Receipt Points listed below. Transporter shall not be obligated to provide compression or alter pipeline operations to effectuate the receipts of Gas into Transporter's system.

Zone 1 – Katy Area Receipt Points – the use of these Receipt Points is limited to an aggregate quantity of Gas up to 125,000 MMBtu per Day under this Agreement and NGPA 311 Confirmation 103180402

Location/Meter#	**Fuel Requirements per MMBtu (Retention Volume)**	**Commodity Fee/MMBtu**
Oasis Katy #98-6780	0.5%	$0.02
HSC Pool #98-7342	0.5%	$0.02
Lone Star Katy #98-0067	0.5%	$0.02
*Bammel #98-7367W	0.5%	$0.04
Enstor Katy #98-0072	0.5%	$0.02

*Receipts from Shipper's Storage account only.

Zone 2 – South Texas Receipt Points – an aggregate quantity of 15,000 MMBtu per day

Location/Meter#	Fuel Requirements per MMBtu (Retention Volume)	Commodity Fee/MMBtu
Targa T2 98-4651	0.25%	$0.02
ETC Kenedy Plant #98-4598	0.50%	$0.06
KM Sheridan 98-7443	0.35%	$0.03
*CPS Karnes 98-7357	0.25%	$0.03

*Note: This Receipt Point will only be available by displacement until such time that Transporter has completed the necessary construction to make the Receipt Point bi-directional and Shipper has reimbursed Transporter for any and all such costs of such construction.

Zone 3 – Agua Dulce Area Receipt Points – the use of these Receipt Points is limited to an aggregate quantity of 15,000 MMBtu per day under this Agreement and NGPA 311 Confirmation 103180402

Location/Meter#	Fuel Requirements per MMBtu (Retention Volume)	Commodity Fee/MMBtu
Conoco Lobo AD #98-7038	0.75%	$0.02
NET AD #98-0114	0.75%	$0.03
Teak AD #98-0113	0.75%	$0.02
ETC King Ranch #98-9643	0.75%	$0.03

The quantity of gas available for receipt at each of the Receipt Point(s) in Zones 1, 2 and 3 listed above is subject to available capacity as agreed to by the parties in accordance with the Nomination procedures."

3. Paragraph 3.2 (a) of Article 3, Receipt Point(s) and Delivery Point(s), of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to wit:

"3.2 (a) Deliveries at the following Primary Delivery Points shall be on a ratable basis except as otherwise specified below. Meter capacities shall be Firm for quantities nominated by 1:30 p.m. (CCT) one (1) Business Day prior to the period of flow. The below mentioned Meter Capacities represent Shipper's Firm measurement capacity for each Delivery Point and are a share of the total Meter Capacities. It is not intended to represent total meter capacity. Other mutually agreeable delivery point(s) may be added by Transporter and Shipper from time to time.

Primary Delivery Points

Location/Meter#	Meter Capacity MMBtu/d
*HPL Rio Nogales #98-1621	139,000
*Oasis Rio Nogales #1702	139,000
**HPL to Oasis Prairie Lea 98-7101	50,000
HPL CPS Karnes #98-7357	135,000
***Bammel #98-7367I	35,000

*The Non-Ratable Delivery Point(s) (Nominated Volume divided by 16) for Gas that Transporter transports or causes to be redelivered for the account of Shipper hereunder shall be at the above Rio Nogales Delivery Point(s) measurement facilities located in Guadalupe County, Texas, such

Rio Nogales Delivery Point(s) being the only non-ratable points – nominated volume divided by 16. The combined Rio Nogales Delivery Point(s) capacity shall be a maximum of 139,000 MMBtu per day with deliveries thereat shall be on a non-ratable basis and the Maximum Hourly Quantity shall be the scheduled volume divided by 16 capped at 5,800 MMBtu per hour (plus a 10% hourly imbalance tolerance per hour provided on an as available basis only). Transporter agrees to operate on pressure control at the Rio Nogales Delivery Point(s) and maintain an operating pressure of not less than 600 psig.

** The use of this Delivery Point is only available for Gas that will be transported under the Oasis Intrastate Confirmation No. 028-10318-02-102."

***Deliveries to Shippers Storage account only.

4. Paragraph 4.2, of Article 4, Quantity, Nominations, Balancing, of the Agreement is amended by deleting the first sentence thereof in its entirety and substituting the following in lieu thereof, to-wit:

"Shipper's Reserved Capacity is an aggregate quantity of Gas of 150,000 MMBtu per Day corresponding to a Maximum Daily Contract Quantity ("MDCQ") of Gas shared among the Related Agreements referenced in Paragraph 5.1 of Article 5 hereof. The Maximum Hourly Quantity ("MaxHQ") shall not exceed an instantaneous rate of 8,200 MMBtu per hour in the aggregate among the Related Agreements."

5. Paragraph 4.3 of Article 4, Quantity, Nominations, Balancing, of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to-wit:

"4.3 Shipper must nominate prior to 1:30 p.m. (Central Clock Time) the Receipt Point(s) and Delivery Point(s) each day, the gas volumes to be received and delivered the following day. Weekend and ICE recognized holiday deliveries shall be nominated no later than 1:30 p.m. (CCT) of the Business Day prior to delivery. Any intra-day nomination changes between Receipt Point(s) and Delivery Point(s), if notified during normal business hours at least one and one-half hours prior to the time such change is to take effect, shall be made as soon as practical if, at Transporter's sole discretion, such change can be made without detriment to other volumes being handled by Transporter's pipeline facilities. In the event that Transporter establishes a Web-based online nomination system, Shipper shall submit nominations using that system. Transporter will schedule and confirm Shipper's Nomination with upstream and downstream operators. The deadline for submitting nominations for the first (1st) of each month is 1:30 p.m. (CCT), as applicable by points, one (1) Business Day prior to the beginning of each month. Shipper has the right to nominate volumes up to Shipper's Reserved Capacity."

6. Paragraph 4.5 of Article 4, Quantity, Nominations, Balancing, of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to-wit:

"4.5 After application of the scheduled receipt volumes, previous Day's Gas Imbalance Account volumes and available storage injection and withdrawal volumes, any remaining variance or imbalance during a given Day will be recorded in a "Gas Imbalance Account". If the absolute volume in Gas Imbalance Account is greater than a plus or minus MMBtu tolerance equal to 15,000 MMBtu (the "Daily Operational Imbalance Tolerance") or 25,000 MMBtu (the "Cumulative Operational Imbalance Tolerance"), then imbalances greater than or less than the Cumulative or Daily Operational Imbalance Tolerance shall be cashed out on a daily basis.

Daily quantities that exceed the Cumulative or Daily Operational Imbalance Tolerance noted above (gas due Shipper) shall be purchased by Transporter priced at the lowest of (i) 98.25% of

the Gas Daily HSC mid posting that is posted for the Day that the imbalance occurred less $0.18 per MMBtu; or (ii) 98.25% of the Gas Daily Katy mid posting that is posted for the Day the imbalance occurred less $0.18 per MMBtu; or (iii) 98.25% of the Gas Daily HSC mid posting that is posted for the next Flow Date(s) published in the next publication after the Day in which the imbalance occurred less $0.18 per MMBtu; or (iv) 98.25% of the Gas Daily Katy mid posting that is posted for the next Flow Date(s) published in the next publication after the Day in which the imbalance occurred less $0.18 per MMBtu; (v) 98.25% of the Gas Daily HSC mid posting that is posted for the next Flow Date(s) published in the second publication after the Day in which the imbalance occurred less $0.18 per MMBtu; or (vi) 98.25% of the Gas Daily Katy mid posting that is posted for the next Flow Date(s) published in the second publication after the Day in which the imbalance occurred less $0.18 per MMBtu.

Daily quantities that exceed the Cumulative or Daily Operational Imbalance Tolerance noted above (gas due Transporter) shall be purchased by Shipper priced at the highest of (i) 100% of the Gas Daily HSC mid posting that is posted for the Day that the imbalance occurred plus $0.18 per MMBtu; or (ii) 100% of the Gas Daily Katy mid posting that is posted for the Day the imbalance occurred plus $0.18 per MMBtu; or (iii) 100% of the Gas Daily HSC mid posting that is posted for the next Flow Date(s) published in the next publication after the Day in which the imbalance occurred plus $0.18 per MMBtu; or (iv) 100% of the Gas Daily Katy mid posting that is posted for the next Flow Date(s) published in the next publication after the Day in which the imbalance occurred plus $0.18 per MMBtu; (v) 100% of the Gas Daily HSC mid posting that is posted for the next Flow Date(s) published in the second publication after the Day in which the imbalance occurred plus $0.18 per MMBtu; or (iv) 100% of the Gas Daily Katy mid posting that is posted for the next Flow Date(s) published in the second publication after the Day in which the imbalance occurred plus $0.18 per MMBtu.

Any physical flow adjustments for imbalance makeup will be made as mutually agreed to by the Parties (which shall be confirmed in writing via fax or email by Transporter, with an acknowledgment to be returned to Transporter by Shipper) to adequately control Imbalance levels. The daily and cumulative imbalance(s) will be determined at the end of each Gas Day and will be made available to Shipper upon request. Imbalance information shall be based on the best data then available to Transporter, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Transporter shall not relieve Shipper of its obligations under this Agreement to avoid, correct and eliminate actual imbalances"

7. Paragraph 5.1 of Article 5, Term, of the Agreement is amended by deleting the first sentence in its entirety and substituting the following in lieu thereof, to-wit:

"This Agreement shall become effective as of July 1, 2007 and shall continue through June 30, 2021. The Parties agree that the terms of this Agreement (as amended hereby), NGPA 311 Confirmation 103180402 and Oasis Intrastate Confirmation 028-10318-02-102 (the "**Related Agreements**") are coterminous and the Parties may not extend or terminate any of the Related Agreements without extending or terminating all of the Related Agreements."

8. Paragraph 6.1 of Article 6, Fee, of the Agreement is amended by deleting the same in its entirety and substituting the following in lieu thereof, to-wit:

"6.1 Demand Fee: Subject to the terms and conditions of this Agreement, Shipper shall pay Transporter a Demand Fee each Day (the "Demand Fee") equal to $0.115 per MMBtu multiplied by the greater of (i) the aggregate quantity of Gas delivered at the Receipt Points each Day under this Agreement and NGPA 311 Confirmation 103180402; or (ii) Shipper's Reserved Capacity."

9. Miscellaneous

a. Entire Agreement. This Amendment constitutes the entire agreement and understanding of the parties with respect to its subject matter, and except as amended herein, the Agreement shall be and remain in full force and effect.

b. Non-reliance. Each Party acknowledges that in agreeing to this Amendment it has not relied on any oral or written representation, warranty or other assurance and waives all rights and remedies which might otherwise be available to it in respect thereof, except that nothing in this Amendment will limit or exclude any liability of a Party for fraud.

c. Headings. The headings used in this Amendment are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Amendment.

d. Governing Law. This Amendment will be governed by and construed in accordance with the law specified to govern the Agreement.

e. Counterparts. This Amendment (and each amendment, modification and waiver in respect of it) may be executed and delivered in any number of counterparts (including by facsimile transmission or PDF files) and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment to take effect as of the Effective Date stated above.

HOUSTON PIPE LINE COMPANY LP
By: HPL GP, LLC, its general partner

By: _____
Name: Luke Fletcher
Title: EVP - Business Development

CITY OF SAN ANTONIO, acting by and through the CITY PUBLICE SERVICE BOARD

By: _____
Name: John Bonnin
Title: VP ESMO

Legal: OHA
Credit: AC
Comm: BL
CA: DRC-KL

Exhibit A-18

Sealed

Exhibit A-19

Sealed

Exhibit A-20

Sealed

Exhibit A-21

Sealed

Exhibit A-22

Sealed

Exhibit A-23

Sealed

Exhibit A-24

Sealed

Exhibit A-25

THIRD AMENDMENT TO FIRM GAS TRANSPORTATION AGREEMENT FOR INTRASTATE SERVICE NO. 5546FTSA

This Third Amendment to the Firm Gas Transportation Agreement (the "Amendment"), effective as of the 1st day of July 2020 (the "Amendment Effective Date"), is made by and between Enterprise Texas Pipeline LLC ("Enterprise") and City of San Antonio, Texas, Acting By and Through Its City Public Service Board (CPS Energy).

BACKGROUND

Enterprise and CPS Energy entered into a Firm Gas Transportation Agreement for Intrastate Service No. 5546FTSA, dated July 1, 2011 (as previously amended, the "Agreement").

Enterprise and CPS Energy desire to amend the Agreement as specified in this Amendment.

AMENDMENTS

Effective as of the Amendment Effective Date, the Agreement is amended as follows:

1. The term provision of the Agreement is deleted in its entirety and is replaced with the following:

> "This Agreement for Firm Intrastate Transportation Service is entered into effective as of nine o'clock (9:00) a.m. Central Clock time on July 1, 2011 and shall continue in full force and effect for a primary term until nine o'clock (9:00) a.m. Central Clock time on July 1, 2022."

2. **Exhibit "A-07-2020-1"** and "**Attachment 1**" attached hereto shall supersede and replace Exhibit "A-07-2017-1" and "Attachment 1" of the Agreement.

3. **Exhibits "B-07-2020-1"** attached hereto shall supersede and replace Exhibit "B-07-2017-1" of the Agreement.

MISCELLANEOUS

Enterprise and CPS Energy may execute this Amendment in multiple counterparts, each of which constitutes an original, and all of which, collectively, constitute one agreement. The signatures of both parties need not appear on the same counterpart, and delivery of an executed counterpart signature page by facsimile or electronic mail is as effective as signing and delivering this Amendment in the presence of the other party.

Except as expressly amended hereby, the provisions of the Agreement remain in full force and effect.

Authorized representatives of Enterprise and CPS Energy have signed this Amendment to be effective on the Amendment Effective Date.

ENTERPRISE TEXAS PIPELINE LLC	**CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)**
By: Dan Burns	By: Kevin Pollo
Name: Dan Burns	Name: KEVIN POLLO
Title: Vice President	Title: INTERIM VICE PRESIDENT, ENERGY SUPPLY AND MARKET OPERATIONS

CPSE Response in Opp to ET MSJ
Exhibit A-25
MDL-2022-CI-02879
exhibitticker.com

EXHIBIT "A-07-2020-1"

(Page 1 of 3)

ENTERPRISE TEXAS PIPELINE LLC
FIRM GAS TRANSPORTATION AGREEMENT
for INTRASTATE SERVICE

CONTRACT NO. 5546FTSA DATED: JULY 1, 2011

SHIPPER'S LEGAL NAME: CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY).

MAXIMUM DAILY QUANTITY (MDQ) UNDER THIS AGREEMENT, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B": 155,000 MMBTU/DAY[1]

RESERVATION FEE: $75,950.00 PER DAY LESS ANY RESERVATION FEE COLLECTED UNDER AGREEMENT 5547FTSE

[1]THE COMBINED MDQ UNDER THIS FIRM TRANSPORTATION AGREEMENT FOR INTRASTATE SERVICE AND SHIPPER'S FIRM TRANSPORTATION AGREEMENT FOR NGPA SECTION 311 SERVICE NO. 5547FTSE, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B" SHALL BE 155,000 MMBTU/DAY.

PRIMARY POINTS:

PRIMARY POINT(S) OF RECEIPT METER & DESCRIPTION	MAXIMUM RECEIPT OBLIGATION (MRO) MMBTU/DAY	FIRM TRANSPORTATION COMMODITY RATE $/MMBTU	FUEL %	AUTHORIZED OVERRUN RATE $/MMBTU	PRIMARY POINT(S) OF DELIVERYMETER & DESCRIPTION	MAXIMUM DELIVERY OBLIGATION (MDO) MMBTU/DAY
OASIS WAHA MS: **504183**	30,000	$0.12	1.5%			
ONEOK WAHA MS: **504189**	5,000	$0.12	1.5%			
SID RICH WAHA MS: **504259**	5,000	$0.12	1.5%			
ATMOS WAHA MS: **504620**	15,000	$0.12	1.5%			
WEST TEXAS MAP MS: **PP050012**	30,000	$0.12	1.5%			
					CPSB DELIVERY AGGREGATION MS: **AG050310****	85,000
Total = MDQ above*	85,000					85,000

** SEE ATTACHMENT 1

EXHIBIT "A-07-2020-1"

(Page 2 of 3)

ENTERPRISE TEXAS PIPELINE LLC
FIRM GAS TRANSPORTATION AGREEMENT
for INTRASTATE SERVICE

CONTRACT NO. 5546FTSA DATED: JULY 1, 2011

SHIPPER'S LEGAL NAME: CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY).

MAXIMUM DAILY QUANTITY (MDQ) UNDER THIS AGREEMENT, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B": 155,000 MMBTU/DAY[1]

RESERVATION FEE: $75,950.00 PER DAY LESS ANY RESERVATION FEE COLLECTED UNDER AGREEMENT 5547FTSE

[1]THE COMBINED MDQ UNDER THIS FIRM TRANSPORTATION AGREEMENT FOR INTRASTATE SERVICE AND SHIPPER'S FIRM TRANSPORTATION AGREEMENT FOR NGPA SECTION 311 SERVICE NO. 5547FTSE, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B" SHALL BE 155,000 MMBTU/DAY.

SECONDARY POINTS:

SECONDARY POINT(S) OF RECEIPT METER & DESCRIPTION	FIRM TRANSPORTATION COMMODITY RATE $/MMBTU	FUEL %	AUTHORIZED OVERRUN RATE $/MMBTU	SECONDARY POINT(S) OF DELIVERY METER & DESCRIPTION
UPRC CARTHAGE MS: **323706**	$0.22	1.5%		
TEJAS HENDERSON MS: **323707**	$0.22	1.5%		
PINNACLE BETHEL WESTERN MS: **324055**	$0.22	1.5%		
PAKENHAM #1-A MS: **503360**	$0.22	1.5%		
CONOCO CREEK RANCH MS: **503482**	$0.22	1.5%		
PECOS RIVER MS: **503510**	$0.22	1.5%		
ROC BROWN BASSETT MS: **503635**	$0.22	1.5%		
FALCON HILL GAS STORAGE MS: **533560**	$0.22	1.5%		
FALCON WORSHAM MS: **533562**	$0.22	1.5%		
TUFCO BETHEL MS **534510**	$0.22	1.5%		
DUKE WAHA MP MS: **PP050062**	$0.22	1.5%		
TUFCO WAHA MP MS: **PP050070**	$0.22	1.5%		
TUFCO MAYPEARL MS: **PP431001**	$0.22	1.5%		
HPL TEXOMA MS: **PP224015**	$0.22	1.5%		

EXHIBIT "A-07-2020-1"

(Page 3 of 3)

ENTERPRISE TEXAS PIPELINE LLC
FIRM GAS TRANSPORTATION AGREEMENT
for INTRASTATE SERVICE

CONTRACT NO. 5546FTSA DATED: JULY 1, 2011

SHIPPER'S LEGAL NAME: CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY).

MAXIMUM DAILY QUANTITY (MDQ) UNDER THIS AGREEMENT, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B": 155,000 MMBTU/DAY[1]

RESERVATION FEE: $75,950.00 PER DAY LESS ANY RESERVATION FEE COLLECTED UNDER AGREEMENT 5547FTSE

[1]THE COMBINED MDQ UNDER THIS FIRM TRANSPORTATION AGREEMENT FOR INTRASTATE SERVICE AND SHIPPER'S FIRM TRANSPORTATION AGREEMENT FOR NGPA SECTION 311 SERVICE NO. 5547FTSE, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B" SHALL BE 155,000 MMBTU/DAY.

SECONDARY POINTS:

SECONDARY POINT(S) OF RECEIPT METER & DESCRIPTION	FIRM TRANSPORTATION COMMODITY RATE $/MMBTU	FUEL %	AUTHORIZED OVERRUN RATE $/MMBTU	SECONDARY POINT(S) OF DELIVERY METER & DESCRIPTION
MITCHELL MS: **503474**	$0.22	1.5%		
DCP HIGHLAND WELLS MS: **503496**	$0.22	1.5%		
DEVON GAS 6 IN ULTRASONIC MS: **533400**	$0.22	1.5%		
TRANS PECOS WAHA RECEIPT MS: **533574**	$0.22	1.5%		
WESTERN GOMEZ MS: **504218**	$0.22	1.5%		
				DUKE NEW BRAUNFELS MS: **491085**
				WILSON STORAGE MS: **559101**

ENTERPRISE TEXAS PIPELINE LLC	CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)
BY:	BY: Kevin Pollo
NAME: Dan Burns	NAME: KEVIN POLLO
TITLE: Vice President	TITLE: INTERIM VICE PRESIDENT, ENERGY SUPPLY AND MARKET OPERATIONS
DATE: 6/26/2020	DATE: 06/18/2020

FORWARD TWO EXECUTED COPIES OF THIS DOCUMENT TO ENTERPRISE TEXAS PIPELINE LLC FOR PROCESSING

EXHIBIT "B-07-2020-1"

ENTERPRISE TEXAS PIPELINE LLC

FIRM GAS TRANSPORTATION AGREEMENT
for INTRASTATE SERVICE

CONTRACT NO. 5546FTSA DATED: JULY 1, 2011

SHIPPER'S LEGAL NAME: **CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)**

TERM OF THIS EXHIBIT: **Commencement Date:** **Termination Date:**

MAXIMUM DAILY QUANTITY (MDQ) UNDER THIS AGREEMENT, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B": **«MDQ»** MMBtu/day

TOTAL DAILY QUANTITIES TRANSPORTED UNDER THIS EXHIBIT "B-07-2020-1" SHALL NOT EXCEED _____ MMBtu/day UNLESS APPROVED BY TRANSPORTER IN ADVANCE.

THIS EXHIBIT "B-2020-01" APPLIES TO TEMPORARY SECONDARY POINTS ONLY. PRIMARY POINTS MAY ONLY BE AMENDED ON EXHIBIT "A-07-2020-1".

TEMPORARY SECONDARY POINTS:

SECONDARY POINT(S) OF RECEIPT METER & DESCRIPTION	FIRM TRANSPORTATION RATE $/MMBTU	FUEL %	AUTHORIZED OVERRUN RATE $/MMBTU	SECONDARY POINT(S) OF DELIVERY METER & DESCRIPTION

ENTERPRISE TEXAS PIPELINE LLC	CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)
BY: _____	BY: _____
NAME: _____	NAME: _____
TITLE: _____	TITLE: _____
DATE: _____	DATE: _____

FORWARD TWO EXECUTED COPIES OF THIS DOCUMENT TO ENTERPRISE TEXAS PIPELINE LLC FOR PROCESSING

Attachment 1

1. The CPSB Delivery Aggregation Point shall include meter stations identified as CPS South Gate (meter 491320), CPS Wilson County (meter 491325), CPS Cibolo (meter 491101), CPS Sommers (meter 491370), CPS Braunig Power Plant (meter 491010), CPS Eastgate (meter 491005), CPS Westgate (meter 491001), CPS Big Country (meter 491043), CPS North Hampton (meter 491053), CPS Highway 181 (meter 491109), Leon Creek (meter 491060), CPS Smithson Valley (meter 491106), CPS FM 471 (meter 491400), CPS Sedona (meter 491330), CPS Boerne (meter 491107), CPS Somerset (meter 491309 representing the summation of distribution customer meters on the Somerset tap), CPS Martinez Losoya (meter 491409), and CPS Other (meter 491509 representing the summation of distribution customer meters on the following taps: CPS Casias Road, CPS Hildebrandt Road and CPS 17500 Donop Road (SARA), CPS Pittman Road and CPS 11696 Highway 16 South. Shipper's hourly and daily deliveries shall be the aggregate of the above meter's volumes.

2. Transporter shall deliver Gas for Shipper's account at the pressures existing from time to time in Transporter's pipeline system at the Point(s) of Delivery; however, Transporter shall use best efforts that such pressure shall not be less than 550 psig for high pressure operation and 240 psig for low pressure operation at CPS South Gate (meter 491320), 600 psig at CPS Wilson County (meter 491325), 400 psig at CPS Cibolo (meter station 491101), 150 psig at CPS Sommers (meter 491370), CPS Braunig (meters 491010), CPS Eastgate (meter 491005), CPS Westgate (meter 491001) and 550 psig at Leon Creek (meter 491060).

3. Transporter shall test meter stations 491001, 491005, 491010, 491101, 491320, 491325 and 491370 on a monthly basis and shall test meter stations 491043 and 491053 on a quarterly basis.

4. The Maximum Delivery Obligation ("MDO") for the Primary Point(s) of Delivery shall be 135,000 MMBtu per day at CPS South Gate (meter 491320), 160,000 MMBtu per day at CPS Wilson County (meter 491325), 200,000 MMBtu per day at CPS Sommers (meter 491370) and 200,000 MMBtu per day at CPS Braunig (meter 491010), 175,000 MMBtu per day at CPS Eastgate (meter 491005) and 175,000 MMBtu per day at CPS Westgate (meter 491001), 80,000 MMBtu per day at CPS Cibolo (meter 491101) and 80,000 MMBtu per day at CPS Leon Creek (meter 491060). However, the sum of all the MDO's hereunder shall not exceed the Maximum Daily Quantity under Shipper's firm transportation service agreements. The sum of CPS Sommers, Braunig, Eastgate and Westgate shall not exceed 450,000 MMBtu per day. The combined MDO at Duke New Braufels (meter 491085) and CPS Cibolo (meter 491101) will be 80,000 MMbtu per day.

5. Transporter and Shipper agree to coordinate nominations between all transportation, storage and parking and lending agreements between Shipper and Transporter ("All Agreements") to resolve daily and hourly fluctuations as set forth in such Agreements as below:

Daily Imbalances:

Transporter and Shipper agree to utilize Shipper's storage service agreements to balance receipts and deliveries under Shipper's transportation service agreements provided Shipper has sufficient Gas available in storage and provided Shipper does not exceed the maximum quantities under its storage service agreements. Transporter and Shipper further agree that to the extent Shipper does not have sufficient quantities of Gas under its storage agreement to balance daily receipts and deliveries, Shipper's parking and lending service agreements will be utilized to resolve daily imbalances automatically on an interruptible basis in accordance with Appendix A.

Hourly Fluctuations in Flow:

Transporter and Shipper agree that services provided under All Agreements contemplate uniform hourly rates of flow. To resolve hourly fluctuations in flow in lieu of penalties set forth in Appendix A, Transporter and Shipper agree to utilize capacities available and Gas stored under Shipper's storage service agreements to permit hourly fluctuations in flow up to 1/24th of Shipper's MDQ under its transportation service agreements for "load following". Provided however, if Shipper does not have sufficient Gas or quantities under its storage agreements for "load following", Shipper will be subject to penalties as set forth in Appendix A and its transportation services agreements, and such hourly fluctuations in flow will only be permitted on an interruptible basis.

6. Pursuant to Article XVIII, Nominations and Scheduling, Section 18.6 of ENTERPRISE's Statement of Operating Conditions for Transportation Services, Shipper shall have the ability to schedule transportation to and from the Wilson Storage Facility up to one hour prior to the end of the Gas Day (8:00 am) or at some other mutually agreeable time after or during the Gas Day to balance actual deliveries at Point(s) of Delivery.

Attorneys Eyes Only

Appendix "A"

ENTERPRISE TEXAS PIPELINE LLC

Statement of Operating Conditions Applicable to Intrastate Transportation Service

Attorneys Eyes Only

Exhibit A-26

THIRD AMENDMENT TO FIRM GAS TRANSPORTATION AGREEMENT FOR NGPA SECTION 311 SERVICE NO. 5547FTSE

This Third Amendment to the Firm Gas Transportation Agreement (the "Amendment"), effective as of the 1st day of July 2020 (the "Amendment Effective Date"), is made by and between Enterprise Texas Pipeline LLC ("Enterprise") and City of San Antonio, Texas, Acting By and Through Its City Public Service Board (CPS Energy).

BACKGROUND

Enterprise and CPS Energy entered into a Firm Gas Transportation Agreement for NGPA Section 311 Service No. 5547FTSE, dated July 1, 2011 (as previously amended, the "Agreement").

Enterprise and CPS Energy desire to amend the Agreement as specified in this Amendment.

AMENDMENTS

Effective as of the Amendment Effective Date, the Agreement is amended as follows:

1. The term provision of the Agreement is deleted in its entirety and is replaced with the following:

> "This Agreement for Firm Interstate Transportation Service is entered into effective as of nine o'clock (9:00) a.m. Central Clock time on July 1, 2011 and shall continue in full force and effect for a primary term until nine o'clock (9:00) a.m. Central Clock time on July 1, 2022."

2. **Exhibit "A-07-2020-1"** and **"Attachment 1"** attached hereto shall supersede and replace Exhibit "A-07-2017-1" and "Attachment 1" of the Agreement.

3. **Exhibits "B-07-2020-1"** attached hereto shall supersede and replace Exhibit "B-07-2017-1" of the Agreement.

MISCELLANEOUS

Enterprise and CPS Energy may execute this Amendment in multiple counterparts, each of which constitutes an original, and all of which, collectively, constitute one agreement. The signatures of both parties need not appear on the same counterpart, and delivery of an executed counterpart signature page by facsimile or electronic mail is as effective as signing and delivering this Amendment in the presence of the other party.

Except as expressly amended hereby, the provisions of the Agreement remain in full force and effect.

Authorized representatives of Enterprise and CPS Energy have signed this Amendment to be effective on the Amendment Effective Date.

CPSE Response in Opp to ET MSJ
Exhibit A-26
MDL-2022-CI-02879
exhibitsticker.com

ENTERPRISE TEXAS PIPELINE LLC

By: _____ MD

Name: Dan Burns

Title: Vice President

CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)

By: Kevin Pollo

Name: KEVIN POLLO

Title: INTERIM VICE PRESIDENT, ENERGY SUPPLY AND MARKET OPERATIONS

EXHIBIT "A-07-2020-1"

(Page 1 of 2)

ENTERPRISE TEXAS PIPELINE LLC
FIRM GAS TRANSPORTATION AGREEMENT
for NGPA SECTION 311 SERVICE

CONTRACT NO. 5547FTSE DATED: JULY 1, 2011

SHIPPER'S LEGAL NAME: CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)

MAXIMUM DAILY QUANTITY (MDQ) UNDER THIS AGREEMENT, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B": 155,000 MMBtu/day[1]

RESERVATION FEE: MAXIMUM ALLOWABLE RATE MULTIPLIED BY THE ALLOCATED MDQ (DAILY CHARGE); PROVIDED, THAT SUCH AMOUNT SHALL NEVER EXCEED THE RESERVATION FEE SHOWN UNDER AGREEMENT 5546FTSA

[1]THE COMBINED MDQ UNDER THIS FIRM TRANSPORTATION AGREEMENT FOR NGPA SECTION 311 SERVICE AND SHIPPER'S FIRM TRANSPORTATION AGREEMENT FOR INTRASTATE SERVICE NO. 5546FTSA, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B" SHALL BE 155,000 MMBTU/DAY.

PRIMARY POINTS:

PRIMARY POINT(S) OF RECEIPT METER & DESCRIPTION	MAXIMUM RECEIPT OBLIGATION (MRO) MMBTU/DAY	FIRM TRANSPORTATION COMMODITY RATE $/MMBTU	FUEL %	AUTHORIZED OVERRUN RATE $/MMBTU	PRIMARYPOINT(S) OF DELIVERY METER & DESCRIPTION	MAXIMUM DELIVERY OBLIGATION (MDO) MMBTU/DAY
TRANSWESTERN PYOTE MS: **503476**	15,000	$0.12	1.5%			
EL PASO WAHA MS: **533493**	10,000	$0.12	1.5%			
TRANSWESTERN PECOS MS: **533551**	15,000	$0.12	1.5%			
WAHA HUB MS: **PP050040**	30,000	$0.12	1.5%			
					CPS8 DELIVERY AGGREGATION MS: **AG050310****	70,000
TOTAL = MDQ above*	70,000					70,000

** SEE ATTACHMENT 1

Attorneys Eyes Only

EXHIBIT "A-07-2020-1"

(Page 2 of 2)

ENTERPRISE TEXAS PIPELINE LLC
FIRM GAS TRANSPORTATION AGREEMENT
for NGPA SECTION 311 SERVICE

CONTRACT NO. 5547FTSE DATED: JULY 1, 2011

SHIPPER'S LEGAL NAME: CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)

MAXIMUM DAILY QUANTITY (MDQ) UNDER THIS AGREEMENT, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B": 155,000 MMBtu/day[1]

RESERVATION FEE: MAXIMUM ALLOWABLE RATE MULTIPLIED BY THE ALLOCATED MDQ (DAILY CHARGE); PROVIDED, THAT SUCH AMOUNT SHALL NEVER EXCEED THE RESERVATION FEE SHOWN UNDER AGREEMENT 5546FTSA

[1]THE COMBINED MDQ UNDER THIS FIRM TRANSPORTATION AGREEMENT FOR NGPA SECTION 311 SERVICE AND SHIPPER'S FIRM TRANSPORTATION AGREEMENT FOR INTRASTATE SERVICE NO. 5546FTSA, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B" SHALL BE 155,000 MMBTU/DAY.

SECONDARY POINTS:

SECONDARY POINT(S) OF RECEIPT METER & DESCRIPTION	FIRM TRANSPORTATION COMMODITY RATE $/MMBTU	FUEL %	AUTHORIZED OVERRUN RATE $/MMBTU	SECONDARY POINT(S) OF DELIVERY METER & DESCRIPTION
TENNESSEE CARTHAGE MS: **323700**	$0.22	1.5%		
CENTERPOINT CARTHAGE MS: **323702**	$0.22	1.5%		
NGPL BECKVILLE MS: **323710**	$0.22	1.5%		
NNGP SPRAYBERRY MS: **534250**	$0.12	1.5%		
				DCP NEW BRAUNFELS MS: **491085**
				WILSON STORAGE MS: **PP559201**

LEGAL NAME AND CLASSIFICATION (INTERSTATE PIPELINE OR LDC SERVED BY AN INTERSTATE PIPELINE) OF THE "ON BEHALF OF" ENTITIES THAT SHIPPER WARRANTS MEETS THE PROVISIONS OF SECTION 284 OF THE COMMISSION'S REGULATIONS:

IF GAS IS FOR AN END USER LOCATED IN THE SERVICE AREA OF AN LDC AND THE REQUESTED TRANSPORTATION BYPASSES THE LDC, COMPLETE THE FOLLOWING:

LEGAL NAME AND ADDRESS OF THE END USER _____

LEGAL NAME AND ADDRESS OF THE LDC: _____

ENTERPRISE TEXAS PIPELINE LLC	**CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)**
BY: Dan Burns MB	BY: Kevin Pollo
NAME: ~~Dan Burns~~ CMB	NAME: KEVIN POLLO
TITLE: ~~Vice President~~	TITLE: INTERIM VICE PRESIDENT, ENERGY SUPPLY AND MARKET OPERATIONS
DATE: 6/26/2020	DATE: 06/18/2020

FORWARD TWO EXECUTED COPIES OF THIS DOCUMENT TO ENTERPRISE TEXAS PIPELINE LLC FOR PROCESSING

Attorneys Eyes Only

EXHIBIT "B-07-2020-1"

ENTERPRISE TEXAS PIPELINE LLC

FIRM GAS TRANSPORTATION AGREEMENT
for NGPA SECTION 311 SERVICE

CONTRACT NO. 5547FTSE DATED: JULY 1, 2011

SHIPPER'S LEGAL NAME: **CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)**

TERM OF THIS EXHIBIT: **Commencement Date:** **Termination Date:**

MAXIMUM DAILY QUANTITY (MDQ) UNDER THIS AGREEMENT, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B": **«MDQ»** MMBtu/day

TOTAL DAILY QUANTITIES TRANSPORTED UNDER THIS EXHIBIT "B-07-2020-1" SHALL NOT EXCEED _____ MMBtu/day UNLESS APPROVED BY TRANSPORTER IN ADVANCE.

THIS EXHIBIT "B-07-2020-1" APPLIES TO TEMPORARY SECONDARY POINTS ONLY. PRIMARY POINTS MAY ONLY BE AMENDED ON EXHIBIT "A-07-2020-1".

TEMPORARY SECONDARY POINTS:

SECONDARY POINT(S) OF RECEIPT METER & DESCRIPTION	FIRM TRANSPORTATION RATE $/MMBTU	FUEL %	AUTHORIZED OVERRUN RATE $/MMBTU	SECONDARY POINT(S) OF DELIVERY METER & DESCRIPTION

LEGAL NAME AND CLASSIFICATION (INTERSTATE PIPELINE OR LDC SERVED BY AN INTERSTATE PIPELINE) OF THE "ON BEHALF OF" ENTITIES THAT SHIPPER WARRANTS MEETS THE PROVISIONS OF SECTION 284 OF THE COMMISSION'S REGULATIONS:

IF GAS IS FOR AN END USER LOCATED IN THE SERVICE AREA OF AN LDC AND THE REQUESTED TRANSPORTATION BYPASSES THE LDC, COMPLETE THE FOLLOWING:

LEGAL NAME AND ADDRESS OF THE END USER _____

LEGAL NAME AND ADDRESS OF THE LDC: _____

ENTERPRISE TEXAS PIPELINE LLC	**CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)**
BY: _____	BY: _____
NAME: _____	NAME: _____
TITLE: _____	TITLE: _____
DATE: _____	DATE: _____

Attorneys Eyes Only

Attachment 1

1. The CPSB Delivery Aggregation Point shall include meter stations identified as CPS South Gate (meter 491320), CPS Wilson County (meter 491325), CPS Cibolo (meter 491101), CPS Sommers (meter 491370), CPS Braunig Power Plant (meter 491010), CPS Eastgate (meter 491005), CPS Westgate (meter 491001), CPS Big Country (meter 491043), CPS North Hampton (meter 491053), CPS Highway 181 (meter 491109), Leon Creek (meter 491060), CPS Smithson Valley (meter 491106), CPS FM 471 (meter 491400), CPS Sedona (meter 491330), CPS Boerne (meter 491107), CPS Somerset (meter 491309 representing the summation of distribution customer meters on the Somerset tap), CPS Martinez Losoya (meter 491409), and CPS Other (meter 491509 representing the summation of distribution customer meters on the following taps: CPS Casias Road, CPS Hildebrandt Road and CPS 17500 Donop Road (SARA), CPS Pittman Road and CPS 11696 Highway 16 South. Shipper's hourly and daily deliveries shall be the aggregate of the above meter's volumes.

2. Transporter shall deliver Gas for Shipper's account at the pressures existing from time to time in Transporter's pipeline system at the Point(s) of Delivery; however, Transporter shall use best efforts that such pressure shall not be less than 550 psig for high pressure operation and 240 psig for low pressure operation at CPS South Gate (meter 491320), 600 psig at CPS Wilson County (meter 491325), 400 psig at CPS Cibolo (meter station 491101), 150 psig at CPS Sommers (meter 491370), CPS Braunig (meters 491010), CPS Eastgate (meter 491005), CPS Westgate (meter 491001) and 550 psig at Leon Creek (meter 491060).

3. Transporter shall test meter stations 491001, 491005, 491010, 491101, 491320, 491325 and 491370 on a monthly basis and shall test meter stations 491043 and 491053 on a quarterly basis.

4. The Maximum Delivery Obligation ("MDO") for the Primary Point(s) of Delivery shall be 135,000 MMBtu per day at CPS South Gate (meter 491320), 160,000 MMBtu per day at CPS Wilson County (meter 491325), 200,000 MMBtu per day at CPS Sommers (meter 491370) and 200,000 MMBtu per day at CPS Braunig (meter 491010), 175,000 MMBtu per day at CPS Eastgate (meter 491005) and 175,000 MMBtu per day at CPS Westgate (meter 491001), 80,000 MMBtu per day at CPS Cibolo (meter 491101) and 80,000 MMBtu per day at CPS Leon Creek (meter 491060). However, the sum of all the MDO's hereunder shall not exceed the Maximum Daily Quantity under Shipper's firm transportation service agreements. The sum of CPS Sommers, Braunig, Eastgate and Westgate shall not exceed 450,000 MMBtu per day. The combined MDO at Duke New Braufels (meter 491085) and CPS Cibolo (meter 491101) will be 80,000 MMbtu per day.

5. Transporter and Shipper agree to coordinate nominations between all transportation, storage and parking and lending agreements between Shipper and Transporter ("All Agreements") to resolve daily and hourly fluctuations as set forth in such Agreements as below:

Daily Imbalances:

Transporter and Shipper agree to utilize Shipper's storage service agreements to balance receipts and deliveries under Shipper's transportation service agreements provided Shipper has sufficient Gas available in storage and provided Shipper does not exceed the maximum quantities under its storage service agreements. Transporter and Shipper further agree that to the extent Shipper does not have sufficient quantities of Gas under its storage agreement to balance daily receipts and deliveries, Shipper's parking and lending service agreements will be utilized to resolve daily imbalances automatically on an interruptible basis in accordance with Appendix A.

Hourly Fluctuations in Flow:

Transporter and Shipper agree that services provided under All Agreements contemplate uniform hourly rates of flow. To resolve hourly fluctuations in flow in lieu of penalties set forth in Appendix A, Transporter and Shipper agree to utilize capacities available and Gas stored under Shipper's storage service agreements to permit hourly fluctuations in flow up to 1/24th of Shipper's MDQ under its transportation service agreements for "load following". Provided however, if Shipper does not have sufficient Gas or quantities under its storage agreements for "load following", Shipper will be subject to penalties as set forth in Appendix A and its transportation services agreements, and such hourly fluctuations in flow will only be permitted on an interruptible basis.

6. Pursuant to Article XVIII, Nominations and Scheduling, Section 18.6 of ENTERPRISE's Statement of Operating Conditions for Transportation Services, Shipper shall have the ability to schedule transportation to and from the Wilson Storage Facility up to one hour prior to the end of the Gas Day (8:00 am) or at some other mutually agreeable time after or during the Gas Day to balance actual deliveries at Point(s) of Delivery.

Appendix "A"

ENTERPRISE TEXAS PIPELINE LLC

Statement of Operating Conditions

Applicable to NGPA Section 311 Transportation Service

Attorneys Eyes Only

Exhibit A-27

THIRD AMENDMENT TO FIRM GAS TRANSPORTATION AGREEMENT FOR INTRASTATE SERVICE NO. 7921FTSA

This Third Amendment to the Firm Gas Transportation Agreement (the "Amendment"), effective as of the 1st day of July 2020 (the "Amendment Effective Date"), is made by and between Enterprise Texas Pipeline LLC ("Enterprise") and City of San Antonio, Texas, Acting By and Through Its City Public Service Board (CPS Energy).

BACKGROUND

Enterprise and CPS Energy entered into a Firm Gas Transportation Agreement for Intrastate Service No. 7921FTSA, dated July 1, 2011 (as previously amended, the "Agreement").

Enterprise and CPS Energy desire to amend the Agreement as specified in this Amendment.

AMENDMENTS

Effective as of the Amendment Effective Date, the Agreement is amended as follows:

1. The term provision of the Agreement is deleted in its entirety and is replaced with the following:

   "This Agreement for Firm Intrastate Transportation Service is entered into effective as of nine o'clock (9:00) a.m. Central Clock time on July 1, 2011 and shall continue in full force and effect for a primary term until nine o'clock (9:00) a.m. Central Clock time on July 1, 2023."

2. **Exhibit "A-07-2020-1"** and **"Attachment 1"** attached hereto shall supersede and replace Exhibit "A-07-2017-1" and "Attachment 1"of the Agreement.

3. **Exhibits "B-07-2020-1"** attached hereto shall supersede and replace Exhibit "B-07-2017-1" of the Agreement.

MISCELLANEOUS

Enterprise and CPS Energy may execute this Amendment in multiple counterparts, each of which constitutes an original, and all of which, collectively, constitute one agreement. The signatures of both parties need not appear on the same counterpart, and delivery of an executed counterpart signature page by facsimile or electronic mail is as effective as signing and delivering this Amendment in the presence of the other party.

Except as expressly amended hereby, the provisions of the Agreement remain in full force and effect.

Authorized representatives of Enterprise and CPS Energy have signed this Amendment to be effective on the Amendment Effective Date.

ENTERPRISE TEXAS PIPELINE LLC

By: _____

Name: Dan Burns

Title: Vice President

CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)

By: Kevin Pollo

Name: KEVIN POLLO

Title: INTERIM VICE PRESIDENT, ENERGY SUPPLY AND MARKET OPERATIONS

CPSE Response in Opp to ET MSJ

Exhibit A-27

MDL-2022-CI-02879

exhibitsticker.com

EXHIBIT "A-07-2020-1"

(Page 1 of 2)
ENTERPRISE TEXAS PIPELINE LLC
FIRM GAS TRANSPORTATION AGREEMENT
for INTRASTATE SERVICE

CONTRACT NO. 7921FTSA DATED: JULY 1, 2011

SHIPPER'S LEGAL NAME: CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)

MAXIMUM DAILY QUANTITY (MDQ) UNDER THIS AGREEMENT, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B": 105,000 MMBtu/day[1]

RESERVATION FEE: **$0.075 PER MMBTU/DAY**

[1]THE COMBINED MDQ UNDER THIS FIRM TRANSPORTATION AGREEMENT FOR INTRASTATE SERVICE AND SHIPPER'S FIRM TRANSPORTATION AGREEMENT FOR NGPA SECTION 311 SERVICE NO. 7921FTSE, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B" SHALL BE 105,000 MMBTU/DAY.

PRIMARY POINTS:

PRIMARY POINT(S) OF RECEIPT METER & DESCRIPTION	MAXIMUM RECEIPT OBLIGATION (MRO) MMBTU/DAY	FIRM TRANSPORTATION COMMODITY RATE $/MMBTU	FUEL %	AUTHORIZED OVERRUN RATE $/MMBTU	PRIMARYPOINT(S) OF DELIVERY METER & DESCRIPTION	MAXIMUM DELIVERY OBLIGATION (MDO) MMBTU/DAY
DCP NEW BRAUNFELS MS: **493085**	5,000	$0.04	0.0%			
CPS WILSON COUNTY MS: **493325**	5,000	$0.04	1.0%			
AGUA DULCE MAP POINT MS: **PP050014**	5,000	$0.04	1.0%			
SOUTH TEXAS MAP POINT MS: **PP050015**	50,000	$0.04	1.0%			
					CPSB DELIVERY AGGREGATION MS: **AG050310****	65,000
TOTAL = MDQ above*	**65,000**					**65,000**

** SEE ATTACHMENT 1

EXHIBIT A "07-2020-1"

(Page 2 of 2)

ENTERPRISE TEXAS PIPELINE LLC
FIRM GAS TRANSPORTATION AGREEMENT
for INTRASTATE SERVICE

CONTRACT NO. 7921FTSA DATED: JULY 1, 2011

SHIPPER'S LEGAL NAME: CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)

MAXIMUM DAILY QUANTITY (MDQ) UNDER THIS AGREEMENT, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B": 105,000 MMBtu/day[1]

RESERVATION FEE: $0.075 PER MMBTU/DAY

[1]THE COMBINED MDQ UNDER THIS FIRM TRANSPORTATION AGREEMENT FOR INTRASTATE SERVICE AND SHIPPER'S FIRM TRANSPORTATION AGREEMENT FOR NGPA SECTION 311 SERVICE NO. 7921FTSE, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B" SHALL BE 105,000 MMBTU/DAY.

SECONDARY POINTS:

SECONDARY POINT(S) OF RECEIPT METER & DESCRIPTION	FIRM TRANSPORTATION COMMODITY RATE $/MMBTU	FUEL %	AUTHORIZED OVERRUN RATE $/MMBTU	SECONDARY POINT(S) OF DELIVERY METER & DESCRIPTION
CHANNEL AGUA DULCE MS: **PP344023**	$0.04	1.0%		
TEJAS AGUA DULCE MS: **PP344167**	$0.04	1.0%		
				DCP NEW BRAUNFELS MS: **491085**
				WILSON STORAGE MS: **559101**

ENTERPRISE TEXAS PIPELINE LLC	**CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)**
BY: Dan Burns	BY: Kevin Pollo
NAME: Dan Burns	NAME: KEVIN POLLO
TITLE: Vice President	TITLE: INTERIM VICE PRESIDENT, ENERGY SUPPLY AND MARKET OPERATIONS
DATE: 06/25/2020	DATE: 06/18/2020

HD CPP CMB

FORWARD TWO EXECUTED COPIES OF THIS DOCUMENT TO ENTERPRISE TEXAS PIPELINE LLC FOR PROCESSING

Attorneys Eyes Only

EXHIBIT "B-07-2020-1"

ENTERPRISE TEXAS PIPELINE LLC

FIRM GAS TRANSPORTATION AGREEMENT
for INTRASTATE SERVICE

CONTRACT NO. 7921FTSA DATED: JULY 1, 2011

SHIPPER'S LEGAL NAME: **CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)**

TERM OF THIS EXHIBIT: **Commencement Date:** **Termination Date:**

MAXIMUM DAILY QUANTITY (MDQ) UNDER THIS AGREEMENT, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B": **«MDQ»** MMBtu/day

TOTAL DAILY QUANTITIES TRANSPORTED UNDER THIS EXHIBIT "B-07-2020-1" SHALL NOT EXCEED _____ MMBtu/day UNLESS APPROVED BY TRANSPORTER IN ADVANCE.

THIS EXHIBIT "B-07-2020-1" APPLIES TO TEMPORARY SECONDARY POINTS ONLY. PRIMARY POINTS MAY ONLY BE AMENDED ON EXHIBIT "A-07-2020-1".

TEMPORARY SECONDARY POINTS:

SECONDARY POINT(S) OF RECEIPT METER & DESCRIPTION	FIRM TRANSPORTATION RATE $/MMBTU	FUEL %	AUTHORIZED OVERRUN RATE $/MMBTU	SECONDARY POINT(S) OF DELIVERY METER & DESCRIPTION

ENTERPRISE TEXAS PIPELINE LLC	**CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)**

BY: _____ BY: _____

NAME: _____ NAME: _____

TITLE: _____ TITLE: _____

DATE: _____ DATE: _____

FORWARD TWO EXECUTED COPIES OF THIS DOCUMENT TO ENTERPRISE TEXAS PIPELINE LLC FOR PROCESSING

Attorneys Eyes Only

Attachment 1

1. The CPSB Delivery Aggregation Point shall include meter stations identified as CPS South Gate (meter 491320), CPS Wilson County (meter 491325), CPS Cibolo (meter 491101), CPS Sommers (meter 491370), CPS Braunig Power Plant (meter 491010), CPS Eastgate (meter 491005), CPS Westgate (meter 491001), CPS Big Country (meter 491043), CPS North Hampton (meter 491053), CPS Highway 181 (meter 491109), Leon Creek (meter 491060), CPS Smithson Valley (meter 491106), CPS FM 471 (meter 491400), CPS Sedona (meter 491330), CPS Boerne (meter 491107), CPS Somerset (meter 491309 representing the summation of distribution customer meters on the Somerset tap), CPS Martinez Losoya (meter 491409), and CPS Other (meter 491509 representing the summation of distribution customer meters on the following taps: CPS Casias Road, CPS Hildebrandt Road and CPS 17500 Donop Road (SARA), CPS Pittman Road and CPS 11696 Highway 16 South. Shipper's hourly and daily deliveries shall be the aggregate of the above meter's volumes.

2. Transporter shall deliver Gas for Shipper's account at the pressures existing from time to time in Transporter's pipeline system at the Point(s) of Delivery; however, Transporter shall use best efforts that such pressure shall not be less than 550 psig for high pressure operation and 240 psig for low pressure operation at CPS South Gate (meter 491320), 600 psig at CPS Wilson County (meter 491325), 400 psig at CPS Cibolo (meter station 491101), 150 psig at CPS Sommers (meter 491370), CPS Braunig (meters 491010), CPS Eastgate (meter 491005), CPS Westgate (meter 491001) and 550 psig at Leon Creek (meter 491060).

3. Transporter shall test meter stations 491001, 491005, 491010, 491101, 491320, 491325 and 491370 on a monthly basis and shall test meter stations 491043 and 491053 on a quarterly basis.

4. The Maximum Delivery Obligation ("MDO") for the Primary Point(s) of Delivery shall be 135,000 MMBtu per day at CPS South Gate (meter 491320), 160,000 MMBtu per day at CPS Wilson County (meter 491325), 200,000 MMBtu per day at CPS Sommers (meter 491370) and 200,000 MMBtu per day at CPS Braunig (meter 491010), 175,000 MMBtu per day at CPS Eastgate (meter 491005) and 175,000 MMBtu per day at CPS Westgate (meter 491001), 80,000 MMBtu per day at CPS Cibolo (meter 491101) and 80,000 MMBtu per day at CPS Leon Creek (meter 491060). However, the sum of all the MDO's hereunder shall not exceed the Maximum Daily Quantity under Shipper's firm transportation service agreements. The sum of CPS Sommers, Braunig, Eastgate and Westgate shall not exceed 450,000 MMBtu per day. The combined MDO at Duke New Braufels (meter 491085) and CPS Cibolo (meter 491101) will be 80,000 MMbtu per day.

5. Transporter and Shipper agree to coordinate nominations between all transportation, storage and parking and lending agreements between Shipper and Transporter ("All Agreements") to resolve daily and hourly fluctuations as set forth in such Agreements as below:

Daily Imbalances:

Transporter and Shipper agree to utilize Shipper's storage service agreements to balance receipts and deliveries under Shipper's transportation service agreements provided Shipper has sufficient Gas available in storage and provided Shipper does not exceed the maximum quantities under its storage service agreements. Transporter and Shipper further agree that to the extent Shipper does not have sufficient quantities of Gas under its storage agreement to balance daily receipts and deliveries, Shipper's parking and lending service agreements will be utilized to resolve daily imbalances automatically on an interruptible basis in accordance with Appendix A.

Hourly Fluctuations in Flow:

Transporter and Shipper agree that services provided under All Agreements contemplate uniform hourly rates of flow. To resolve hourly fluctuations in flow in lieu of penalties set forth in Appendix A, Transporter and Shipper agree to utilize capacities available and Gas stored under Shipper's storage service agreements to permit hourly fluctuations in flow up to 1/24th of Shipper's MDQ under its transportation service agreements for "load following". Provided however, if Shipper does not have sufficient Gas or quantities under its storage agreements for "load following", Shipper will be subject to penalties as set forth in Appendix A and its transportation services agreements, and such hourly fluctuations in flow will only be permitted on an interruptible basis.

6. Pursuant to Article XVIII, Nominations and Scheduling, Section 18.6 of ENTERPRISE's Statement of Operating Conditions for Transportation Services, Shipper shall have the ability to schedule transportation to and from the Wilson Storage Facility up to one hour prior to the end of the Gas Day (8:00 am) or at some other mutually agreeable time after or during the Gas Day to balance actual deliveries at Point(s) of Delivery.

Attorneys Eyes Only CPSE-MDL_000001537

Appendix "A"

ENTERPRISE TEXAS PIPELINE LLC

Statement of Operating Conditions Applicable to Intrastate Transportation Service

Attorneys Eyes Only

Exhibit A-28

THIRD AMENDMENT TO FIRM GAS TRANSPORTATION AGREEMENT FOR NGPA SECTION 311 SERVICE NO. 7921FTSE

This Third Amendment to the Firm Gas Transportation Agreement (the "Amendment"), effective as of the 1st day of July 2020 (the "Amendment Effective Date"), is made by and between Enterprise Texas Pipeline LLC ("Enterprise") and City of San Antonio, Texas, Acting By and Through Its City Public Service Board (CPS Energy).

BACKGROUND

Enterprise and CPS Energy entered into a Firm Gas Transportation Agreement for NGPA Section 311 Service No. 7921FTSE, dated July 1, 2011 (as previously amended, the "Agreement").

Enterprise and CPS Energy desire to amend the Agreement as specified in this Amendment.

AMENDMENTS

Effective as of the Amendment Effective Date, the Agreement is amended as follows:

1. The term provision of the Agreement is deleted in its entirety and is replaced with the following:

   "This Agreement for Firm Interstate Transportation Service is entered into effective as of nine o'clock (9:00) a.m. Central Clock time on July 1, 2011 and shall continue in full force and effect for a primary term until nine o'clock (9:00) a.m. Central Clock time on July 1, 2023."

2. **Exhibit "A-07-2020-1"** and **"Attachment 1"** attached hereto shall supersede and replace Exhibit "A-07-2017-1" and "Attachment 1" of the Agreement.

3. **Exhibits "B-07-2020-1**attached hereto shall supersede and replace Exhibit "B-07-2017-1" of the Agreement.

MISCELLANEOUS

Enterprise and CPS Energy may execute this Amendment in multiple counterparts, each of which constitutes an original, and all of which, collectively, constitute one agreement. The signatures of both parties need not appear on the same counterpart, and delivery of an executed counterpart signature page by facsimile or electronic mail is as effective as signing and delivering this Amendment in the presence of the other party.

Except as expressly amended hereby, the provisions of the Agreement remain in full force and effect.

Authorized representatives of Enterprise and CPS Energy have signed this Amendment to be effective on the Amendment Effective Date.

ENTERPRISE TEXAS PIPELINE LLC	**CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)**
By: _____ CAP	By: Kevin Pollo
Name: Dan Burns MB	Name: KEVIN POLLO CMB
Title: Vice President	Title: INTERIM VICE PRESIDENT, ENERGY SUPPLY AND MARKET OPERATIONS

CPSE Response in Opp to ET MSJ

Exhibit A-28

MDL-2022-CI-02879

exhibitsticker.com

EXHIBIT "A-07-2020-1"

(Page 1 of 2)
ENTERPRISE TEXAS PIPELINE LLC
FIRM GAS TRANSPORTATION AGREEMENT
for NGPA SECTION 311 SERVICE

CONTRACT NO. 7921FTSE DATED: JULY 1, 2011

SHIPPER'S LEGAL NAME: CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)

MAXIMUM DAILY QUANTITY (MDQ) UNDER THIS AGREEMENT, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B": 105,000 MMBtu/day[1]

RESERVATION FEE: $0.075 PER MMBTU/DAY

[1]THE COMBINED MDQ UNDER THIS FIRM TRANSPORTATION AGREEMENT FOR NGPA SECTION 311 SERVICE AND SHIPPER'S FIRM TRANSPORTATION AGREEMENT FOR INTRASTATE SERVICE NO. 7921FTSA, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B" SHALL BE 105,000 MMBTU/DAY.

PRIMARY POINTS:

PRIMARY POINT(S) OF RECEIPT METER & DESCRIPTION	MAXIMUM RECEIPT OBLIGATION (MRO) MMBTU/DAY	FIRM TRANSPORTATION COMMODITY RATE $/MMBTU	FUEL %	AUTHORIZED OVERRUN RATE $/MMBTU	PRIMARYPOINT(S) OF DELIVERY METER & DESCRIPTION	MAXIMUM DELIVERY OBLIGATION (MDO) MMBTU/DAY
Tres Palacios Receipt MS: **553701**	40,000	$0.04	1.0%		CPSB DELIVERY AGGREGATION MS: **AG050310****	40,000
TOTAL = MDQ above*	**40,000**					**40,000**

** SEE ATTACHMENT 1

Attorneys Eyes Only

EXHIBIT "A-07-2020-1"

(Page 2 of 2)
ENTERPRISE TEXAS PIPELINE LLC
FIRM GAS TRANSPORTATION AGREEMENT
for NGPA SECTION 311 SERVICE

CONTRACT NO. 7921FTSE DATED: JULY 1, 2011

SHIPPER'S LEGAL NAME: CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)

MAXIMUM DAILY QUANTITY (MDQ) UNDER THIS AGREEMENT, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B": 105,000 MMBtu/day[1]

RESERVATION FEE: **$0.075 PER MMBTU/DAY**

[1]THE COMBINED MDQ UNDER THIS FIRM TRANSPORTATION AGREEMENT FOR NGPA SECTION 311 SERVICE AND SHIPPER'S FIRM TRANSPORTATION AGREEMENT FOR INTRASTATE SERVICE NO. 7921FTSA, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B" SHALL BE 105,000 MMBTU/DAY.

SECONDARY POINTS:

SECONDARY POINT(S) OF RECEIPT METER & DESCRIPTION	FIRM TRANSPORTATION COMMODITY RATE $/MMBTU	FUEL %	AUTHORIZED OVERRUN RATE $/MMBTU	SECONDARY POINT(S) OF DELIVERY METER & DESCRIPTION
TRANSCO MARKHAM MS: **863215**	$0.04	1.0%		
TETCO PROVIDENT CITY MS: **PP454109**	$0.04	1.0%		
SOUTH TEXAS MAP INTERSTATE MS: **PP050115**	$0.04	1.0%		
				DCP NEW BRAUNFELS MS: **491085**
				WILSON STORAGE MS: **PP559201**

LEGAL NAME AND CLASSIFICATION (INTERSTATE PIPELINE OR LDC SERVED BY AN INTERSTATE PIPELINE) OF THE "ON BEHALF OF" ENTITIES THAT SHIPPER WARRANTS MEETS THE PROVISIONS OF SECTION 284 OF THE COMMISSION'S REGULATIONS:

IF GAS IS FOR AN END USER LOCATED IN THE SERVICE AREA OF AN LDC AND THE REQUESTED TRANSPORTATION BYPASSES THE LDC, COMPLETE THE FOLDING:

LEGAL NAME AND ADDRESS OF THE END USER _____

LEGAL NAME AND ADDRESS OF THE LDC: _____

ENTERPRISE TEXAS PIPELINE LLC	**CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)**
BY: _____	BY: Kevin Pollo
NAME: Dan Burns	NAME: KEVIN POLLO
TITLE: Vice President	TITLE: INTERIM VICE PRESIDENT, ENERGY SUPPLY AND MARKET OPERATIONS
DATE: 06/25/2020	DATE: 06/18/2020

MD CAW CMB

FORWARD TWO EXECUTED COPIES OF THIS DOCUMENT TO ENTERPRISE TEXAS PIPELINE LLC FOR PROCESSING

Attorneys Eyes Only

EXHIBIT "B-07-2020-1"

ENTERPRISE TEXAS PIPELINE LLC

FIRM GAS TRANSPORTATION AGREEMENT
for NGPA SECTION 311 SERVICE

CONTRACT NO. 7921FTSE DATED: JULY 1, 2011

SHIPPER'S LEGAL NAME: **CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)**

TERM OF THIS EXHIBIT: **Commencement Date:** **Termination Date:**

MAXIMUM DAILY QUANTITY (MDQ) UNDER THIS AGREEMENT, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B": **«MDQ»** MMBtu/day

TOTAL DAILY QUANTITIES TRANSPORTED UNDER THIS EXHIBIT "B-07-2020-1" SHALL NOT EXCEED _____ MMBtu/day UNLESS APPROVED BY TRANSPORTER IN ADVANCE.

THIS EXHIBIT "B-07-2020-1" APPLIES TO TEMPORARY SECONDARY POINTS ONLY. PRIMARY POINTS MAY ONLY BE AMENDED ON EXHIBIT "A-07-2020-1".

TEMPORARY SECONDARY POINTS:

SECONDARY POINT(S) OF RECEIPT METER & DESCRIPTION	FIRM TRANSPORTATION RATE $/MMBTU	FUEL %	AUTHORIZED OVERRUN RATE $/MMBTU	SECONDARY POINT(S) OF DELIVERY METER & DESCRIPTION

LEGAL NAME AND CLASSIFICATION (INTERSTATE PIPELINE OR LDC SERVED BY AN INTERSTATE PIPELINE) OF THE "ON BEHALF OF" ENTITIES THAT SHIPPER WARRANTS MEETS THE PROVISIONS OF SECTION 284 OF THE COMMISSION'S REGULATIONS:

IF GAS IS FOR AN END USER LOCATED IN THE SERVICE AREA OF AN LDC AND THE REQUESTED TRANSPORTATION BYPASSES THE LDC, COMPLETE THE FOLLOWING:

LEGAL NAME AND ADDRESS OF THE END USER _____

LEGAL NAME AND ADDRESS OF THE LDC: _____

ENTERPRISE TEXAS PIPELINE LLC	**CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)**
BY: _____	BY: _____
NAME: _____	NAME: _____
TITLE: _____	TITLE: _____
DATE: _____	DATE: _____

FORWARD TWO EXECUTED COPIES OF THIS DOCUMENT TO ENTERPRISE TEXAS PIPELINE LLC FOR PROCESSING

Attorneys Eyes Only

Attachment 1

1. The CPSB Delivery Aggregation Point shall include meter stations identified as CPS South Gate (meter 491320), CPS Wilson County (meter 491325), CPS Cibolo (meter 491101), CPS Sommers (meter 491370), CPS Braunig Power Plant (meter 491010), CPS Eastgate (meter 491005), CPS Westgate (meter 491001), CPS Big Country (meter 491043), CPS North Hampton (meter 491053), CPS Highway 181 (meter 491109), Leon Creek (meter 491060), CPS Smithson Valley (meter 491106), CPS FM 471 (meter 491400), CPS Sedona (meter 491330), CPS Boerne (meter 491107), CPS Somerset (meter 491309 representing the summation of distribution customer meters on the Somerset tap), CPS Martinez Losoya (meter 491409), and CPS Other (meter 491509 representing the summation of distribution customer meters on the following taps: CPS Casias Road, CPS Hildebrandt Road and CPS 17500 Donop Road (SARA), CPS Pittman Road and CPS 11696 Highway 16 South. Shipper's hourly and daily deliveries shall be the aggregate of the above meter's volumes.

2. Transporter shall deliver Gas for Shipper's account at the pressures existing from time to time in Transporter's pipeline system at the Point(s) of Delivery; however, Transporter shall use best efforts that such pressure shall not be less than 550 psig for high pressure operation and 240 psig for low pressure operation at CPS South Gate (meter 491320), 600 psig at CPS Wilson County (meter 491325), 400 psig at CPS Cibolo (meter station 491101), 150 psig at CPS Sommers (meter 491370), CPS Braunig (meters 491010), CPS Eastgate (meter 491005), CPS Westgate (meter 491001) and 550 psig at Leon Creek (meter 491060).

3. Transporter shall test meter stations 491001, 491005, 491010, 491101, 491320, 491325 and 491370 on a monthly basis and shall test meter stations 491043 and 491053 on a quarterly basis.

4. The Maximum Delivery Obligation ("MDO") for the Primary Point(s) of Delivery shall be 135,000 MMBtu per day at CPS South Gate (meter 491320), 160,000 MMBtu per day at CPS Wilson County (meter 491325), 200,000 MMBtu per day at CPS Sommers (meter 491370) and 200,000 MMBtu per day at CPS Braunig (meter 491010), 175,000 MMBtu per day at CPS Eastgate (meter 491005) and 175,000 MMBtu per day at CPS Westgate (meter 491001), 80,000 MMBtu per day at CPS Cibolo (meter 491101) and 80,000 MMBtu per day at CPS Leon Creek (meter 491060). However, the sum of all the MDO's hereunder shall not exceed the Maximum Daily Quantity under Shipper's firm transportation service agreements. The sum of CPS Sommers, Braunig, Eastgate and Westgate shall not exceed 450,000 MMBtu per day. The combined MDO at Duke New Braufels (meter 491085) and CPS Cibolo (meter 491101) will be 80,000 MMbtu per day.

5. Transporter and Shipper agree to coordinate nominations between all transportation, storage and parking and lending agreements between Shipper and Transporter ("All Agreements") to resolve daily and hourly fluctuations as set forth in such Agreements as below:

Daily Imbalances:

Transporter and Shipper agree to utilize Shipper's storage service agreements to balance receipts and deliveries under Shipper's transportation service agreements provided Shipper has sufficient Gas available in storage and provided Shipper does not exceed the maximum quantities under its storage service agreements. Transporter and Shipper further agree that to the extent Shipper does not have sufficient quantities of Gas under its storage agreement to balance daily receipts and deliveries, Shipper's parking and lending service agreements will be utilized to resolve daily imbalances automatically on an interruptible basis in accordance with Appendix A.

Hourly Fluctuations in Flow:

Transporter and Shipper agree that services provided under All Agreements contemplate uniform hourly rates of flow. To resolve hourly fluctuations in flow in lieu of penalties set forth in Appendix A, Transporter and Shipper agree to utilize capacities available and Gas stored under Shipper's storage service agreements to permit hourly fluctuations in flow up to 1/24th of Shipper's MDQ under its transportation service agreements for "load following". Provided however, if Shipper does not have sufficient Gas or quantities under its storage agreements for "load following", Shipper will be subject to penalties as set forth in Appendix A and its transportation services agreements, and such hourly fluctuations in flow will only be permitted on an interruptible basis.

6. Pursuant to Article XVIII, Nominations and Scheduling, Section 18.6 of ENTERPRISE's Statement of Operating Conditions for Transportation Services, Shipper shall have the ability to schedule transportation to and from the Wilson Storage Facility up to one hour prior to the end of the Gas Day (8:00 am) or at some other mutually agreeable time after or during the Gas Day to balance actual deliveries at Point(s) of Delivery.

Attorneys Eyes Only

Appendix "A"

ENTERPRISE TEXAS PIPELINE LLC

Statement of Operating Conditions

Applicable to NGPA Section 311 Transportation Service

Attorneys Eyes Only

Exhibit A-29

THIRD AMENDMENT TO FIRM GAS TRANSPORTATION AGREEMENT FOR INTRASTATE SERVICE NO. 7304FTSA

This Third Amendment to the Firm Gas Transportation Agreement (the "Amendment"), effective as of the 1st day of July, 2018 (the "Amendment Effective Date"), is made by and between Enterprise Texas Pipeline LLC ("Enterprise") and City of San Antonio, Texas, Acting By and Through Its City Public Service Board (CPS Energy).

BACKGROUND

Enterprise and CPS Energy entered into a Firm Gas Transportation Agreement For Intrastate Service No. 7304FTSA, dated July 1, 2005 (as previously amended, the "Agreement").

Enterprise and CPS Energy desire to amend the Agreement as specified in this Amendment.

AMENDMENTS

Effective as of the Amendment Effective Date, the Agreement is amended as follows:

1. The term provision of the Agreement is deleted in its entirety and is replaced with the following:

> "This Agreement for Firm Intrastate Transportation Service is entered into effective as of nine o'clock (9:00) a.m. Central Clock time on July 1, 2005 and shall continue in full force and effect for a primary term until nine o'clock (9:00) a.m. Central Clock time on July 1, 2021."

2. Exhibit "A-07-2018-1" and "Attachment 1" attached hereto shall supersede and replace Exhibit "A-07-2015-1" and "Attachment 1" of the Agreement.

MISCELLANEOUS

Enterprise and CPS Energy may execute this Amendment in multiple counterparts, each of which constitutes an original, and all of which, collectively, constitute one agreement. The signatures of both parties need not appear on the same counterpart, and delivery of an executed counterpart signature page by facsimile or electronic mail is as effective as signing and delivering this Amendment in the presence of the other party.

Except as expressly amended hereby, the provisions of the Agreement remain in full force and effect.

Authorized representatives of Enterprise and CPS Energy have signed this Amendment to be effective on the Amendment Effective Date.

ENTERPRISE TEXAS PIPELINE LLC

By: _____

Name: Dan Burns

Title: Vice President

CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)

By: _____

Name: _____ ate:

Title: John Bonnin, VP ESMO

CPSE Response in Opp to ET MSJ

Exhibit A-29

MDL-2022-CI-02879

exhibitsticker.com

EXHIBIT "A-07-2018-1"

ENTERPRISE TEXAS PIPELINE LLC

FIRM GAS TRANSPORTATION AGREEMENT for INTRASTATE SERVICE

CONTRACT NO. 7304FTSA DATED: JULY 1, 2005

SHIPPER'S LEGAL NAME: CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)

THE COMBINED MDQ UNDER THIS FIRM TRANSPORTATION AGREEMENT FOR INTRASTATE SERVICE AND SHIPPER'S FIRM TRANSPORTATION AGREEMENT FOR NGPA SECTION 311 SERVICE NO. 7304FTSE SHALL BE 60,000 MMBTU/DAY.

TERM OF THIS EXHIBIT: COMMENCEMENT DATE: JULY 1, 2018 – END DATE: JUNE 30, 2021

RESERVATION FEE: $0.075/MMBTU MULTIPLIED BY THE MDQ (DAILY CHARGE)

PRIMARY POINTS:

PRIMARY POINT(S) OF RECEIPT METER & DESCRIPTION	MAXIMUM RECEIPT OBLIGATION (MRO) MMBTU/DAY	FIRM TRANSPORTATION COMMODITY RATE $/MMBTU	FUEL %	AUTHORIZED OVERRUN RATE $/MMBTU	PRIMARY POINT(S) OF DELIVERY METER & DESCRIPTION	MAXIMUM DELIVERY OBLIGATION (MDO) MMBTU/DAY
CPS Wilson County MS: **493325**	5,000	$0.025	1.0%			
Boling Area Receipt (Channel) MS: **553907**	5,000	$0.025	1.0%			
Agua Dulce Map Point MS: **PP050014**	5,000	$0.025	1.0%			
South Texas Map Point MS: **PP050015**	25,000	$0.025	1.0%	$0.10	CPSB DELIVERY AGGREGATION MS: **AG050310***	40,000
TOTAL = MRO/MDO	40,000					40,000

* See Attachment 1

SECONDARY POINTS:

SECONDARY POINT(S) OF RECEIPT METER & DESCRIPTION	FIRM TRANSPORTATION COMMODITY RATE $/MMBTU	FUEL %	AUTHORIZED OVERRUN RATE $/MMBTU	SECONDARY POINT(S) OF DELIVERY METER & DESCRIPTION
Channel Agua Dulce MS: **PP344023**	$0.025	1.0%		
Tejas Agua Dulce MS: **PP344167**	$0.025	1.0%		
Tejas Matagorda County MS: **PP511400**	$0.025	1.0%		
			$0.10	Wilson Storage MS: **559101**

ENTERPRISE TEXAS PIPELINE LLC	**CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)**
BY: [signature] MD CMB	BY: [signature]
NAME: Dan Burns	NAME: John Bonnin
TITLE: Vice President	TITLE: VP ESMD
DATE: 06/11/18	DATE: 6.1.18

RETURN ONE FULLY-EXECUTED ORIGINAL OF THIS DOCUMENT TO ENTERPRISE TEXAS PIPELINE LLC

Attachment 1

1. The CPSB Delivery Aggregation Point shall include meter stations identified as CPS South Gate (meter 491320), CPS Wilson County (meter 491325), CPS Cibolo (meter 491101), CPS Sommers (meter 491370), CPS Braunig Power Plant (meter 491010), CPS Eastgate (meter 491005), CPS Westgate (meter 491001), CPS Big Country (meter 491043), CPS North Hampton (meter 491053), CPS Highway 181 (meter 491109), Leon Creek (meter 491060), CPS Smithson Valley (meter 491106), CPS FM 471 (meter 491400), CPS Sedona (meter 491330), CPS Boerne (meter 491107), CPS Somerset (meter 491309 representing the summation of distribution customer meters on the Somerset tap), CPS Martinez Losoya (meter 491409), and CPS Other (meter 491509 representing the summation of distribution customer meters on the following taps: CPS Casias Road, CPS Hildebrandt Road and CPS 17500 Donop Road (SARA), CPS Pittman Road and CPS 11696 Highway 16 South. Shipper's hourly and daily deliveries shall be the aggregate of the above meter's volumes.

2. Transporter shall deliver Gas for Shipper's account at the pressures existing from time to time in Transporter's pipeline system at the Point(s) of Delivery; however, such pressure shall not be less than 550 psig for high pressure operation and 240 psig for low pressure operation at CPS South Gate (meter 491320), 600 psig at CPS Wilson County (meter 491325), 400 psig at CPS Cibolo (meter station 491101), 150 psig at CPS Sommers (meter 491370), CPS Braunig (meters 491010), CPS Eastgate (meter 491005), CPS Westgate (meter 491001) and 425 psig at Leon Creek (meter 491060).

3. Transporter shall test meter stations 491001, 491005, 491010, 491101, 491320, 491325 and 491370 on a monthly basis and shall test meter stations 491043 and 491053 on a quarterly basis.

4. The Maximum Delivery Obligation ("MDO") for the Primary Point(s) of Delivery shall be 140,000 MMBtu per day at CPS South Gate (meter 491320), 160,000 MMBtu per day at CPS Wilson County (meter 491325), 200,000 MMBtu per day at CPS Sommers (meter 491370) and 200,000 MMBtu per day at CPS Braunig (meter 491010), 175,000 MMBtu per day at CPS Eastgate (meter 491005) and 175,000 MMBtu per day at CPS Westgate (meter 491001), 100,000 MMBtu per day at CPS Cibolo (meter 491101) and 80,000 MMBtu per day at CPS Leon Creek (meter 491060). However, the sum of all the MDO's hereunder shall not exceed the Maximum Daily Quantity under Shipper's firm transportation service agreements. The sum of CPS Sommers, Braunig, Eastgate and Westgate shall not exceed 450,000 MMBtu per day.

5. Transporter and Shipper agree to coordinate nominations between all transportation, storage and parking and lending agreements between Shipper and Transporter ("All Agreements") to resolve daily and hourly fluctuations as set forth in such Agreements as below:

   Daily Imbalances:

   Transporter and Shipper agree to utilize Shipper's storage service agreements to balance receipts and deliveries under Shipper's transportation service agreements provided Shipper has sufficient Gas available in storage and provided Shipper does not exceed the maximum quantities under its storage service agreements. Transporter and Shipper further agree that to the extent Shipper does not have sufficient quantities of Gas under its storage agreement to balance daily receipts and deliveries, Shipper's parking and lending service agreements will be utilized to resolve daily imbalances automatically on an interruptible basis in accordance with Appendix A.

   Hourly Fluctuations in Flow:

   Transporter and Shipper agree that services provided under All Agreements contemplate uniform hourly rates of flow. To resolve hourly fluctuations in flow in lieu of penalties set forth in Appendix A, Transporter and Shipper agree to utilize capacities available and Gas stored under Shipper's storage service agreements to permit hourly fluctuations in flow up to 1/24th of Shipper's MDQ under its transportation service agreements for "load following". Provided however, if Shipper does not have sufficient Gas or quantities under its storage agreements for "load following", Shipper will be subject to penalties as set forth in Appendix A and its transportation services agreements, and such hourly fluctuations in flow will only be permitted on an interruptible basis.

6. Pursuant to Article XVIII, Nominations and Scheduling, Section 18.6 of ENTERPRISE's Statement of Operating Conditions for Transportation Services, Shipper shall have the ability to schedule transportation to and from the Wilson Storage Facility up to one hour prior to the end of the Gas Day (8:00 am) or at some other mutually agreeable time after or during the Gas Day to balance actual deliveries at Point(s) of Delivery.

Exhibit A-30

THIRD AMENDMENT TO FIRM GAS TRANSPORTATION AGREEMENT FOR NGPA SECTION 311 SERVICE NO. 7304FTSE

This Third Amendment to the Firm Gas Transportation Agreement (the "Amendment"), effective as of the 1st day of July, 2018 (the "Amendment Effective Date"), is made by and between Enterprise Texas Pipeline LLC ("Enterprise") and City of San Antonio, Texas, Acting By and Through Its City Public Service Board (CPS Energy).

BACKGROUND

Enterprise and CPS Energy entered into a Firm Gas Transportation Agreement For NGPA Section 311 Service No. 7304FTSE, dated July 1, 2005 (as previously amended, the "Agreement").

Enterprise and CPS Energy desire to amend the Agreement as specified in this Amendment.

AMENDMENTS

Effective as of the Amendment Effective Date, the Agreement is amended as follows:

1. The term provision of the Agreement is deleted in its entirety and is replaced with the following:

> "This Agreement for Firm Interstate Transportation Service is entered into effective as of nine o'clock (9:00) a.m. Central Clock time on July 1, 2005 and shall continue in full force and effect for a primary term until nine o'clock (9:00) a.m. Central Clock time on July 1, 2021."

2. Exhibit "A-07-2018-1" and "Attachment 1" attached hereto shall supersede and replace Exhibit "A-07-2015-1" and "Attachment 1" of the Agreement.

MISCELLANEOUS

Enterprise and CPS Energy may execute this Amendment in multiple counterparts, each of which constitutes an original, and all of which, collectively, constitute one agreement. The signatures of both parties need not appear on the same counterpart, and delivery of an executed counterpart signature page by facsimile or electronic mail is as effective as signing and delivering this Amendment in the presence of the other party.

Except as expressly amended hereby, the provisions of the Agreement remain in full force and effect.

Authorized representatives of Enterprise and CPS Energy have signed this Amendment to be effective on the Amendment Effective Date.

ENTERPRISE TEXAS PIPELINE LLC

By: _____

Name: Dan Burns

Title: Vice President

CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)

By: _____

Name: _____

Title: John Bonnin, VP ESMO

Date:

CPSE Response in Opp to ET MSJ
Exhibit A-30
MDL-2022-CI-02879
exhibitsticker.com

EXHIBIT "A-07-2018-1"

ENTERPRISE TEXAS PIPELINE LLC

FIRM GAS TRANSPORTATION AGREEMENT
for NGPA SECTION 311 SERVICE

CONTRACT NO. 7304FTSE DATED: JULY 1, 2005

SHIPPER'S LEGAL NAME: CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)

THE COMBINED MDQ UNDER THIS FIRM TRANSPORTATION AGREEMENT FOR NGPA SECTION 311 SERVICE AND SHIPPER'S FIRM TRANSPORTATION AGREEMENT FOR INTRASTATE SERVICE NO. 7304FTSA SHALL BE 60,000 MMBTU/DAY.

TERM OF THIS EXHIBIT: COMMENCEMENT DATE: JULY 1, 2018 -- END DATE: JUNE 30, 2021

RESERVATION FEE: $0.075/MMBTU MULTIPLIED BY THE MDQ (DAILY CHARGE)

PRIMARY POINTS:

PRIMARY POINT(S) OF RECEIPT METER & DESCRIPTION	MAXIMUM RECEIPT OBLIGATION (MRO) MMBTU/DAY	FIRM TRANSPORTATION COMMODITY RATE $/MMBTU	FUEL %	AUTHORIZED OVERRUN RATE $/MMBTU	PRIMARY POINT(S) OF DELIVERY METER & DESCRIPTION	MAXIMUM DELIVERY OBLIGATION (MDO) MMBTU/DAY
Tres Palacios Receipt MS: **533701**	20,000	$0.025	1.0%	$0.10	CPSB DELIVERY AGGREGATION MS: **AG050310***	20,000
TOTAL = MRO/MDO	20,000					20,000

* See Attachment 1

SECONDARY POINTS:

SECONDARY POINT(S) OF RECEIPT METER & DESCRIPTION	FIRM TRANSPORTATION COMMODITY RATE $/MMBTU	FUEL %	AUTHORIZED OVERRUN RATE $/MMBTU	SECONDARY POINT(S) OF DELIVERY METER & DESCRIPTION
NGPL Wharton MS: **554260**	$0.025	1.0%		
Transco Markham MS: **863215**	$0.025	1.0%		
TETCO Provident City MS: **PP454109**	$0.025	1.0%		
South Texas Map Point MS: **PP050115**	$0.025	1.0%		
			$0.10	Wilson Storage MS: **PP559201**

LEGAL NAME AND CLASSIFICATION (INTERSTATE PIPELINE OR LDC SERVED BY AN INTERSTATE PIPELINE) OF THE "ON BEHALF OF" ENTITIES THAT SHIPPER WARRANTS MEETS THE PROVISIONS OF SECTION 284 OF THE COMMISSION'S REGULATIONS:

IF GAS IS FOR AN END USER LOCATED IN THE SERVICE AREA OF AN LDC AND THE REQUESTED TRANSPORTATION BYPASSES THE LDC, COMPLETE THE FOLLOWING:

LEGAL NAME AND ADDRESS OF THE END USER: N/A

LEGAL NAME AND ADDRESS OF THE LDC: N/A

ENTERPRISE TEXAS PIPELINE LLC	**CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)**
BY:	BY:
NAME: Dan Burns	NAME: John Bonnin
TITLE: Vice President	TITLE: VP ESMO
DATE: 06/11/18	DATE: 6.1.18

mj COO OMB

RETURN ONE FULLY-EXECUTED ORIGINAL OF THIS DOCUMENT TO ENTERPRISE TEXAS PIPELINE LLC

Attachment 1

1. The CPSB Delivery Aggregation Point shall include meter stations identified as CPS South Gate (meter 491320), CPS Wilson County (meter 491325), CPS Cibolo (meter 491101), CPS Sommers (meter 491370), CPS Braunig Power Plant (meter 491010), CPS Eastgate (meter 491005), CPS Westgate (meter 491001), CPS Big Country (meter 491043), CPS North Hampton (meter 491053), CPS Highway 181 (meter 491109), Leon Creek (meter 491060), CPS Smithson Valley (meter 491106), CPS FM 471 (meter 491400), CPS Sedona (meter 491330), CPS Boerne (meter 491107), CPS Somerset (meter 491309 representing the summation of distribution customer meters on the Somerset tap), CPS Martinez Losoya (meter 491409), and CPS Other (meter 491509 representing the summation of distribution customer meters on the following taps: CPS Casias Road, CPS Hildebrandt Road and CPS 17500 Donop Road (SARA), CPS Pittman Road and CPS 11696 Highway 16 South. Shipper's hourly and daily deliveries shall be the aggregate of the above meter's volumes.

2. Transporter shall deliver Gas for Shipper's account at the pressures existing from time to time in Transporter's pipeline system at the Point(s) of Delivery; however, such pressure shall not be less than 550 psig for high pressure operation and 240 psig for low pressure operation at CPS South Gate (meter 491320), 600 psig at CPS Wilson County (meter 491325), 400 psig at CPS Cibolo (meter station 491101), 150 psig at CPS Sommers (meter 491370), CPS Braunig (meters 491010), CPS Eastgate (meter 491005), CPS Westgate (meter 491001) and 425 psig at Leon Creek (meter 491060).

3. Transporter shall test meter stations 491001, 491005, 491010, 491101, 491320, 491325 and 491370 on a monthly basis and shall test meter stations 491043 and 491053 on a quarterly basis.

4. The Maximum Delivery Obligation ("MDO") for the Primary Point(s) of Delivery shall be 140,000 MMBtu per day at CPS South Gate (meter 491320), 160,000 MMBtu per day at CPS Wilson County (meter 491325), 200,000 MMBtu per day at CPS Sommers (meter 491370) and 200,000 MMBtu per day at CPS Braunig (meter 491010), 175,000 MMBtu per day at CPS Eastgate (meter 491005) and 175,000 MMBtu per day at CPS Westgate (meter 491001), 100,000 MMBtu per day at CPS Cibolo (meter 491101) and 80,000 MMBtu per day at CPS Leon Creek (meter 491060). However, the sum of all the MDO's hereunder shall not exceed the Maximum Daily Quantity under Shipper's firm transportation service agreements. The sum of CPS Sommers, Braunig, Eastgate and Westgate shall not exceed 450,000 MMBtu per day.

5. Transporter and Shipper agree to coordinate nominations between all transportation, storage and parking and lending agreements between Shipper and Transporter ("All Agreements") to resolve daily and hourly fluctuations as set forth in such Agreements as below:

Daily Imbalances:

Transporter and Shipper agree to utilize Shipper's storage service agreements to balance receipts and deliveries under Shipper's transportation service agreements provided Shipper has sufficient Gas available in storage and provided Shipper does not exceed the maximum quantities under its storage service agreements. Transporter and Shipper further agree that to the extent Shipper does not have sufficient quantities of Gas under its storage agreement to balance daily receipts and deliveries, Shipper's parking and lending service agreements will be utilized to resolve daily imbalances automatically on an interruptible basis in accordance with Appendix A.

Hourly Fluctuations in Flow:

Transporter and Shipper agree that services provided under All Agreements contemplate uniform hourly rates of flow. To resolve hourly fluctuations in flow in lieu of penalties set forth in Appendix A, Transporter and Shipper agree to utilize capacities available and Gas stored under Shipper's storage service agreements to permit hourly fluctuations in flow up to 1/24th of Shipper's MDQ under its transportation service agreements for "load following". Provided however, if Shipper does not have sufficient Gas or quantities under its storage agreements for "load following", Shipper will be subject to penalties as set forth in Appendix A and its transportation services agreements, and such hourly fluctuations in flow will only be permitted on an interruptible basis.

6. Pursuant to Article XVIII, Nominations and Scheduling, Section 18.6 of ENTERPRISE's Statement of Operating Conditions for Transportation Services, Shipper shall have the ability to schedule transportation to and from the Wilson Storage Facility up to one hour prior to the end of the Gas Day (8:00 am) or at some other mutually agreeable time after or during the Gas Day to balance actual deliveries at Point(s) of Delivery.

Exhibit A-31

Sealed

Exhibit A-32

Sealed

Exhibit A-33

THIRD AMENDMENT TO FIRM GAS TRANSPORTATION AGREEMENT FOR INTRASTATE SERVICE NO. 5546FTSA

This Third Amendment to the Firm Gas Transportation Agreement (the "Amendment"), effective as of the 1st day of July 2020 (the "Amendment Effective Date"), is made by and between Enterprise Texas Pipeline LLC ("Enterprise") and City of San Antonio, Texas, Acting By and Through Its City Public Service Board (CPS Energy).

BACKGROUND

Enterprise and CPS Energy entered into a Firm Gas Transportation Agreement for Intrastate Service No. 5546FTSA, dated July 1, 2011 (as previously amended, the "Agreement").

Enterprise and CPS Energy desire to amend the Agreement as specified in this Amendment.

AMENDMENTS

Effective as of the Amendment Effective Date, the Agreement is amended as follows:

1. The term provision of the Agreement is deleted in its entirety and is replaced with the following:

> "This Agreement for Firm Intrastate Transportation Service is entered into effective as of nine o'clock (9:00) a.m. Central Clock time on July 1, 2011 and shall continue in full force and effect for a primary term until nine o'clock (9:00) a.m. Central Clock time on July 1, 2022."

2. **Exhibit "A-07-2020-1"** and "**Attachment 1**" attached hereto shall supersede and replace Exhibit "A-07-2017-1" and "Attachment 1" of the Agreement.

3. **Exhibits "B-07-2020-1"** attached hereto shall supersede and replace Exhibit "B-07-2017-1" of the Agreement.

MISCELLANEOUS

Enterprise and CPS Energy may execute this Amendment in multiple counterparts, each of which constitutes an original, and all of which, collectively, constitute one agreement. The signatures of both parties need not appear on the same counterpart, and delivery of an executed counterpart signature page by facsimile or electronic mail is as effective as signing and delivering this Amendment in the presence of the other party.

Except as expressly amended hereby, the provisions of the Agreement remain in full force and effect.

Authorized representatives of Enterprise and CPS Energy have signed this Amendment to be effective on the Amendment Effective Date.

ENTERPRISE TEXAS PIPELINE LLC	**CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)**
By: Dan Burns	By: Kevin Pollo
Name: Dan Burns	Name: KEVIN POLLO
Title: Vice President	Title: INTERIM VICE PRESIDENT, ENERGY SUPPLY AND MARKET OPERATIONS

CPSE Response in Opp to ET MSJ
Exhibit A-33
MDL-2022-CI-02879
exhibitsticker.com

EXHIBIT "A-07-2020-1"

(Page 1 of 3)

ENTERPRISE TEXAS PIPELINE LLC
FIRM GAS TRANSPORTATION AGREEMENT
for INTRASTATE SERVICE

CONTRACT NO. 5546FTSA DATED: JULY 1, 2011

SHIPPER'S LEGAL NAME: CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY).

MAXIMUM DAILY QUANTITY (MDQ) UNDER THIS AGREEMENT, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B": 155,000 MMBTU/DAY[1]

RESERVATION FEE: $75,950.00 PER DAY LESS ANY RESERVATION FEE COLLECTED UNDER AGREEMENT 5547FTSE

[1]THE COMBINED MDQ UNDER THIS FIRM TRANSPORTATION AGREEMENT FOR INTRASTATE SERVICE AND SHIPPER'S FIRM TRANSPORTATION AGREEMENT FOR NGPA SECTION 311 SERVICE NO. 5547FTSE, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B" SHALL BE 155,000 MMBTU/DAY.

PRIMARY POINTS:

PRIMARY POINT(S) OF RECEIPT METER & DESCRIPTION	MAXIMUM RECEIPT OBLIGATION (MRO) MMBTU/DAY	FIRM TRANSPORTATION COMMODITY RATE $/MMBTU	FUEL %	AUTHORIZED OVERRUN RATE $/MMBTU	PRIMARY POINT(S) OF DELIVERYMETER & DESCRIPTION	MAXIMUM DELIVERY OBLIGATION (MDO) MMBTU/DAY
OASIS WAHA MS: **504183**	30,000	$0.12	1.5%			
ONEOK WAHA MS: **504189**	5,000	$0.12	1.5%			
SID RICH WAHA MS: **504259**	5,000	$0.12	1.5%			
ATMOS WAHA MS: **504620**	15,000	$0.12	1.5%			
WEST TEXAS MAP MS: **PP050012**	30,000	$0.12	1.5%			
					CPSB DELIVERY AGGREGATION MS: **AG050310****	85,000
Total = MDQ above*	85,000					85,000

** SEE ATTACHMENT 1

EXHIBIT "A-07-2020-1"

(Page 2 of 3)

ENTERPRISE TEXAS PIPELINE LLC
FIRM GAS TRANSPORTATION AGREEMENT
for INTRASTATE SERVICE

CONTRACT NO. 5546FTSA DATED: JULY 1, 2011

SHIPPER'S LEGAL NAME: CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY).

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SECONDARY POINTS:

SECONDARY POINT(S) OF RECEIPT METER & DESCRIPTION	FIRM TRANSPORTATION COMMODITY RATE $/MMBTU	FUEL %	AUTHORIZED OVERRUN RATE $/MMBTU	SECONDARY POINT(S) OF DELIVERY METER & DESCRIPTION
UPRC CARTHAGE MS: **323706**	$0.22	1.5%		
TEJAS HENDERSON MS: **323707**	$0.22	1.5%		
PINNACLE BETHEL WESTERN MS: **324055**	$0.22	1.5%		
PAKENHAM #1-A MS: **503360**	$0.22	1.5%		
CONOCO CREEK RANCH MS: **503482**	$0.22	1.5%		
PECOS RIVER MS: **503510**	$0.22	1.5%		
ROC BROWN BASSETT MS: **503635**	$0.22	1.5%		
FALCON HILL GAS STORAGE MS: **533560**	$0.22	1.5%		
FALCON WORSHAM MS: **533562**	$0.22	1.5%		
TUFCO BETHEL MS **534510**	$0.22	1.5%		
DUKE WAHA MP MS: **PP050062**	$0.22	1.5%		
TUFCO WAHA MP MS: **PP050070**	$0.22	1.5%		
TUFCO MAYPEARL MS: **PP431001**	$0.22	1.5%		
HPL TEXOMA MS: **PP224015**	$0.22	1.5%		

EXHIBIT "A-07-2020-1"

(Page 3 of 3)

ENTERPRISE TEXAS PIPELINE LLC
FIRM GAS TRANSPORTATION AGREEMENT
for INTRASTATE SERVICE

CONTRACT NO. 5546FTSA DATED: JULY 1, 2011

SHIPPER'S LEGAL NAME: CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY).

MAXIMUM DAILY QUANTITY (MDQ) UNDER THIS AGREEMENT, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B": 155,000 MMBTU/DAY[1]

RESERVATION FEE: $75,950.00 PER DAY LESS ANY RESERVATION FEE COLLECTED UNDER AGREEMENT 5547FTSE

[1]THE COMBINED MDQ UNDER THIS FIRM TRANSPORTATION AGREEMENT FOR INTRASTATE SERVICE AND SHIPPER'S FIRM TRANSPORTATION AGREEMENT FOR NGPA SECTION 311 SERVICE NO. 5547FTSE, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B" SHALL BE 155,000 MMBTU/DAY.

SECONDARY POINTS:

SECONDARY POINT(S) OF RECEIPT METER & DESCRIPTION	FIRM TRANSPORTATION COMMODITY RATE $/MMBTU	FUEL %	AUTHORIZED OVERRUN RATE $/MMBTU	SECONDARY POINT(S) OF DELIVERY METER & DESCRIPTION
MITCHELL MS: **503474**	$0.22	1.5%		
DCP HIGHLAND WELLS MS: **503496**	$0.22	1.5%		
DEVON GAS 6 IN ULTRASONIC MS: **533400**	$0.22	1.5%		
TRANS PECOS WAHA RECEIPT MS: **533574**	$0.22	1.5%		
WESTERN GOMEZ MS: **504218**	$0.22	1.5%		
				DUKE NEW BRAUNFELS MS: **491085**
				WILSON STORAGE MS: **559101**

ENTERPRISE TEXAS PIPELINE LLC	CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)
BY:	BY: Kevin Pollo
NAME: Dan Burns	NAME: KEVIN POLLO
TITLE: Vice President	TITLE: INTERIM VICE PRESIDENT, ENERGY SUPPLY AND MARKET OPERATIONS
DATE: 6/26/2020	DATE: 06/18/2020

FORWARD TWO EXECUTED COPIES OF THIS DOCUMENT TO ENTERPRISE TEXAS PIPELINE LLC FOR PROCESSING

EXHIBIT "B-07-2020-1"

ENTERPRISE TEXAS PIPELINE LLC

FIRM GAS TRANSPORTATION AGREEMENT
for INTRASTATE SERVICE

CONTRACT NO. 5546FTSA DATED: JULY 1, 2011

SHIPPER'S LEGAL NAME: **CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)**

TERM OF THIS EXHIBIT: **Commencement Date:** **Termination Date:**

MAXIMUM DAILY QUANTITY (MDQ) UNDER THIS AGREEMENT, INCLUDING BOTH EXHIBIT "A" AND EXHIBIT "B": **«MDQ»** MMBtu/day

TOTAL DAILY QUANTITIES TRANSPORTED UNDER THIS EXHIBIT "B-07-2020-1" SHALL NOT EXCEED _____ MMBtu/day UNLESS APPROVED BY TRANSPORTER IN ADVANCE.

THIS EXHIBIT "B-2020-01" APPLIES TO TEMPORARY SECONDARY POINTS ONLY. PRIMARY POINTS MAY ONLY BE AMENDED ON EXHIBIT "A-07-2020-1".

TEMPORARY SECONDARY POINTS:

SECONDARY POINT(S) OF RECEIPT METER & DESCRIPTION	FIRM TRANSPORTATION RATE $/MMBTU	FUEL %	AUTHORIZED OVERRUN RATE $/MMBTU	SECONDARY POINT(S) OF DELIVERY METER & DESCRIPTION

ENTERPRISE TEXAS PIPELINE LLC	CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH ITS CITY PUBLIC SERVICE BOARD (CPS ENERGY)
BY: _____	BY: _____
NAME: _____	NAME: _____
TITLE: _____	TITLE: _____
DATE: _____	DATE: _____

FORWARD TWO EXECUTED COPIES OF THIS DOCUMENT TO ENTERPRISE TEXAS PIPELINE LLC FOR PROCESSING

Attachment 1

1. The CPSB Delivery Aggregation Point shall include meter stations identified as CPS South Gate (meter 491320), CPS Wilson County (meter 491325), CPS Cibolo (meter 491101), CPS Sommers (meter 491370), CPS Braunig Power Plant (meter 491010), CPS Eastgate (meter 491005), CPS Westgate (meter 491001), CPS Big Country (meter 491043), CPS North Hampton (meter 491053), CPS Highway 181 (meter 491109), Leon Creek (meter 491060), CPS Smithson Valley (meter 491106), CPS FM 471 (meter 491400), CPS Sedona (meter 491330), CPS Boerne (meter 491107), CPS Somerset (meter 491309 representing the summation of distribution customer meters on the Somerset tap), CPS Martinez Losoya (meter 491409), and CPS Other (meter 491509 representing the summation of distribution customer meters on the following taps: CPS Casias Road, CPS Hildebrandt Road and CPS 17500 Donop Road (SARA), CPS Pittman Road and CPS 11696 Highway 16 South. Shipper's hourly and daily deliveries shall be the aggregate of the above meter's volumes.

2. Transporter shall deliver Gas for Shipper's account at the pressures existing from time to time in Transporter's pipeline system at the Point(s) of Delivery; however, Transporter shall use best efforts that such pressure shall not be less than 550 psig for high pressure operation and 240 psig for low pressure operation at CPS South Gate (meter 491320), 600 psig at CPS Wilson County (meter 491325), 400 psig at CPS Cibolo (meter station 491101), 150 psig at CPS Sommers (meter 491370), CPS Braunig (meters 491010), CPS Eastgate (meter 491005), CPS Westgate (meter 491001) and 550 psig at Leon Creek (meter 491060).

3. Transporter shall test meter stations 491001, 491005, 491010, 491101, 491320, 491325 and 491370 on a monthly basis and shall test meter stations 491043 and 491053 on a quarterly basis.

4. The Maximum Delivery Obligation ("MDO") for the Primary Point(s) of Delivery shall be 135,000 MMBtu per day at CPS South Gate (meter 491320), 160,000 MMBtu per day at CPS Wilson County (meter 491325), 200,000 MMBtu per day at CPS Sommers (meter 491370) and 200,000 MMBtu per day at CPS Braunig (meter 491010), 175,000 MMBtu per day at CPS Eastgate (meter 491005) and 175,000 MMBtu per day at CPS Westgate (meter 491001), 80,000 MMBtu per day at CPS Cibolo (meter 491101) and 80,000 MMBtu per day at CPS Leon Creek (meter 491060). However, the sum of all the MDO's hereunder shall not exceed the Maximum Daily Quantity under Shipper's firm transportation service agreements. The sum of CPS Sommers, Braunig, Eastgate and Westgate shall not exceed 450,000 MMBtu per day. The combined MDO at Duke New Braufels (meter 491085) and CPS Cibolo (meter 491101) will be 80,000 MMbtu per day.

5. Transporter and Shipper agree to coordinate nominations between all transportation, storage and parking and lending agreements between Shipper and Transporter ("All Agreements") to resolve daily and hourly fluctuations as set forth in such Agreements as below:

Daily Imbalances:

Transporter and Shipper agree to utilize Shipper's storage service agreements to balance receipts and deliveries under Shipper's transportation service agreements provided Shipper has sufficient Gas available in storage and provided Shipper does not exceed the maximum quantities under its storage service agreements. Transporter and Shipper further agree that to the extent Shipper does not have sufficient quantities of Gas under its storage agreement to balance daily receipts and deliveries, Shipper's parking and lending service agreements will be utilized to resolve daily imbalances automatically on an interruptible basis in accordance with Appendix A.

Hourly Fluctuations in Flow:

Transporter and Shipper agree that services provided under All Agreements contemplate uniform hourly rates of flow. To resolve hourly fluctuations in flow in lieu of penalties set forth in Appendix A, Transporter and Shipper agree to utilize capacities available and Gas stored under Shipper's storage service agreements to permit hourly fluctuations in flow up to 1/24th of Shipper's MDQ under its transportation service agreements for "load following". Provided however, if Shipper does not have sufficient Gas or quantities under its storage agreements for "load following", Shipper will be subject to penalties as set forth in Appendix A and its transportation services agreements, and such hourly fluctuations in flow will only be permitted on an interruptible basis.

6. Pursuant to Article XVIII, Nominations and Scheduling, Section 18.6 of ENTERPRISE's Statement of Operating Conditions for Transportation Services, Shipper shall have the ability to schedule transportation to and from the Wilson Storage Facility up to one hour prior to the end of the Gas Day (8:00 am) or at some other mutually agreeable time after or during the Gas Day to balance actual deliveries at Point(s) of Delivery.

Attorneys Eyes Only

Appendix "A"

ENTERPRISE TEXAS PIPELINE LLC

Statement of Operating Conditions Applicable to Intrastate Transportation Service

Attorneys Eyes Only

Exhibit A-34

Contract No. 103180300

MASTER INTRASTATE GAS STORAGE AGREEMENT

BY AND BETWEEN

HOUSTON PIPE LINE COMPANY LP

AND

CITY OF SAN ANTONIO

acting by and through its

CITY PUBLIC SERVICE BOARD

EFFECTIVE as of April 18, 2012

CPSE Response in Opp to ET MSJ
Exhibit A-34
MDL-2022-CI-02879
exhibitsticker.com

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Appendix I Definitions
Exhibit "A" Form of Storage Confirmation

MASTER INTRASTATE
GAS STORAGE AGREEMENT

This Master Intrastate Gas Storage Agreement (this "Agreement") is made and entered into effective as of the 18th day of April, 2012 by and between Houston Pipe Line Company LP, a Delaware limited partnership and an "intrastate pipeline", hereinafter referred to as "Operator", and CITY OF SAN ANTONIO acting by and through its CITY PUBLIC SERVICE BOARD, hereinafter referred to as "Customer". Operator and Customer may hereinafter be referred to collectively as the "Parties" and individually as a "Party".

ARTICLE 1.
DEFINITIONS

1.1. Definitions. Except as otherwise indicated by the context all capitalized terms used in this Agreement have the meanings hereinafter set forth in Appendix I hereto.

1.2. Divisions, Headings and Index. The division of this Agreement into articles, sections and subsections, and the insertion of headings and any table of contents or index, if any, are for convenience of reference only, and shall not affect the construction or interpretation hereof.

1.3. Industry Usage. Words, phrases or expressions which are not defined herein and which, in the usage or custom of the business of the transportation, storage, distribution or sale of Gas have an accepted meaning, shall have that meaning.

1.4. Extended Meaning. Unless the context otherwise requires, words implying the singular include the plural and vice versa, and words implying gender include all genders. The words "herein", and "hereunder" and words of a similar nature refer to the entirety of this Agreement, including the Confirmations and any Exhibits, Schedules and Appendices incorporated into this Agreement, and not only to the section in which such use occurs.

1.5. Conflict. In the event of any conflict between the provisions of this Agreement and those of any Confirmation or any Exhibit, Schedule or Appendix, the provisions of a Confirmation containing an active term shall prevail over the provisions of this Agreement, and the provisions of this Agreement shall prevail over those of other Exhibit, Schedule or Appendix.

ARTICLE 2.
STORAGE QUANTITIES

2.1. Quantities. Operator agrees to provide storage service at the Storage Facility for Customer on a Firm Basis or on an Interruptible Basis, depending on the service selected by Customer and confirmed by Operator on a written confirmation in a form adequate at law and having the basic terms and format set forth on Exhibit "A" attached hereto (the "Confirmation"). The service shall consist of (i) the storage capacity up to the Maximum Storage Quantity, as set forth in the Confirmation; (ii) subject to Section 2.2, the injection of Working Gas owned by Customer up to the MDIQ, as set forth in the Confirmation; and (iii) the withdrawal and delivery of Working Gas owned by Customer up to the MDWQ, as set forth in the Confirmation.

2.2. Receipt and Delivery of Gas. Operator shall from time-to-time (a) receive Gas from Customer at the Receipt Point(s) for injection into the Storage Facility for storage and (b) deliver Gas to Customer at the Delivery Point(s), all in accordance with the Nomination Procedures; *provided, however, that* Operator shall not be obligated to (i) receive from Customer any quantity of Gas for injection which (A) would cause Customer's Gas Storage Inventory Account to exceed Customer's then current MSQ, or (B) is at a rate greater than the then current MDIQ, (ii) deliver to Customer any quantity of Gas that (A) is in excess of the then current balance in Customer's Gas Storage Inventory Account or (B) is at a rate greater than the then current MDWQ or (iii) receive Gas at any Receipt Point(s), or deliver Gas at any Delivery Point(s), at an hourly rate of flow that is less than the minimum rate of flow at which Operator's metering facilities can measure accurately, unless Operator agrees otherwise.

2.3. Cushion Gas. Operator shall make all arrangements necessary to provide the quantity of Cushion Gas necessary to support Customer's MSQ under this Agreement from time to time.

2.4. Operational Imbalances. Operator and Customer recognize and agree that from time to time and when circumstances may require, Operator shall have the right to withdraw and utilize Customer's Gas for operational (balancing) purposes on a pro rata basis with all of Operator's Firm Basis storage customers without prior notice to Customer, provided that (i) such withdrawals shall not affect the Parties' rights and obligations under this Agreement, (ii) absent an event of Force Majeure, Operator shall remain liable to meet the daily delivery obligations, up to the MDWQ, according to the terms of the applicable Confirmation, and (iii) Operator shall, as soon as practicable and at its sole cost, risk and expense, reinject into the Storage Facility for Customer's account a quantity of Gas equal to any quantities withdrawn according to the terms of this Section 2.4.

ARTICLE 3.
RATES

Customer agrees to pay (i) the fee for the reservation of storage capacity to store the Working Gas set forth in the Confirmation (the "Storage Fee"), plus (ii) the fee for injection of Working Gas set forth in the Confirmation (the "Injection Fee"), plus (iii) the fee for withdrawal of Working Gas set forth in the Confirmation (the "Withdrawal Fee"). Operator may at any time adjust the above referenced fees in whatever manner is necessary to implement discounts or other fee adjustments as agreed by the parties.

ARTICLE 4.
RELATED TRANSACTIONS AND END OF TERM MATTERS

4.1. Related Transactions. Customer shall be responsible for all matters arising from or ancillary to the purchase and sale of Gas to be stored on its behalf in the Storage Facility and for the transportation of such Gas to the Receipt Point(s) and from the Delivery Point(s), including, without limitation, securing and maintaining all necessary transportation services with Transporting Pipelines, complying with all reporting requirements and payment obligations

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arising in respect of Gas sales proceeds, paying or delivering all royalties and other third party interests, securing and maintaining all required permits and authorizations and paying all taxes, levies and charges associated with its purchase hereunder of storage services or its nominating from time-to-time for injection and withdrawal of Gas from the Storage Facility.

4.2. End of Term Matters. Except as otherwise provided in the Confirmation, if upon expiration of the term hereof Customer's Gas Storage Inventory Account is greater than zero, then Operator may choose to either (i) extend the term of this Agreement for the number of Days as designated by Operator to allow Customer to withdraw from storage such Gas remaining in Customer's Gas Storage Inventory Account at rates and conditions of delivery determined by Operator or (ii) purchase the remaining quantities of Working Gas left in storage at the end of term at a price per MMBtu equal to the lowest of (A) the Platts (A Division of The McGraw-Hill Companies, Inc.) Monthly Inside FERC published index price for East Texas, Houston Ship Channel, Katy Market Center location (IFHSC) less $0.15 for the month following the expiration of the term hereof or (B) the IFHSC index posting for the month in which the term hereof expired less $0.15 or (C) the lowest Gas Daily Midpoint Price stated in Gas Daily® (Platts, a division of The McGraw-Hill Companies, Inc.) or successor publication, in the column "Daily Price Survey" for Houston Ship Channel less $0.15 for any day during the next month after expiration of the term hereof. In addition to the charges and rates provided in Article 3 (Rates), Should Operator decide to extend the term, Customer shall pay Operator each Month, or portion thereof, during any extended term a fee of twice the then current Storage Fee per MMBtu computed on the MSQ then in effect (the "Extended Term Storage Fee"). If any of Customer's Working Gas shall remain in storage after expiration of the extended term or if Customer fails to pay the Extended Term Storage Fee to Operator within 10 Days of receipt of Operator's invoice therefor, then Operator, acting as Customer's duly authorized agent, shall have the right, but not the obligation, to dispose of all or any portion of such Working Gas on behalf of Customer on terms and conditions satisfactory to Operator. Customer's execution of this Agreement shall constitute its appointment of Operator as its agent for the limited purpose only set forth in the previous sentence.

4.3 Notwithstanding anything in this Agreement to the contrary, and in the event HPL elects to extend the term hereof as permitted in Article 4.2. above, if after such extension period, Customer still has Working Gas remaining in the Storage Facilities, title to all said Working Gas remaining in the Storage Facilities shall automatically be transferred to HPL at the expiration of such extension period as compensation for Customer's failure to properly nominate and accept delivery of such Working Gas and Customer will have no further rights with regard thereto. To the extent that the foregoing title transfer provision may be deemed to constitute liquidated damages, the Parties agree that HPL's damages from Customer's failure to nominate and accept delivery of gas, which may include but not be limited to lost opportunity costs, are difficult or impossible to determine and that such title transfer constitutes a reasonable approximation of such damages.

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ARTICLE 5.
RECEIPT POINT(S) AND DELIVERY POINT(S)

5.1. Receipt Point(s). The Receipt Point(s) for all Working Gas tendered by Customer to Operator for storage hereunder shall be at the mutually agreeable existing point or points at or near the Storage Facility, as more specifically set forth in the applicable Confirmation.

5.2. Delivery Point(s). The Delivery Point(s) for all Working Gas delivered by Operator to Customer out of storage shall be at the mutually agreeable existing point or points at or near the Storage Facility, as more specifically set forth in the applicable Confirmation.

ARTICLE 6.
QUALITY, PRESSURE, AND SCHEDULED MAINTENANCE

6.1. Quality. The specifications of the Gas from time-to-time delivered by Customer at the Receipt Point(s) and redelivered by Operator at the Delivery Point(s) shall comply with the minimum standards then specified in the transportation tariff of any Transporting Pipeline through which the Gas is to be transported.

6.2. Pressure. Customer shall deliver such Gas at a pressure sufficient to overcome the operating pressure existing from time-to-time in Operator's Storage Facility at such point(s). Operator shall deliver such Gas to or for the account of Customer at the pressure available from time-to-time in Operator's Storage Facility at such point(s).

6.3. Scheduled Maintenance. During any period that Operator is conducting Scheduled Maintenance, the MDIQ, MDWQ, and (if necessary) the MSQ of all Firm Basis storage customers shall be adjusted downward on a pro rata basis with all of Operator's Firm Basis storage customers and/or suspended to the extent reasonably necessary. The MDIQ, MDWQ and MSQ of Customer's Interruptible Basis storage service shall be adjusted downward or interrupted in whatever manner Operator deems necessary.

ARTICLE 7.
MEASUREMENT

7.1. Unit of Measure. The unit of volume for measurement of all quantities of Gas hereunder shall be one cubic foot of Gas. Atmospheric pressure shall be assumed to be 14.7 pounds per square inch absolute at the Receipt Point(s) and Delivery Point(s) irrespective of the actual atmospheric pressure at such points from time-to-time. Adjustments shall be made for flowing temperature and specific gravity as determined from instruments located at the Receipt Point(s) and Delivery Point(s). Applied Automation Total Flow electronic flow computers will serve as the primary means for Gas measurement on each meter tube. Chart recorders will be provided for back up measurement.

7.2. Temperature Measurement. The flowing temperature of Gas being metered shall be determined continuously during periods of flow by means of a recording thermometer of standard make, and the arithmetic average of the temperature recorded during periods of flow

Attorneys Eyes Only

only shall be deemed the Gas temperature. Temperature so determined shall be used in computing the quantities of Gas delivered or tendered hereunder.

7.3. Other Measurement. The specific gravity, gross Heating Value and degree of saturation by water vapor of the Gas delivered or tendered hereunder shall be determined by using an on-line Gas chromatograph or by such other method as Operator may reasonably determine. The values so determined shall be used in computing the volumes of Gas delivered or tendered hereunder.

7.4. Maintenance and Operation of Measurement Equipment. Operator shall operate and maintain or cause to be operated and maintained existing and future measuring facilities to measure the quantity of Gas delivered or tendered hereunder at the Receipt Point(s) and Delivery Point(s).

ARTICLE 8.
ASSIGNMENTS AND TRANSFERS

8.1. Consent. Neither Party shall assign this Agreement or its obligations hereunder without the prior written consent of the other Party. Upon any assignment made in compliance with this Section 8.1, this Agreement shall inure to and be binding upon the successors and assigns of the Parties. Notwithstanding the foregoing, Operator may assign this Agreement to an Affiliate without the prior consent of Customer, and Operator or its Affiliate shall have the right to pledge or mortgage its rights hereunder for security of its indebtedness without the prior written consent of Customer, provided however that no such transfer shall operate to relieve the transferor of its obligations hereunder.

8.2. Customer Assignment. It is a condition of any assignment by Customer of any interest in this Agreement that such assignment include all of, or the same proportionate interests in each of, the MDIQ, MDWQ and MSQ. The Parties acknowledge it is their intention that the rights of injection, storage and withdrawal service are bundled rights of service which are to be held together and not separately.

ARTICLE 9.
NOMINATIONS

9.1. General. Operator shall make available at all times a dispatcher who shall be authorized (subject to Operator's operating requirements pertaining to the Storage Facility) (i) to accept nominations from Customer respecting quantities of Working Gas it desires to tender for injection into the Storage Facility or to withdraw therefrom in accordance with this Agreement and (ii) to furnish to Customer any operating information which may affect the quantities of Working Gas to be tendered for injection by or withdrawn for Customer.

9.2. Procedures. Unless otherwise provided herein, at any time during the term of this Agreement, Customer shall give Operator its nomination for injections or withdrawals in writing or via electronic bulletin board in a form prescribed by the Operator from time-to-time,

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transmitted to Operator in accordance with Article 14 (Notices) hereof and subject to Article 2 (Storage Quantities) hereof. The procedures set forth in the preceding sentence shall be hereinafter referred to as the "Nomination Procedures". All nominations are subject to Confirmation by the Transporting Pipelines on which the nomination is made and in accordance with such Transporting Pipeline's nomination procedures. Nominations will be based on MMBtu values provided by Operator. Operator shall promptly endorse Customer's nomination and confirm same in accordance with Article 14 (Notices) hereof. A nomination given and confirmed in accordance with the foregoing shall be binding upon the Parties.

9.3. Nomination Form Terms. A nomination must include:

(a) Customer Name

(b) Customer Contact (Name and Phone No.)

(c) Effective date and time

(d) Downstream and/or Upstream Transporting Pipeline

(e) Current Nomination in MMBtu

(f) New Nomination in MMBtu

If nominations do not include all of the aforementioned information or if nominations are not made in the form prescribed by Operator from time-to-time, Operator shall have no obligation to accept such nomination. Requests for changes in flow rate must be made by written nomination in accordance with the foregoing Nomination Procedures.

9.4. Modification of Nomination Procedures. Modification of the Nomination Procedures set forth in this Article 9 (Nominations) shall be made from time to time so that they shall comply with or take full commercial advantage of newly enacted regulatory requirements or then prevailing Transporting Pipeline standards, as contemplated by the terms and provisions of this Agreement.

ARTICLE 10.
TERM

10.1. General. Subject to Section 4.2 and this Article 10, this Agreement shall be effective as of the date first hereinabove written, and shall continue in full force and effect from Month to Month unless terminated by either Customer or Operator upon not less than thirty (30) Days' prior written notice of such termination given to the other; *provided, however, that* this Agreement shall nevertheless continue to govern all then outstanding Confirmations for the periods therein set forth. Operator shall have the right, subject to Section 4.2, to terminate or suspend any Interruptible Basis storage service hereunder at any time.

10.2. Tariff and Rates. This Agreement is expressly made subject to any and all tariff and other rate filings made by Operator and approved by any federal or state regulatory body. Customer agrees to support Operator in any such tariff or rate filing so long as Operator does not seek to obtain approval of any minimum rate in excess of those set forth in any then current Confirmation. In the event Operator, for any reason, is not permitted by applicable laws, rules,

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orders, regulations or decisions of agencies or courts, to collect or retain all or any portion of the charges or rates provided hereunder, then Operator shall have the right to terminate this Agreement and any Confirmation hereunder, subject to the balancing of all accounts relative to monies or Working Gas due either Party as of the effective date of such termination, in the event Operator, on a non-discriminatory basis, shall concurrently terminate all Firm Basis Intrastate storage service provided at the Storage Facility.

10.3. Governmental Action. It is understood that performance hereunder shall be subject to all valid laws and lawful orders, rules and regulations of duly constituted governmental authorities having jurisdiction or control over the Parties hereto or the subject matter hereof. If at any time during the term hereof any state or federal governmental authority shall take any action which is designed to subject or otherwise subjects Operator, or the Storage Facilities, to any regulation or jurisdiction which is unacceptably or undesirably burdensome or costly to Operator with respect to the storage service provided hereunder, or which subjects any transaction to conditions or restraints that in the judgment of Operator are unduly burdensome or unacceptably detrimental with respect to the storage service provided hereunder, then upon written notice to Customer, Operator may cancel and terminate the affected portion(s) of the Confirmations and this Agreement effective as of a date specified in such notice, but in no event earlier than one Day prior to the effective date of such governmental action, and all subject to the balancing of all accounts relative to monies or Working Gas due either Party as of the effective date of such termination. Each of the Parties hereto confirms to the other that the cessation of service on termination of this Agreement is an important consideration to it and, to this end, each of the Parties agrees that it will not take any action that may be construed by any regulatory official or body that has jurisdiction as a basis for requiring performance by any Party after the termination of this Agreement. Each of the Parties agrees that at all times it will take appropriate action, and cooperate with the other, to the end that performance may be abandoned at the termination of this Agreement and that the termination of this Agreement, for whatever reason, shall constitute authority to abandon service.

ARTICLE 11.
REPRESENTATIONS, WARRANTIES AND RISK OF LOSS

11.1. Representations and Warranties. As a material inducement to entering into this Agreement, each Party, with respect to itself, hereby represents and warrants to the other Party continuing throughout the term of this Agreement as follows:

(a) there are no suits, proceedings, judgments, rulings or orders by or before any court or any governmental authority that materially and adversely affect its ability to perform this Agreement or the rights of the other Party under this Agreement,

(b) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, and it has the legal right, power and authority and is qualified to conduct its business, and to execute and deliver this Agreement and perform its obligations under the same, and all

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regulatory authorizations have been maintained as necessary for it to legally perform its obligations hereunder,

(c) the making of this Agreement and performance by it hereunder is within its powers, has been duly authorized by all necessary action on its part, and does not and will not violate any provision of law or any rule, regulation, order, writ, judgment, decree or other determination presently in effect applicable to it or its governing documents,

(d) this Agreement when entered into constitutes a legal, valid and binding act and obligation of it, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization and other laws affecting creditor's rights generally, and with regard to equitable remedies, to the discretion of the court before which proceedings to obtain same may be pending,

(e) there are no bankruptcy, insolvency, reorganization, receivership or other arrangement proceedings pending or being contemplated by it, or to its knowledge threatened against it,

(f) it has assets of $5,000,000 or more according to its most recent financial statements prepared in accordance with generally accepted accounting principles, consistently applied, and knowledge and experience in financial matters that enable it to evaluate the merits and risks of this Agreement, and

(g) it is not in a disparate bargaining position with the other Party.

11.2. Title. Customer represents and warrants to Operator that Customer has title to all Working Gas delivered to Operator hereunder, that Customer has the authority to deliver such Working Gas to Operator, and that such Working Gas is free from any and all liens, charges, adverse claims and encumbrances. In addition to any other rights, remedies or indemnities herein contained, Customer shall indemnify, defend and hold harmless Operator from and against any and all suits, actions, claims, demands, damages, costs, losses and expenses, including reasonable attorney's fees and related expenses arising from or out of any adverse claims to or against such title in and/or right to the Working Gas or any interest therein or in the value thereof. Title to and ownership of Customer's Working Gas in storage shall at all times be and remain in Customer, unless Operator shall specifically agree otherwise.

11.3. Intrastate Warranty. Customer represents and warrants to Operator that all gas which Operator delivers or receives hereunder (i) will have been produced in the State of Texas from reserves not dedicated or committed to interstate commerce, (ii) will not be or have been received from or transported through any interstate pipeline company or any intrastate pipeline company which claims exemption from the provisions of the Natural Gas Act pursuant to Section 1(c) thereof, and (iii) will not have been or be commingled at any point upstream from the Receipt Point(s) or downstream of the Delivery Point(s) with gas which is received from or transported through any interstate pipeline company or any intrastate pipeline company which claims exemption from the provisions of the Natural Gas Act pursuant to Section 1(c) thereof, or

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with gas which is or may be sold, consumed, transported or otherwise utilized in interstate commerce in such a manner which will subject the gas delivered by Customer hereunder, any gas owned by Operator or any of Operator's or its affiliate's pipeline, transmission, storage or related facilities, or any portion thereof, to the jurisdiction of the Federal Energy Regulatory Commission or any successor authority under Section 1(b) or Section 1(c) of the Natural Gas Act. Nothing in this provision shall preclude the delivery of gas produced in Texas which has been transported under the provisions of Section 311(a) of the Natural Gas Policy Act of 1978. Customer shall fully indemnify Operator and any affiliate of Operator for any and all consequences of any breach of the warranty expressed in this Section 11.3.

11.4. Risk of Loss. As between Customer and Operator, Customer shall be in control and possession of the Gas covered by this Agreement (i) prior to receipt by Operator for injection at the relevant Receipt Point(s) and (ii) after delivery by Operator to Customer at the relevant Delivery Point(s), and Customer shall indemnify and hold Operator harmless from any damage or injury caused thereby. Operator shall be in control and possession of the Gas covered hereby from the receipt thereof for injection at the relevant Receipt Point(s) until delivery is made to Customer at the relevant Delivery Point(s), and Operator shall indemnify and hold Customer harmless from any damage or injury caused thereby, except for damages and injuries caused by the negligence or willful misconduct of Customer. The risk of loss for all Gas injected into, stored in, and withdrawn from the Facilities shall be and remain with Customer, and Operator shall not be liable to Customer for any loss of gas, except as may be occasioned due to the intentional or grossly negligent acts or omissions by Operator. Any losses of gas, unless due to the intentional or grossly negligent acts or omissions of Operator shall be shared proportionally by all customers, based on each customer's gas storage inventory in relation to the total gas storage inventory on the day of the loss.

ARTICLE 12.
BILLING AND PAYMENT

12.1. Billing. Operator shall on or before the 20th Day of each Month, submit to Customer a statement showing the following information with regard to storage service provided in the prior month:

(a) the number of MMBtu and Mcf of Gas received by Operator from Customer at the Receipt Point(s) during the Month;

(b) the number of MMBtu and Mcf of Gas delivered by Operator to or on behalf of Customer at the Delivery Point(s) during the Month;

(c) the number of MMBtu of Gas comprising the Customer's Gas Storage Inventory Account at the beginning and at the end of the Month;

(d) the amount of any adjustment applicable to any Month prior to the Billing Month; and

(e) the amount payable by Customer to Operator for services rendered hereunder, and for the various taxes and charges that are payable by Customer but that have been charged to Operator.

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12.2. Payment. Customer shall pay, or cause to be paid, to Operator by wire transfer at Wachovia Bank, Winston-Salem, NC, Acct. No. 2079900565247, ABA No. 053000219 for credit to: Houston Pipe Line Company LP, the amount shown as due by the statement described in Section 12.1 above, on or before 10 Days after receipt thereof by Customer.

12.3. Interest. In addition to all other remedies available to Operator, should Customer fail to pay any amount due Operator when the same is due, interest thereon shall accrue at the rate of the prime interest rate charged by Citibank, N.A., New York, New York, plus two percent per annum, not to exceed the maximum legal rate, from the date when such amount is due until the same is paid

12.4. Defaults and Mutual Setoff Rights. If Customer fails to pay in full any amount owing Operator within twenty-five (25) Days of when such amount became payable, then, in addition to all other remedies available to it at law or in equity, Operator may refuse to accept any further deliveries of Gas from Customer at the Receipt Point(s), refuse to redeliver Gas to Customer at the Delivery Point(s), or both, until Customer corrects such default in full; *provided, however, that* before Operator may exercise its remedies under this Section 12.4, it must first have provided Customer with written notice, to be effective upon receipt, of its intention to effect such suspension. If Operator fails to pay in full any amount owing Customer within twenty-five (25) Days of when such amount became payable, then in addition to all other remedies available to it at law or in equity, Customer may set off such amount against amounts otherwise owing hereunder by Customer to Operator.

12.5. Accounting Adjustment of Billing Errors. If the Parties discover any overcharge (other than as a result of measurement or allocation adjustments arising pursuant to Article 7 (Measurement)) and the invoice therefor has been paid, the Party which received the overpayment shall pay to the other within thirty (30) Days after the final determination thereof, the amount which it was overpaid, along with interest from the date of such overpayment calculated in accordance with Section 12.3; *provided, however, that* no retroactive adjustment shall be made beyond a period of twenty-four (24) Months following the date of such overpayment unless such retroactive adjustment is made necessary by measurement or allocation adjustments instigated by the Transporting Pipeline, in which case, such twenty-four (24) Month limitation shall not apply.

12.6. If Operator has commercially reasonable grounds for insecurity regarding the performance of any obligation under this Agreement (whether or not then due) by Customer, including, without limitation, the occurrence of a material change in creditworthiness, Adequate Assurance of Performance may be required. "Adequate Assurance of Performance" shall mean sufficient security in an amount and for a term reasonably determined by Operator and shall meet the requirements of this Section. Customer, at its option, may provide one of the following forms of security:

(a) An irrevocable standby letter of credit in a form and from a bank reasonably satisfactory to Operator;

(b) A prepayment or deposit for services paid to Operator;

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12.7. Operator will not be required to perform or continue to perform service hereunder in the event Customer: (i) makes an assignment or any general arrangement for the benefit of creditors; (ii) has voluntarily filed for bankruptcy protection under any chapter of the U. S. Bankruptcy Code, 11 U.S.C., as amended, modified or supplemented, including as amended by the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (the "Bankruptcy Code"); (iii) is the subject of an involuntary petition of bankruptcy under any chapter of the Bankruptcy Code, and such involuntary petition has not been settled or otherwise dismissed within ninety (90) Days of such filing; or (iv) is unable to meet its debts as they come due in the ordinary course of business; or (v) fails to pay any undisputed amount due Operator hereunder on or before the second Business Day following written notice that such payment is due.

12.8. Should Customer fail to provide Adequate Assurance of Performance to Operator within two (2) business Days after receipt of written demand for such assurance, then Operator shall have the right to suspend performance under this Agreement until such time as Customer furnishes Adequate Assurance of Performance. If such assurance is not provided by Customer within ten (10) Days from written demand, Operator may terminate this Agreement in addition to having any and all other remedies available hereunder.

ARTICLE 13.
FORCE MAJEURE

13.1. Definition. An event of "Force Majeure" shall mean a restraint on Operator's performance of one or more of its obligations under this Agreement ("Obligation" or "Obligations") resulting from a cause not within the control of Operator (including, but not limited to, acts of negligence or willful misconduct of third parties) and which, by the exercise of due diligence and planning, the Operator was unable to prevent. In this Article 13 (Force Majeure), the expression "due diligence and planning" shall mean that the standards and practices generally prevailing among operators of similar storage facilities in the United States have been adhered to.

13.2. Suspension. If, due to an event of Force Majeure, Operator is unable to perform any Obligation in whole or in part, it shall be entitled, *unless otherwise* provided to the contrary in this Agreement, to claim suspension of that Obligation to the extent of and for the duration of the event of Force Majeure; *provided, however, that* Operator gives written notice to Customer, setting out the details of such Force Majeure event and its expected duration (if known) as soon as reasonably possible after the commencement of the event of Force Majeure.

13.3. Mitigation. When Operator has claimed suspension of an Obligation under Section 13.2, Operator shall be relieved of its commitment to perform that Obligation to the extent and for the period that the event of Force Majeure restrains Operator's performance of that Obligation, *provided, however, that*:

(a) Operator effects those measures that are commercially reasonable under the circumstances to mitigate the cause of and effect of Force Majeure;

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(b) Operator recommences performance of such Obligation to the extent reasonably possible during the cessation of and upon the conclusion of the event of Force Majeure; and

(c) as soon as reasonably possible after the conclusion of the event of Force Majeure, Operator gives notice to Customer of the date of such conclusion.

13.4. Labor Disputes. Notwithstanding any other provision hereof, the settlement of a strike, lockout or other industrial disturbance shall be entirely within the discretion of the Operator.

13.5. Dependent Obligations. If pursuant to the provisions of Section 13.2, an Obligation of Operator is suspended in whole or in part, the Obligations of Customer shall also be suspended if and to the extent that such Obligations of Customer are dependent upon or are a consequence of the performance of that Obligation by Operator.

13.6. Demand Charges. It is expressly understood and agreed that if and for so long as Operator is unable due to an event of Force Majeure to fully perform its Obligations for a period of seven (7) consecutive Days in response to a nomination for injection or withdrawal of Gas properly made by Customer hereunder, then for so long as and to the extent that Operator is so restrained, the Storage Fee payable by Customer shall be reduced proportionately.

13.7. Extended Force Majeure. If, due to an event of Force Majeure, Operator cannot perform its Obligations fully or partially during any period of ninety (90) consecutive Days, then within a further period of thirty (30) Days but not thereafter, either Party may give the other written notice reducing the MSQ, the MDIQ and MDWQ hereunder by the quantities that Operator has consistently been unable to receive and redeliver in response to Customer's nominations made during such period; *provided, however, that* the MSQ, the MDIQ, and the MDWQ must bear the same relationship proportionately to one another after such reduction as before.

13.8. Pro rating. In an event of Force Majeure, the MDIQ and/or MDWQ corresponding to Customer's Firm Basis storage service shall be reduced on a pro rata basis with all of Operator's Firm Basis Storage customers. The MDIQ and/or MDWQ corresponding to Customer's Interruptible Basis storage service may be reduced in whatever manner may be required by Operator to deal with an event of Force Majeure.

13.9. Exclusions. Operator shall not be entitled to the benefit of the provisions of Force Majeure hereunder if any or all of the following circumstances prevail: (i) the failure resulting in an event of Force Majeure was caused by the gross negligence of Operator; (ii) the failure was caused or extended by Operator where Operator failed to remedy the event by making all reasonable efforts (short of litigation, if such remedy would require litigation); or (iii) the failure was caused by lack of funds.

13.10 Service Interruptions. Subject to Section 13.7 above, Operator shall be excused from the performance of any Obligation that Operator is unable to perform due to the necessity or desirability of repairing, altering, maintaining, inspecting, replacing, changing the size of, substituting or removing pipelines or appurtenant facilities. Such excuse of performance shall

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continue only for such time as interruption of service may be reasonable and unavoidable; and Operator shall give Customer reasonable notice of its intention to suspend performance hereunder, except in cases of emergency where such notice is impracticable, and shall endeavor to arrange such interruption so as to inconvenience Customer as little as possible. Service interruptions as sanctioned by the provisions of this Section are expressly included in the definition of "force majeure" for the purpose of this Agreement; provided however, the requirement that Operator shall have been unable to prevent such service interruptions by the exercise of due diligence and planning, as required in 13.1 above, shall not apply to such service interruptions.

ARTICLE 14.
NOTICES

14.1. Notices. Any notice required or permitted to be given by one Party to another pursuant to this Agreement shall be in writing and may be delivered by hand, transmitted by telecopy or email or sent by U.S. mail addressed in accordance with the particulars for notices set forth in the applicable Confirmation. A Party shall have the right to change any of the particulars of its address by giving a notice in accordance with this Article.

14.2. Receipt. Any notice given in accordance with the foregoing provisions shall be conclusively deemed received;

(a) if delivered by hand: if given to the person to whose attention such notice is addressed, at the time of receipt or if given to a responsible person at the address of the Party to which the notice is directed, four (4) hours following such receipt except for nominations and confirmations which shall be deemed received immediately upon delivery in accordance with the Nomination Procedures of Article 9 (Nominations), *provided, however, that* if such time of deemed receipt is not within the hours during which business is normally conducted by the recipient Party, then such notice shall be deemed received at the commencement of the next Business Day;

(b) if telecopied/emailed: if the time of transmission is stated in such notice, four (4) hours following the time so stated except for nominations and confirmations which shall be deemed received immediately upon delivery in accordance with the Nomination Procedures of Article 9 (Nominations); *provided, however, that* if such time of deemed receipt is not within the hours during which business is normally conducted by the recipient Party, then such notice shall be deemed received at the commencement of the next Business Day. If the time of transmission is not so stated in such notice, then such notice shall be deemed received at the commencement of the next Business Day.

14.3. Payment. Notwithstanding the provisions of this Article 14 (Notices) any payment required to be made pursuant to this Agreement shall be made by wire transfer to the

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account of the recipient Party as stated in Article 12 (Billing) or in the most recent Confirmation, if stated therein.

14.4. Addresses. Whenever any notice, request, demand, statement or payment is required or permitted to be given under any provision of this Agreement, unless expressly provided otherwise, the same shall be in writing, signed by or on behalf of the notifying Party, and shall be deemed to have been given and received upon the earlier of: (i) actual receipt by the person or persons to whom such notice is to be given (including the receipt of a telecopy, email or facsimile of such notice with answer back, or (ii) three (3) Days following deposit of the same in the United States Mail postage prepaid, certified, return receipt requested, at the address of the applicable Party as follows:

Customer:

For Notices/Correspondence:
City Public Service Board
Attn: Fuels Division
145 Navarro
San Antonio, Texas 78296
Fax: (210) 353-4632
Phone: (210) 353-4261

For Invoices/Statements:
City Public Service Board
Attn: Fuels Division
145 Navarro
San Antonio, Texas 78205
Fax: (210) 353-4632
Phone: (210) 353-2101

Operator:

Notices and Correspondence:
Houston Pipe Line Company LP
Attn: Contract Administration
711 Louisiana St., Suite 900
Houston, Texas 77002
Fax : 832-668-1115
Phone: 832-668-1000
Email:
Henry.Eisenhour@energytransfer.com

For Accounting Matters:
Houston Pipe Line Company LP
Attn: Gas Revenue Accounting
711 Louisiana St., Suite 900
Houston, Texas 77002
Fax.: 832-668-1113
Phone: 832-668-1000
Email:
Henry.Eisenhour@energytransfer.com

For Gas Control:
Houston Pipe Line Company LP
Attn: Gas Control
711 Louisiana St., Suite 900
Houston, Texas 77002
Fax: 832-668-1120
Phone: 832-668-1003 or
1-800-392-1965
Email:
Deanna.Armstrong@energytransfer.com

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For Scheduling/Nominations:
Houston Pipe Line Company LP
Attn: Scheduling/Nominations
711 Louisiana St., Suite 900
Houston, Texas 77002
Fax: 832-668-1117
Phone: 832-668-1000
Email:
Deanna.Armstrong@energytransfer.com

Operating communications made by telephone or other mutually agreeable means may be confirmed in writing or by telecopy or email promptly following same. The addresses of the Parties may be revised upon written notice given in accordance herewith, by designating in writing the new address of the Party.

ARTICLE 15.
TAXES, INSURANCE, LIABILITY AND SECURITY

15.1. Taxes. Customer agrees to render, negotiate and pay directly to the taxing authorities all ad valorem taxes assessed on Customer's Working Gas. Additionally, Customer agrees to reimburse Operator promptly upon invoice for the full amount of any applicable gross receipts, gross income, ad valorem or other taxes or charges (except franchise and excess profits taxes and taxes measured by net income which may be levied on Operator) levied, assessed or fixed by any authority against in connection with or attributable to the gas volumes, revenue or storage services provided hereunder.

15.2. Insurance. Each Party shall be responsible for providing its own insurance coverage with respect to Gas in the Storage Facility.

15.3. Operator Liability. Subject to the provisions of Sections 11.4 and15.4 hereof, Operator shall be liable for and agrees to indemnify and save Customer harmless from and against all claims, demands, suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses of any kind and however made or incurred, arising out of the failure by Operator to perform any covenant or requirement under this Agreement ("claims"); ***provided, however, that*** **in no event shall Operator be liable to Customer for any special, indirect, incidental, or consequential claims of any character, including without limitation, loss of use, lost profits or revenues, cost of capital, cancellation of permits, unabsorbed transportation charges or termination of contracts, additional out-of-pocket expenses incurred by Customer, tort or contract claims other than contract claims arising out of this Agreement, lost production or consequential property damages suffered by Customer, and irrespective of whether claims for such damages are based upon contract, warranty, negligence, strict liability or otherwise.**

15.4. Customer Liability. Subject to the provisions of Sections 11.4 and 15.3 hereof, Customer shall be liable for and agrees to indemnify and save Operator harmless from and

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against any and all claims, demands, suits, actions, debts, accounts, damages, costs, losses, liabilities and expenses of any kind and however made or incurred, arising out of the failure by Customer to perform any covenant or requirement under this Agreement ("claims"); ***provided, however, that*** **in no event shall Customer be liable to Operator for any special, indirect, incidental, or consequential claims of any character including without limitation, loss of use, lost profits or revenues, cost of capital, cancellation or permits, unabsorbed transportation charges or termination of contracts, additional out-of-pocket expenses incurred by Operator, tort or contract claims other than contract claims arising out of this Agreement, lost production or consequential property damages suffered by Operator, and irrespective of whether claims for such damages are based upon control, warranty, negligence, strict liability or otherwise.**

15.5. Liquidated Damages. Notwithstanding the provision of Section 15.3 hereof, the Parties have agreed upon certain liquidated damages in settlement of any and all claims which could be advanced by Customer against Operator should a Delivery Default or a Receipt Default (as each is hereinafter defined) from time-to-time occur:

(a) "Delivery Default" means the failure by Operator not otherwise permitted or excused pursuant to the provisions of this Agreement, to discharge its obligations to deliver Gas to Customer at the applicable Delivery Point(s) from Customer's Gas Storage Inventory Account, following Customer's proper nomination for such delivery pursuant to the provisions of this Agreement.

(b) "Receipt Default" means the failure by Operator not otherwise permitted or excused pursuant to the provisions of this Agreement, to discharge its obligations to receive Gas made available by Customer at the applicable Receipt Point(s), following Customer's proper nomination for such receipt pursuant to the provisions of this Agreement.

(c) "Replacement Gas" means in the case of a Delivery Default, the number of MMBtu of Gas in fact purchased by Customer during a given Day (adjusted for transportation differences) to replace Gas not delivered to Customer by Operator because of such Delivery Default; and in the case of a Receipt Default, means the number of MMBtu of Gas in fact made available for injection at the Receipt Point(s) by Customer during a given Day but not injected by Operator because of such Receipt Default.

(d) "Replacement Price" means the Spot Price for the Day(s) in which the Delivery Default or the Receipt Default occurred, including transportation adjustments.

(e) If a Delivery Default occurs and Customer elects to advance a claim in respect thereof, Customer shall within ten (10) Days following the end of the Month in which such default occurred, give written notice thereof to Operator and Operator shall on the twentieth (20th) Day of the Month in which such notice is so given, pay Customer an amount equal to the product of the Replacement Price determined for the Month in which

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such default occurred and the Replacement Gas. On payment of such monies by Operator to Customer, the Customer's Gas Storage Inventory Account shall be decreased by the amount of such Replacement Gas.

(f) If a Receipt Default occurs and Customer elects to advance a claim in respect thereof, Customer shall within ten (10) Days following the end of the Month in which such default occurred, give written notice thereof to Operator and Customer shall on the twentieth (20th) Day of the Month in which such notice is so given, pay Operator an amount equal to the product of the Replacement Price determined for the Month in which such default occurred and the Replacement Gas. On payment of such monies by Customer to Operator, the Customer's Gas Storage Inventory Account shall be increased by the amount of such Replacement Gas.

ARTICLE 16.
MISCELLANEOUS

16.1. Joint Effort. This Agreement was prepared jointly by the Parties hereto. This Agreement was prepared with each of the Parties having access to their own counsel, and the Parties waive any claim they may have now or in the future based on this Agreement not having been prepared jointly by the Parties.

16.2. No Waiver. The failure of either Party to insist upon strict performance of any provision hereof shall not constitute a waiver of, or estoppel against asserting, the right to require such performance in the future, nor shall a waiver or estoppel in any one instance constitute a waiver or estoppel with respect to a later breach of a similar nature or otherwise. Each of the Parties to this Agreement shall be entitled to waive, in whole or in part, the performance or default by the other Party in respect of any term or condition of this Agreement which is for its benefit, without prejudice to any rights it may have in the event of any other non-performance or non-fulfillment of any other term or condition, *provided, however, that* each such waiver shall be in writing.

16.3. Time of Essence. Time is of the essence with regard to all obligations to be performed on or by a specified date if any are herein contained.

16.4. Laws. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICTS-OF-LAW RULE OR PRINCIPLE WHICH MIGHT REFER TO THE LAWS OF ANOTHER STATE. FURTHER, THE PARTIES STIPULATE THAT THIS AGREEMENT IS DEEMED TO HAVE BEEN MADE AND ENTERED INTO BY THEM IN THE STATE OF TEXAS.** This Agreement and the respective rights and obligations of the Parties hereto are subject to all present and future valid laws, orders, rules and regulations of any competent legislative body, or duly constituted authority now or hereafter having jurisdiction and this Agreement shall be varied and amended to comply with or conform to any valid order or direction of any board, tribunal or administrative

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agency which affects any of the provisions of this Agreement. Notwithstanding the foregoing, in the event that any regulatory authority having jurisdiction should, by rule or order, deny recovery or pass through by Customer of part or all of any payments made by Customer to Operator that are required by the terms and conditions of this Agreement, or in any other way rules adversely to Customer in any manner whatsoever in respect of Customer's having entered into this Agreement with Operator, Customer's obligations to make all payments to Operator as provided for in this Agreement shall nevertheless remain unaltered and in full force and effect unless and until this Agreement is terminated pursuant to the terms and provisions hereof.

16.5. Forum and Jurisdiction. With respect to any suit, action or proceedings relating to this Agreement (the "Proceedings"), each Party irrevocably submits to the exclusive jurisdiction of the courts of the state of Texas and the United States District Court located in Bexar County, Texas, and irrevocably waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have jurisdiction over such Party. Nothing in this Agreement precludes either Party from enforcing in any jurisdiction any judgment, order or award obtained in any such court.

16.6. Fees. In the event any governmental or regulatory body exercising jurisdiction over the service hereunder establishes fees for applications or reports filed in conjunction with such service, Customer shall reimburse Operator upon billing for a portion of any fees so paid by Operator in an amount proportionate to Customer's MSQ.

16.7. Further Assurances. Each of the Parties to this Agreement shall provide such data and information, execute and deliver such further documents and instruments, give such further assurances and perform such acts as may be reasonably required by the other Party to this Agreement in order to carry out the purposes, intentions and provisions of this Agreement. Without limiting the generality of the foregoing, Customer agrees, upon any reasonable request, to execute such consent or other agreement or acknowledgment in favor of Operator's lender(s) in connection with Operator's project financing, if any.

16.8. Severability. If one or more provisions contained in this Agreement are invalid, illegal or unenforceable in any respect under any applicable law such provision or provisions shall be adjusted rather than voided in order to achieve to the extent possible the intent of the Parties to this Agreement and to place such Parties in the economic position they would have been in had such provision or provisions been in effect, and the validity, legality and enforceability of the remaining provisions throughout shall not be affected or impaired thereby.

16.9. Binding on Successors and Assigns. This Agreement shall bind and inure to the benefit of the successors and permitted assigns of each Party.

16.10. Entire Agreement. This Agreement together with the Confirmation, the Appendices and Exhibits attached hereto, if any, set forth the entire agreement among the Parties relating to the subject matter hereof and supersede and replace all previous discussions, undertakings and agreements regarding the subject matter of this Agreement. In the event of a conflict between a Confirmation and the text of this portion of the Agreement, the Confirmation shall govern.

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16.11. Amendments. Except as otherwise expressly provided, this Agreement shall not be amended other than by written agreement of the Parties.

16.12. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an originally executed copy, and it shall not be necessary in making proof of this Agreement to produce all of such counterparts.

16.13. Recordings. Each Party may record all telephone conversations between them and neither Party may challenge the admissibility of any such recording.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in multiple originals as of the first date written above.

HOUSTON PIPE LINE COMPANY LP
BY: HPL GP, LLC, its general partner

By: M. P. Gallegos BL
Name: Manuel P. Gallegos DJM
Title: Sr. V.P. Commercial Supply

CITY OF SAN ANTONIO,
acting by and through its
CITY PUBLIC SERVICE BOARD

By: Richard M Pena
Name: RICHARD M. PENA
Title: SVP Energy Development

Attorneys Eyes Only

APPENDIX I
DEFINITIONS

"Affiliate" means in relation to any Party, any entity controlled, directly or indirectly, by such Party, by a subsidiary of such Party, or by such Party's parent. For this purpose, "control" of any entity or Party means ownership of a majority of the voting power of such entity or Party.

"Btu" means British Thermal Unit.

"Business Day" means any day other than a Saturday, a Sunday, or a holiday on which national banking associations in the state of Texas are closed.

"Confirmation" shall have the meaning defined in Section 2.1.

"Cushion Gas" means that Gas which is in place in the Storage Facility from time to time and which serves as the pressure base for the Working Gas.

"Day" means a period of 24 consecutive hours commencing at 9:00 a.m., local time.

"Delivery Point(s)" means the points specified on the applicable Confirmation at which Operator shall tender Gas withdrawn from the Storage Facility to Customer.

"Firm Basis" means that injections and withdrawals of Working Gas into or out of the Storage Facility during the term of the applicable Confirmation shall not be subject to interruption, curtailment or suspension by Operator for any reason, except as may be excused in accordance with the declaration of a Force Majeure event (as herein defined), and that Operator is obligated to inject, store and withdraw the quantity of Gas nominated by Owner for injection or withdrawal by Operator at the applicable Receipt Point(s) or Delivery Point(s).

"Gas" means natural gas in its natural state, produced from wells, including casinghead gas produced with crude oil, natural gas from gas wells, vaporized liquefied natural gas, and residue gas resulting from processing both casinghead gas and gas well gas, which equals or exceeds the quality specifications set forth in Article 6 (Quality) hereof.

"Gas Storage Inventory Account" means the quantity of Working Gas in the Storage Facility designated for Customer's account.

"General Terms and Conditions" means all provisions of this Agreement except the price, rate and term provisions, and any other provision which would normally be set forth in a Confirmation.

"Heating Value" means the quantity of heat, measured in Btu, produced by the combustion in air of one cubic foot of anhydrous Gas at a temperature of sixty degrees Fahrenheit (60°F.) and a constant pressure of fifteen and twenty-five thousandths pounds per

square inch absolute (15.025 psia), the air being at the same temperature and pressure as the Gas after the products of combustion are cooled to the initial temperature of the Gas and air and after condensation of the water formed by combustion.

"Injection Fee" means the fee paid by Customer for the injection of Gas into the Storage Facility, as set forth on the applicable Confirmation.

"Injection and Withdrawal Capacity" means the maximum quantity of Gas that Operator may physically receive from all customers and inject in, or withdraw from, the Storage Facility and redeliver to all customers each Day.

"Interruptible Basis" means that Operator shall have the right at any and all times during the term of the applicable Confirmation to decrease or to temporarily or permanently suspend or discontinue the storage service thereunder, with the understanding that neither this Agreement nor the applicable Confirmation electing the Interruptible Basis storage service shall create or be deemed to document an undertaking or obligation of Operator to ensure firm injections or withdrawals of Working Gas into or from the Storage Facility except when Operator is able to and elects to do so.

"MDIQ" or "Maximum Daily Injection Quantity" means the aggregate maximum quantity of Gas specified in the applicable Confirmation that Customer may nominate and deliver and Operator shall receive at the Receipt Point(s) for injection into the Storage Facility each Day at constant hourly rates of flow over the course of such Day; *provided, however, that* if Customer requires injection at constant rates of flow into the Storage Facility over time periods of less than one Day in order to comply with or meet the prevailing industry practice or regulatory requirements in effect from time to time during the term hereof, Operator shall, within the scheduling and operations capabilities of the applicable Transporting Pipeline, accept quantities from Customer at the Receipt Point(s) for injection into the Storage Facility at such cost rates of flow as may be required by Customer from time to time; *provided, further, that* Operator shall not be required to accept Gas from Customer for injection at an instantaneous rate of flow which, if continued over the course of twenty-four (24) consecutive hours, would result in deliveries by Customer in excess of the then effective MDIQ.

"MDWQ" or "Maximum Daily Withdrawal Quantity" means the aggregate maximum quantity of Gas specified in the applicable Confirmation that Customer may nominate and that Operator will withdraw from the Storage Facility and tender to Customer at the Delivery Point(s) each Day at constant hourly rates of flow over the course of such Day; *provided, however, that* if Customer requires delivery at constant rates of flow over time periods of less than one Day in order to comply with or meet the prevailing industry practice or regulatory requirements in effect from time-to-time during the term hereof, Operator shall within the scheduling and operating capabilities of the applicable Transporting Pipeline, deliver quantities from the Storage Facility to Customer at the Delivery Point(s) at such constant rates of flow as may be required by Customer from time-to-time; *provided, further, that* Operator shall not be required to deliver Gas to Customer at an instantaneous rate of flow which, if continued over the course of twenty-four

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(24) consecutive hours, would result in deliveries to Customer in excess of the then effective MDWQ.

"MSQ" or "Maximum Storage Quantity" means that quantity of Gas specified in the applicable Confirmation which Customer may have in its Gas Storage Inventory Account at any given time under the terms of this Agreement.

"Mcf" means the quantity of Gas occupying a volume of one thousand cubic feet at a temperature of sixty degrees Fahrenheit (60°F.) at a pressure of fourteen and sixty-five hundredths pounds per square inch absolute (14.65 psia).

"MMBtu" means one million Btu.

"Month" means a period of one calendar Month commencing at 9:00 a.m., local time, on the first Day of a calendar Month and ending at 9:00 a.m. on the first Day of the following calendar Month.

"Nomination Procedures" shall have the meaning set forth in Article 9 above.

"Receipt Point(s)" means the points specified on the applicable Confirmation at which Operator shall receive Gas from Customer for injection into the Storage Facility.

"Scheduled Maintenance" means a period of up to fourteen (14) consecutive or non-consecutive days during any twelve consecutive Month period which are identified to Customer by Operator upon thirty (30) days prior written notice and during which Customer's Firm Basis storage service entitlements shall be suspended and/or reduced in accordance herewith.

"Spot Price" means the "Midpoint" price for Houston Ship Channel for each Gas Day stated in Gas Daily® (Platts, a division of The McGraw-Hill Companies, Inc.), or successor publication, in the column "Daily Price Survey" for the relevant Gas Day. If there is no single price published for that particular Gas Day, but there is published a range of prices under the above column and listing, then the Spot Price shall be the average of such high and low prices. In the event that no price or range of prices is published for that particular Gas Day, then the Spot Price shall be the average of the following: the price (determined as stated above) for each of the first Gas Days immediately preceding and following the Gas Day in which the default occurred for which a Spot Price can be determined. If any or all of the indices used to determine the Spot Price are not available in the future, the Parties agree to promptly negotiate a mutually satisfactory alternate index for the Spot Price (an "Alternate Price"). If the Parties cannot agree by the end of the first Month for which the Spot Price could not be determined, then Operator and Customer shall each prepare a prioritized list of up to five alternative published reference postings or prices representative of spot prices for Gas delivered in the same geographic area. Each Party shall submit its list to the other within 10 Days after the end of the first Month for which the price could not be determined. The first listed index appearing in Seller's list that also

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appears in Buyer's list shall constitute the replacement index. If no common indices appear on the lists, each Party shall submit a new list adding two indices within 10 Days. If either Party fails to provide timely a list, such Party's list shall not be considered. From and after the "Renegotiation Date," which shall be the date the Spot Price is no longer available, until the Alternate Price is determined, the Alternate Price shall be the average of the Spot Price(s) in effect during the 12 Months preceding the Month in which the Renegotiation Date occurred, which price shall be effective until the Alternate Price is determined. Upon determination of a new Alternate Price or the Spot Price, as applicable, will be adjusted retroactively to the Renegotiation Date.

"Storage Capacity" means the maximum quantity of working Gas which may be stored by all customers in the Storage Facility at a given time.

"Storage Facility" means the Bammel Storage Facility, being the gas storage facility in the Bammel Sand covering approximately 7,000 acres located in Northwest Harris County, Texas, which facility and acreage is more particularly described and depicted in Exhibits "A" through "C" attached to that certain Unit Agreement, Bammel Gas Unit, Harris County, Texas, a counterpart of which is recorded in Volume 1925, Page 283, of the Contract Records, Harris County, Texas as amended by those certain Second and Third Amendments of Unit Agreement, Bammel Gas Unit, Harris County, Texas, counterparts of which are recorded in Volume 2119, Page 336, and Volume 2130, Page 516, respectively, of the Contract Records of Harris County, Texas.

"Storage Fee" means the fee paid by Customer and set forth on the applicable Confirmation for the purpose of reserving capacity in the Storage Facility, as the same may be automatically adjusted pursuant to Section 3.1 hereof.

"Transporting Pipeline" means the pipeline that (a) delivers Working Gas to the Receipt Point(s) for injection into the Storage Facility for storage and/or (b) accepts Working Gas withdrawn from the Storage Facility at the Delivery Point(s), in accordance with this Agreement.

"Withdrawal Fee" means the fee paid by Customer to Operator for the withdrawal of Gas from the Storage Facility, as set forth on the applicable Confirmation.

"Working Gas" means Gas (in MMBtu) that is not Cushion Gas and which is injected by Customer for its own account, or for the account of others, into the Storage Facility.

"Year" means a period of 365 consecutive Days, or 366 consecutive Days if the intervening period contains a February 29, with the first Year commencing at 9:00 a.m. local time on the Effective Date, and with each subsequent Year commencing at 9:00 a.m. local time on the anniversary thereof.

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EXHIBIT "A"
FORM OF STORAGE CONFIRMATION

_____, 2012

City Public Service Board
145 Navarro
San Antonio, Texas 78296

Attention: _____

Re: Storage Confirmation "-"

Gentlemen:

Reference is herein made to that certain Master Intrastate Gas Storage Agreement dated effective as of April 1, 2012 (the "Contract"), Houston Contract No. 103180300, between HOUSTON PIPE LINE COMPANY LP, as Operator, and CITY OF SAN ANTONIO acting by or through the CITY PUBLIC SERVICE BOARD, as Customer, covering certain intrastate natural gas storage services by Operator for Customer at Operator's Storage Facility.

In accordance with the provisions of the Contract, the parties hereby confirm the following volume(s), Receipt Point(s) and Delivery Point(s), price(s) and term to be applicable under this Confirmation:

Type of Service:	Firm/Interruptible
Term:	
Maximum Storage Quantity (MSQ):	_____ MMBtu
Maximum Daily Injection Quantity (MDIQ):	_____ MMBtu
Maximum Daily Withdrawal Quantity (MDWQ):	_____ MMBtu
Firm Service Rates:	
A. Capacity Reservation Fee:	_____ times MSQ per month.
B. Deliverability Reservation Fee:	_____ times MDWQ per month.
C. Injection Fee:	_____ per MMBtu.
D. Storage Fee:	_____
E. Withdrawal Fee:	_____ per MMBtu.
F. Fuel (actual in kind on injections only):	___% of all Gas Injection
Delivery Point(s):	_____ interconnect with Operator's Storage Facility

Receipt Point(s): _____ interconnect with Operator's Storage Facility

If the foregoing represents your understanding of our agreement, please so indicate in the space provided below and return two (2) fully executed copies for our records.

Very truly yours,

HOUSTON PIPE LINE COMPANY LP
BY: HPL GP, LLC, its general partner

By: _____
Name: _____
Title: _____

ACCEPTED AND AGREED TO this
_____ day of _____, 2012.

CITY OF SAN ANTONIO
acting by and through its
CITY PUBLIC SERVICE BOARD

By:_____
Title:

Exhibit A-35

CAUSE NO. MDL 2022 CI 02879

In Re: CPS ENERGY LITIGATION	)	IN THE DISTRICT COURT
	)	407TH JUDICIAL DISTRICT
	)	BEXAR COUNTY, TEXAS

CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS OPERATING, LLC,	)	IN THE DISTRICT COURT OF
Plaintiff	)	HARRIS COUNTY, TEXAS
V.	)	
CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY),	)	
Defendant	)	334TH JUDICIAL DISTRICT

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

****

ORAL AND VIDEOTAPED DEPOSITION OF

BUCK GUINN

AUGUST 12, 2022

****

CPSE Response in Opp to ET MSJ
Exhibit A-35
MDL-2022-CI-02879
exhibitsticker.com

THE ORAL AND VIDEOTAPED DEPOSITION of BUCK GUINN, produced as a witness at the instance of the Plaintiff and duly sworn was taken in the above-styled and numbered cause on the 12th day of August 2022, from 10:45 a.m. to 6:39 p.m., before CAROL DE LEON, Certified Shorthand Reporter in and for the State of Texas, reported by stenographic and computer-aided transcription, in the Law Offices of Chasnoff Mungia Valkenaar Pepping & Stribling, LLP, 1020 NE Loop 410, Suite 150, San Antonio, Texas 78209, pursuant to the Texas Rules of Civil Procedure and the provisions stated on the record or attached hereto.

STIPULATIONS

It is further stipulated and agreed by and between counsel for the respective parties hereto that the original of the deposition of BUCK GUINN shall be sent to him, BUCK GUINN, by and through his attorney of record, LAUREN A. VALKENAAR, CHASNOFF MUNGIA VALKENAAR PEPPING & STRIBLING, LLP, 1020 NE LOOP 410, SUITE 150, SAN ANTONIO, TEXAS 78209, for the purpose of obtaining the signature of the witness thereon before any notary public.

APPEARANCES

FOR THE PLAINTIFF:
CODY W. STAFFORD
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JOHN A. GARZA (via videoconference)
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cstafford@doblaw.com
KARA NICHOLS (via videoconference)
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HOUSTON, TEXAS 77002
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FOR THE DEFENDANT:
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DYLAN FEDDERMAN
LAUREN DITTY
ADAM KIEHNE
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FOR ENERGY TRANSFER:
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811 MAIN STREET, SUITE 4100
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bcallhan@yettercoleman.com

ALSO PRESENT:
TERRY LINDEMANN
The Videographer

CAROL DE LEON
Certified Shorthand Reporter

Q. Got it. During Winter Storm Uri, did you believe personally that CPS Energy did not have enough natural gas storage available?

A. I don't have -- I don't have an opinion on that.

Q. Are you -- in your group today, are you responsible for overseeing the storage balance that CPS Energy has with Enterprise and now Conoco and what, Tenaska?

A. It's part of my -- it's part of my business unit, correct.

Q. All right. Is there any -- earlier you were telling us, and we got off on this topic because you were telling us about the different strategies, power generation, resale, wholesale power and storage.

On the storage strategy, is there any -- what's the strategy related to how much natural gas CPS Energy wants to have in physical storage throughout the year?

A. To be clear, are you talking about the hedge portion?

Q. I'm talking about the physical side. How much do you -- how much does CPS Energy actually want in the ground available to use throughout the year?

MS. VALKENAAR: Objection, form.

A. It varies. It varies each month.
Q. (BY MR. STAFFORD) Based on what?
A. Based on injection and withdrawal times and -- and operational swing.
Q. Is there a written policy as the storage strategy at CPS?
A. On the physical side?
Q. Yes, sir.
A. I don't know if -- I don't recall. I don't -- I don't know if there's a specific document to a storage strategy. There is a storage strategy.
Q. Okay. It may or may not be documented?
A. Our storage strategy is documented.
Q. Where is that document kept?
A. It's a -- it's a document on the -- on the storage plan on our -- on an Excel spreadsheet.
Q. Then you have a separate written storage strategy for the hedging side?
A. Yes.
Q. Is that a -- is that also an Excel spreadsheet, or is that -- how is that kept?
A. No, that's a document.
Q. Got you. Does your -- does your group track the -- the physical storage -- I want to say capacity. Does your -- does your group track physically how much

I, BUCK GUINN, have read the foregoing deposition and hereby affix my signature that same is true and correct, except as noted above.

BUCK GUINN

THE STATE OF Texas)
COUNTY OF Bexar)

Before me, Norma P. Villarreal, on this day personally appeared BUCK GUINN known to me (or proved to me under oath or through _____) to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 19th day of September, 2022.

NORMA PATRICIA VILLARREAL
Notary Public-State of Texas
Notary ID #12510878-3
Commission Exp. OCT. 21, 2025
Notary without Bond

NOTARY PUBLIC IN AND FOR
THE STATE OF Texas

JOB NO.: 25208

CAUSE NO. MDL 2022 CI 02879

In Re: CPS ENERGY LITIGATION	)	IN THE DISTRICT COURT
	)	407TH JUDICIAL DISTRICT
	)	BEXAR COUNTY, TEXAS

CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS OPERATING, LLC,	)	IN THE DISTRICT COURT OF
Plaintiff	)	HARRIS COUNTY, TEXAS
V.	)	
CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY),	)	
Defendant	)	334TH JUDICIAL DISTRICT

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

****

REPORTER'S CERTIFICATION
DEPOSITION OF BUCK GUINN
AUGUST 12, 2022

****

I, Carol De Leon, Certified Shorthand Reporter in and for the State of Texas, hereby certify to the following:

That the witness, BUCK GUINN, was duly sworn by the officer and that the transcript of the oral deposition is a true record of the testimony given by the witness;

That the amount of time used by each party at the deposition is as follows:

MR. STAFFORD - (3 hours 34 minutes)

MR. CALLAHAN - (2 hours 11 minutes)

MS. VALKENAAR - (0 hours 1 minutes)

That pursuant to information given to the deposition officer at the time said testimony was taken, the following includes counsel for all parties of record:

Cody W. Stafford, Paul J. Dobrowski, Thomas De Bauche, John A. Garza, Kara Nichols, Attorneys for Plaintiff

Lauren A. Valkenaar, Blake W. Stribling, Dylan Fedderman, Lauren Ditty, Adam Kiehne, Attorneys for Defendant, City of San Antonio Acting by and through the City Public Service Board, CPS Energy

Bryce Callahan, Attorney for Energy Transfer

I further certify that I am neither counsel for, related to, nor employed by any of the parties or attorneys in the action in which this proceeding was taken, and further that I am not financially or otherwise interested in the outcome of the action.

Further certification requirements pursuant to Rule 203 of TRCP will be certified to after they have occurred. Certified to by me this 30th day of August, 2022.



Carol De Leon, Texas CSR 7716
Expiration Date: 4/30/23
Hanna & Hanna, Inc.
Firm Registration No. 10434
8582 Katy Freeway, Suite 105
Houston, Texas 77024
Phone: (713) 840-8484
Fax: (713) 583-2442

FURTHER CERTIFICATION UNDER RULE 203 TRCP

That the deposition transcript was submitted on August 30, 2022, 2022 to the witness for examination, signature and return to me by September 20, 2022 2022;

The original deposition was/[redacted] returned to the deposition officer on September 19, 2022;

If returned, the attached Changes and Signature page contains any changes and the reasons therefor;

If returned, the original deposition was delivered to Cody W. Stafford, the Custodial Attorney;

That $4,197.20 is the deposition officer's charges to the Plaintiff for preparing the original deposition transcript and any copies of exhibits;

That the deposition was delivered in accordance with Rule 203.3, and that a copy of this certificate was served on all parties shown herein on and filed with the Clerk.

Certified to by me this 20th day of September, 2022.

Ruth Hilliard

Hanna & Hanna, Inc.
Firm Registration No. 10434
Expiration: 10/31/2022
8582 Katy Freeway, Suite 105
Houston, Texas 77024
Phone: (713) 840-8484
Fax: (713) 583-2442

Exhibit A-36

Sealed

Exhibit A-37

MDL Master File No. 2022 CI 02879

	§	IN THE DISTRICT COURT OF
	§	
IN RE	§	
	§	BEXAR COUNTY, TEXAS
CPS ENERGY LITIGATION	§	
	§	
	§	407TH JUDICIAL DISTRICT

ORAL AND VIDEOTAPED DEPOSITION OF
BUCK COLE GUINN
AS CORPORATE REPRESENTATIVE OF CPS ENERGY
DECEMBER 4, 2023

ORAL AND VIDEOTAPED DEPOSITION OF BUCK COLE GUINN AS CORPORATE REPRESENTATIVE OF CPS ENERGY, produced as a witness at the instance of Enterprise Products Operating, LLC, and duly sworn, was taken and in the above-styled numbered cause on the 4th day of December, 2023, from 9:05 a.m. to 6:21 p.m., before Marcy Clark, CSR in and for the State of Texas, reported by computerized stenotype machine, at the offices of Chasnoff Mungia Valkenaar Pepping & Stribling, LLP, 1020 N.E. Loop 410, 3rd Floor Conference Room, San Antonio, Texas 78209, pursuant to the Texas Rules of Civil Procedure and the provisions stated on the record or attached hereto.

CPSE Response in Opp to ET MSJ
Exhibit A-37
MDL-2022-CI-02879
exhibitsticker.com

APPEARANCES

ON BEHALF OF ENTERPRISE PRODUCTS OPERATING, LLC:

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ON BEHALF OF THE CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY):

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-and-

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APPEARANCES (Cont.)

ON BEHALF OF HOUSTON PIPE LINE COMPANY, LP, AND OASIS PIPELINE, LP:

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Suite 4100
Houston, Texas 77002
713.632.8000
tyoung@yettercoleman.com

THE VIDEOGRAPHER:

Terry Lindemann

the 38.83 threshold?

MS. VALKENAAR: Objection, form.

A The traders definitely didn't know about 38.83, no.

Q (BY MR. STAFFORD) Did anyone else at CPS know about 38.83 during Winter Storm Uri besides the traders?

A Not to my knowledge, no.

Q Mr. Perryman, the expert that CPS Energy hired, has now, we've established, changed his number from 38.83 to 38.74, correct?

A That's what I understand, correct.

Q Okay. What does CPS Energy contend that 38.74 represents?

MS. VALKENAAR: Objection, form. Outside the scope.

A As I understand it, it's a -- it's just a change in calculation of what he put as a placeholder.

Q (BY MR. STAFFORD) Sorry. Bad question.

38.74 that Mr. Perryman comes up with -- disregard the change. Whether we use 38.74 or 38.83, what does CPS Energy contend that that number represents?

MS. VALKENAAR: Objection, form.

A We -- we never had an intent not to pay. We had to come up with -- under our rights under 7.4. It's a placeholder, if you will. And that's the price we came

up with.

Q (BY MR. STAFFORD) What is it a placeholder for?

A It's a placeholder under contractually to pay you -- to pay Enterprise -- excuse me -- and then contest the 14 transactions at the price that we transacted at.

Q And at what point do we have a number that's not a placeholder?

A That's -- that's the reason we're here today, right? I mean, that's what -- the process we're going through.

Q Okay. Does CPS Energy contend that either 38.83 or 38.74 is the highest conscionable price that could be for gas during Winter Storm Uri?

MS. VALKENAAR: Objection, form.

A Ask that one more time.

Q (BY MR. STAFFORD) Sure.

Does CPS Energy contend that -- let me back up.

"Conscionable" is probably not a fair term to use for you. What would you like to say? "Reasonable"?

MS. VALKENAAR: Objection, form.

A I'm -- I'm -- just ask the question.

Q (BY MR. STAFFORD) Okay.

A I'm good with "conscionable," yeah.

confirmations during Winter Storm Uri that were unconscionable or unenforceable?

MS. VALKENAAR: Objection, form.

A Not to my knowledge.

Q (BY MR. STAFFORD) All right. Let's go to -- you mentioned 7.4 earlier, and it's on Page 4 of 10.

A Got it.

Q And as I understand your testimony, 38.83 or now 38.74 is a placeholder under this 7.4, correct?

MS. VALKENAAR: Objection, form.

A As I understand it, 7.4 gives us the right to do this, yes.

Q (BY MR. STAFFORD) Okay. And I know you're not a lawyer. But if you look at it, it says [as read]: If the invoice party in good faith disputes the amount of any such invoice or any part thereof, such invoice party will pay such amount as it concedes to be correct.

Right?

A That's what it says, yes.

Q Does CPS Energy concede that the prices up to $38.83 per MMBtu in the invoices were correct?

MS. VALKENAAR: Objection, form. Again, he can speak to facts, not legal conclusions.

A We dispute the amount that was transacted. That's what we're -- that's what we're disputing.

A I do.
Q What date is it?
A March 18th, 2021.
Q So that would be after the communications that you were just referencing with Mr. Stafford in Exhibit 391 and 392; is that correct?
A That's correct.
Q In those exhibits, in 391 and 392, you were discussing with Mr. Stafford the language that says [as read]: Short pay vendors - need to speak with them.
That's from 392, correct?
A Correct. And I want to clarify something that I remember that Cory said to me, if I can.
Q Okay.
A One -- as we went through this document, short-pay did not -- short-pay -- he was talking about paying over time. That's what he said to me.
Q So he understood "short-pay" to mean to work out some kind of a financing arrangement with the vendors?
A To -- financing -- again, financing -- he didn't say financing but to -- when I asked about that, again, I remember him saying this is one of many options and that was intended for contacting the suppliers about paying over time.

categorizing certain natural gas suppliers as strategic partners after Winter Storm Uri?

A I --

MS. VALKENAAR: Objection, form.

A I'd have to see the -- the document that you're referencing, where it was used.

Q (BY MR. YOUNG) Okay. Did you -- did you do any independent investigation into this topic?

A Yes.

Q What investigation was that?

A There were -- there's a reference what -- where it -- where it was used, the strategic partner.

Q You -- you reviewed a document where it was used?

A I did.

Q And what -- what do you recall from your review of that document?

A Strategic partner in this document that I viewed was -- I don't -- I don't know what the presenter was saying at the time now. It was referencing DCP pipeline and strategic partner, yes, because at this point, Energy Transfer wasn't going to sell us any more gas and we needed to supply Rio Nogales. So using that in reference in that presentation, they're strategic.

Q So did "strategic partners" refer to suppliers

that CPS Energy hoped to rely on after the lawsuits?

MS. VALKENAAR: Objection, form.

A That's not what I said. That's a mischaracterization of what I said. I said in the -- what I looked at at the time where this is referenced, this -- specifically DCP pipeline, which at the time, the integrity of running Rio Nogales was depending on strategically putting something in place with them.

Q (BY MR. YOUNG) Okay. Was there any concern that you're aware of about being able to purchase natural gas in a future winter storm after CPS challenged the invoices during Winter Storm Uri?

MS. VALKENAAR: Objection, form.

A No. After the storm, correct?

Q (BY MR. YOUNG) Correct.

A No.

Q Is there any concern about a future storm leading to prices above 38.83 which might cause gas suppliers to not sell gas to CPS Energy in a -- during a future weather event?

MS. VALKENAAR: Objection, form. Outside the scope.

If you can answer --

A Yeah, I --

MS. VALKENAAR: -- in your personal --

gas?

A Offers or selling?

Q Sorry. Bids. Let me reask the question.

Did CPS Energy ever show any bids to Energy Transfer for spot market gas during Winter Storm Uri?

MS. VALKENAAR: Objection, form.

A Yes.

Q (BY MR. YOUNG) Okay. Do you know what those were?

A Not without seeing them. I -- I -- I -- not without seeing the chats or the correspondence.

Q And so you're basing your response on chats or correspondence that you believe you recollect?

A That are factual. We did -- there were offers made by Energy Transfer. We bid. It was refused. Never did y'all -- never did Energy Transfer adjust their offers.

Q Okay.

A In fact, they took them up.

Q You testified about baseload gas before the month starts, is how you defined that gas, right? That -- that has to be purchased during the bid week?

A Correct.

Q And the idea of baseload gas is to have sort of

a set amount of gas that will flow every day that's locked in at a price determined before the month starts?

A Correct.

Q And so I think your point that you made in your exchange with counsel was that you couldn't purchase baseload gas after a month had started, correct?

A Not by definition, no.

Q However, energy -- or sorry.

However, CPS Energy could have purchased a higher percentage of its gas as a baseload purchase leading into any particular month prior to Winter Storm Uri, correct?

MS. VALKENAAR: Objection, form.

A Specifically to your question, open-ended, yes, you could.

Q (BY MR. YOUNG) Okay. And, obviously, you didn't know Winter Storm Uri was coming; but as a general matter, having a higher percentage of baseload gas would mean that you would have a lower percentage of spot market gas, correct?

MS. VALKENAAR: Objection, form.

A If -- yes. Correct.

Q (BY MR. YOUNG) And if you had a lower percentage of spot market gas, it would reduce your customers' exposure to variations in the spot market gas

MDL Master File No. 2022 CI 02879

	§	IN THE DISTRICT COURT OF
	§	
IN RE	§	
	§	BEXAR COUNTY, TEXAS
CPS ENERGY LITIGATION	§	
	§	
	§	407TH JUDICIAL DISTRICT

REPORTER'S CERTIFICATION
ORAL AND VIDEOTAPED DEPOSITION OF BUCK COLE GUINN
AS CORPORATE REPRESENTATIVE OF CPS ENERGY
DECEMBER 4, 2023

I, Marcy Clark, Certified Shorthand Reporter in and for the State of Texas, hereby certify to the following:

That the witness, BUCK COLE GUINN AS CORPORATE REPRESENTATIVE OF CPS ENERGY, was duly sworn by the officer and that the transcript of the oral deposition is a true record of the testimony given by the witness;

That the deposition transcript was submitted on December 15, 2023 to the witness or to the and attorney for the witness for examination, return to Hanna & Hanna, Inc. by January 18, 2024.

That the amount of time used by each party at the deposition is as follows:

By Mr. Stafford - 4 hours, 17 minutes;
By Mr. Young - 1 hour, 44 minutes;
By Ms. Valkenaar - 7 minutes;

That pursuant to information given to the deposition officer at the time said testimony was taken, the following includes counsel for all parties of record:

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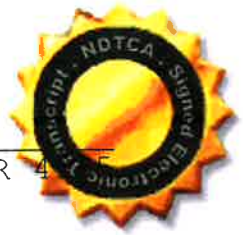
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I further certify that I am neither counsel for, related to, nor employed by any of the parties or attorneys in the action in which this proceeding was taken, and further that I am not financially or otherwise interested in the outcome of the action.

Further certification requirements pursuant to Rule 203 of TRCP will be certified to after they have occurred.

Certified to by me this 15th day of December, 2023.



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FURTHER CERTIFICATION BY COURT REPORTING FIRM
UNDER RULE 203 TRCP

The original deposition was/[redacted] returned to the deposition officer on January 18, 2024;

If returned, the attached Changes and Signature page contains any changes and the reasons therefor;

If returned, the original deposition was delivered to CODY W. STAFFORD, Custodial Attorney;

That $4,993.00 is the deposition officer's charges to Enterprise Products Operating, LLC, for preparing the original deposition transcript and any copies of exhibits;

That the deposition was delivered in accordance with Rule 203.3, and that a copy of this certificate was erved on all parties shown herein and filed with the Clerk.

Certified to by me on this 18th day of January, 2024.

Ruth Hilliard

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CHANGES AND SIGNATURE

WITNESS NAME: BUCK COLE GUINN

DATE OF DEPOSITION: DECEMBER 4, 2023

PAGE	LINE	CHANGE	REASON
See Exhibit A			

JOB NO. 27741

EXHIBIT A

PAGE/LINE:	CORRECTION:	REASON:
17:8-9	Change "Yes. In -- in March when Paula Gold-Williams made that decision, yes" to "In -- in March Paula Gold-Williams made the decision to pay up to $38.83 per MMBtu based on Dr. Perryman's initial analysis. CPS Energy's position is that the prices Enterprise and Energy Transfer were charging during the storm were unconscionable and violates public policy."	Clarification
26:4	Change "We did" to "We did not initially pay any supplier more than $38.83 for gas delivered during Winter Storm Uri."	Clarification
27:16	Change "No." to "Not that I can recall at this moment."	Clarification
76:22-23	Change "We paid them -- we paid them to what we -- what was established at $38.83" to "We did not initially pay any supplier more than $38.83 for gas delivered during Winter Storm Uri."	Clarification
77:6	Change "That is correct." to "That is correct. We did not initially pay any supplier more than $38.83 for gas delivered during Winter Storm Uri."	Clarification
131:6	Change "MPO" to "NPO"	Transcription error
139:24-25	Change "one contract for BCF and one contract for B and a half" to "one contract for a BCF and one contract for a BCF and a half."	Transcription error
204:24-25	Change "One of many options was being discussed" to "Partial payment was one of many options being discussed"	Transcription error
211:15	Change "14" to "16"	Clarification
211:21	Change "14" to "16"	Clarification
216:3	Change "14" to "16"	Clarification
217:1	Change "14" to "16"	Clarification
226:10	Change "I do not" to "I do not have anything more to add"	Clarification

253:1	Change "market" to "price" in both instances.	Clarification
254:1	Change "market" to "price"	Clarification
257:23	Change "If available, yes." to "If available, yes such sales would result in savings for our customers, but CPS Energy was motivated to generate as much electricity during the winter storm because of human need."	Clarification
294:10	Change "I don't have an opinion on that" to "I don't have an opinion on that beyond what I already said in response to similar questions from Enterprise's lawyer."	Clarification

I, BUCK COLE GUINN, have read the foregoing deposition and hereby affix my signature that same is true and correct, except as noted above.

Buck Cole Guinn

See Exhibit A

BUCK COLE GUINN

THE STATE OF Texas)
COUNTY OF Bexar)

Before me, Norma Patricia Villarreal, on this day personally appeared BUCK COLE GUINN, known to me (or proved to me under oath or through employee ID badge) (description of identity card or other document) to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this 17th day of January, 2024.

NOTARY PUBLIC IN AND FOR
THE STATE OF Texas

My Commission Expires: 10-21-2025

JOB NO. 27741

NORMA PATRICIA VILLARREAL
Notary Public-State of Texas
Notary ID #12510878-8
Commission Exp. OCT 21, 2025
Notary without Bond

Exhibit A-38

Platts
S&P Global
Commodity Insights

Methodology and Specifications Guide

US and Canada Natural Gas

Latest update: December 2022

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CPSE Response in Opp to ET MSJ
Exhibit A-38
MDL-2022-CI-02879
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Introduction

S&P Global Commodity Insights' Platts methodologies are designed to produce price assessments and indices that are representative of market value, and of the particular markets to which they relate. Methodology documents describe the specifications for various products reflected by Platts assessments and indices, the processes and standards Platts adheres to in collecting data, and the methods by which Platts arrives at final values for publication.

Platts discloses publicly the days of publication for its price assessments and indices, and the times during each trading day in which Platts considers transactions in determining its assessments and index levels. This schedule of publication is available on the Platts website, at the following link: Pricing Holiday Schedule | S&P Global Commodity Insights (spglobal.com).

The dates of publication and the assessment periods are subject to change in the event of circumstances that affect Platts ability to adhere to its normal publication schedule. Such circumstances include network outages, power failures, acts of terrorism and other situations that result in an interruption in Platts operations at one or more of its worldwide offices. In the event that any such circumstance occurs, Platts will endeavor, whenever feasible, to communicate publicly any changes to its publication schedule and assessment periods, with as much advance notice as possible.

Platts methodologies have evolved to reflect changing market conditions through time, and will continue to evolve as markets change. A revision history, a cumulative summary of changes to this and previous updates, is included at the end of the methodology and specification documents. Methodology is reviewed regularly to ensure it reflects current market activity.

Such reviews are carried out by Platts reporters and their managers, supplemented and supported by price methodology specialists who operate separately from other teams. Platts follows a clearly defined process for public consultation on material changes to its methodologies. This process is based on full transparency and communication with industry stakeholders aimed at gaining market acceptance for any proposed introduction or changes to methodology. For more information on the review and approval procedures, please visit: Methodology Review & Change | S&P Global Commodity Insights (spglobal.com).

All Platts methodologies reflect Platts commitment to maintaining best practices in price reporting.

How this methodology statement is organized

This description of methodology for indices and assessments is divided into seven major parts (I-VII) that parallel the entire process of producing price values for the specified market period (daily or monthly).

- Part I describes what goes into Platts indices and price values, including details on what data market participants are expected to submit, the process for submitting data and criteria for timeliness of market data submissions.
- Part II describes any security and confidentiality practices that Platts uses in handling and treating data.
- Part III is a detailed account of how Platts collects market data, and what Platts does with the data to formulate its indices and assessments. It includes descriptions of the methods that Platts uses for reviewing data, and the methods used to convert raw data into indices or assessments, including the procedures used to identify anomalous data. This section describes how and when judgment is applied in this process, the basis upon which transaction data may be excluded from an index, and the relative importance assigned to each criterion used in forming the index or price assessment. This section describes the minimum amount of transaction data required for a particular price assessment to be published, and the criteria for determining which values are indices, and which are assessments, based on reported transactions and other market information.
- Part IV explains the process for verifying that published prices comply with Platts standards.
- Part V lays out the verification and correction process for revising published prices and the criteria Platts uses to determine when it publishes a correction.
- Part VI explains how users of Platts assessments and indices can contact Platts for clarification of data that has been published, or to register a complaint. It also describes how to find out more about Platts complaint policies. Part VII is a list of detailed specifications for the trading locations for which Platts publishes indices or assessments.

Part I: Data quality and data submission

Platts objective is to ensure that the submission of transactional information and other data inputs that editors use as the basis for their price index and assessments is of the highest quality. This is crucial to maintaining the integrity of Platts pricing processes.

Platts encourages entities that submit any market data for consideration in its pricing processes to submit all transactional data that they have. Under price reporting guidelines issued by the US Federal Energy Regulatory Commission (FERC) in 2003, which apply to US natural gas markets, companies should report each bilateral, arm's-length transaction between non-affiliated companies in the physical markets at all trading locations.

In North American gas markets, Platts establishes reporting relationships with market participants in which data is submitted from a central point in the mid- or back office (a segment of the reporting entity that does not have a commercial interest in the reported prices). Platts expects

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that a price submitter is making a good-faith effort to submit data completely and accurately, and will have staff assigned to respond to questions concerning data submissions. The entity also is obligated to make reasonable efforts to inform Platts of any errors or omissions.

For price indices and assessments at locations in Canada, which fall outside FERC jurisdiction, Platts still expects entities will submit data under the same reporting guidelines.

What to report

For final daily indices for Platts locations, report each business day all physical fixed-price deals completed prior to the industry nomination deadline (1:00 pm Central Time) for next-day pipeline delivery in North America. In addition, report all physical basis transactions at Florida city-gates at a differential to Florida Gas, Zone 3. Transactions done on Friday usually are for flow on Saturday, Sunday and Monday inclusive. Trading patterns may vary in the case of holidays or when the end of a month occurs on a weekend.

For final monthly indices for Platts locations, report all physical fixed-price and basis deals executed during bidweek. Physical basis deals are trades in which the price is set by the final settlement value of the NYMEX Henry Hub contract plus or minus the negotiated basis. Platts will accept bidweek trades transacted before 3:00 pm CT on day 3 of bidweek as this coincides with the deadline for trades done on the ICE exchange.

Trading in the North American natural gas market is relatively standardized. Traded gas packages are for pipeline-quality dry gas, with Btu content and other specifications generally specified by the pipeline companies. Gas is processed to those specifications before it is injected into the pipeline grid, removing the need for any normalization of specifications between supplies of varying gas quality. Prices are reported in US dollars per million Btu (MMBtu), except in the case of some Canadian locations where the units of measure are Canadian dollars per gigajoule (Gj). Volumes are stated as MMBtu/day or Gj/day.

All transactions submitted to Platts should be listed individually and should use either the point's common name or the pipeline and meter designation. In addition to the delivery point, the data should also include the price, volume, source (company name), buy/sell indicator, trade date, start flow date, end flow date, time of transaction, counterparty name and intermediary name (broker or trading platform). Platts accepts and uses data that does not include counterparty information. However, Platts firmly believes that counterparty data is the single best way to verify reported transactions and encourages market participants to report them.

As per FERC requirements, Platts expects physical trades to be reported for locations where it does not currently publish indices or assessments. If sufficient trading develops at a location and is sustained, Platts would consider adding that pricing point to its listed points. In addition, information on deals at those locations adds to Platts understanding of the market.

For both the daily and monthly indices, the Platts policy is not to include spread trades, with the exception of NGX Transport trades. Spread trades are excluded because the two counterparties are transacting based on the difference between the two linked transactions rather than on the outright values at the locations. Again, Platts encourages companies to report these transactions, provided they are clearly labeled as one leg of a spread transaction, in order for Platts to better understand market relationships, as well as to consider new pricing points for the marketplace. All spread trades, including NGX Transport trades, are subject to Platts anomalous data policies covered in this guide.

In the event that a data submitter has no trade information to submit, a notification stating that fact should be sent.

How to report

Reports should be compiled and sent to Platts by a non-commercial department of the company. Even in the case of small entities, FERC's standards state that prices should be provided by individuals separate from trading activities such as accounting or bookkeeping staff.

Price submitters should submit trades to Tradevision via file upload or API. If it isn't possible to submit trades directly to Tradevision an alternative is to submit via email in Excel or CSV format to gasprice_daily@spglobal.com and gasprice_daily2@spglobal.com for daily trades and gasprice_monthly@spglobal.com and gasprice_monthly2@spglobal.com for monthly trades.

The daily reporting deadline is 3:00 pm CT. The monthly reporting deadline is 2:00 pm CT on the day four of bidweek. Price submitters need to provide Platts with at least two contacts responsible for submissions who can answer questions about reported transactions. If a price submitter is unable to submit trade data by the submission deadline, it should notify Platts as soon as possible.

Part II: Security and confidentiality

Platts is willing to sign confidentiality agreements providing for non-disclosure of submitted data except in circumstances where it is legally required to disclose the data.

Price data is submitted via Tradevision or emailed to specific Platts e-mail addresses and enters a secure network where it is accessible only by the natural gas pricing team and designated administrators. Data is stored in a secure network, in accordance with Platts policies and procedures. Transaction-level price data is used only for constructing indices and assessments. Platts does not use price data from an individual source for news reporting or analytics purposes, and Platts

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news reporters and analysts do not have access to individual entities' transaction data. Data aggregated from all reporting sources e.g., changes in prices and trading volumes over time, may be used as the basis for news stories and analysis.

Part III: Calculating indices and making assessments

The following section describes how Platts uses reported transactions and any other market information it has collected, in the manner described in Part I, to formulate its price indices and assessments.

Price assessment and index guidelines

As a publisher, Platts places independence and impartiality at the heart of its pricing process. Platts has no financial interest in the price of the products or commodities on which it reports. Platts overall objective is to reflect the transactable value of the commodity assessed.

For North American natural gas, Platts publishes prices in two discrete markets: the day-ahead and the monthly bidweek markets. Platts prices are available to any party who subscribes to the news or data services in which those prices are published. Platts prices are copyrighted and may not be distributed or used for commercial gain by any third party without an explicit agreement with Platts.

To ensure the published data is as robust as possible, Platts editorial systems are backed by a strong corporate structure that includes managerial and compliance oversight.

Daily market

For the daily market, Platts publishes three price components: the midpoint, the common range and the absolute range. The midpoint or index, also called the GDA (Gas Daily Average), is the volume-weighted average of all transactions submitted to Platts. The absolute range shows the absolute low and high of deals reported, excluding outliers that are not used (see section below on outliers). The common range is 50% of the absolute range and is built around the midpoint. Platts publishes prices to three decimal places for ranges and the midpoint, rounded to the nearest half-cent.

In the daily market, trading generally is done for gas to flow the next business day. Because gas volumes must be nominated to pipelines by 1:00 pm CT, the deadline established by the North American Energy Standards Board to schedule next-day delivery, that time is the cutoff used by Platts for its daily gas indices. Gas typically trades on Friday for delivery Saturday, Sunday and Monday; in cases of three-day holiday weekends, trading typically covers the extra flow day. At times when the end of a month falls on a weekend, the normal flow sequence may change. For instance, if the last day of the month falls on Saturday, gas will trade on Thursday for flow Friday-Saturday and on Friday, for flow Sunday-Monday. Platts publishes a daily gas flow date calendar in advance which can be found at: Methodology and Specifications Guide US and Canada Natural Gas | S&P Global Commodity Insights (spglobal.com). In the event of a Canadian holiday falling on a Monday, daily gas indices for Northwest, Can. Bdr. (Sumas) and Westcoast, station 2 deals done on the Friday trade date are usually for flow Saturday-Tuesday, depending on the observance of the holiday by trading companies. Indices for those locations based on deals done on Friday for Saturday-Tuesday flow would be in publications dated Friday and would be republished Monday.

Platts reports both trade date and flow date data. Platts also publishes weekly and monthly averages of the daily midpoints for each location, using flow date data.

A formula is used to calculate the common range for preliminary and final daily indices for Platts and ICE locations. In most markets, the formula establishes the common range at 50% of the absolute range and builds the range around the volume-weighted average price (the midpoint). A volume-weighted price located more toward either end of the range may narrow the range further, as explained below.

An example of a common range calculation: On a given day, the lowest price, or absolute low, reported at a point was $4.70/MMBtu and the high was $4.92/MMBtu. The actual volume-weighted average was $4.843/MMBtu. The calculation follows this sequence:

The volume-weighted average is rounded to the nearest half-cent, so $4.843/MMBtu becomes $4.845/MMBtu (the midpoint).

The width of the absolute range is calculated, so $4.920/MMBtu -$4.700/MMBtu = $0.220/MMBtu; that figure is divided by 4, which produces an increment of $0.055/MMBtu.

That increment is subtracted and added to the rounded volume-weighted average to produce a common low and high; so, $4.845/MMBtu-$0.055/MMBtu = $4.790/MMBtu, and $4.845/MMBtu+$0.055/MMBtu= $4.900/MMBtu.

As part of its North American Natural Gas agreement with ICE, Platts publishes preliminary and final daily indices for Platts locations, as well as final daily indices for ICE locations. The methodology used to derive indices for Platts locations is different than ICE locations.

Preliminary Daily Indices for Platts Locations:

Platts publishes preliminary daily indices for Platts locations shortly after the 1:00 pm CT market close. The only trade data used in these indices are ICE exchange trades from ICE. Both the buy and sell side of ICE exchange trades are counted in the indices, regardless of whether the counterparties are Platts price submitters. The trades are not screened for outliers and Platts does not assess prices for locations with no trades.

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Final Daily Indices for Platts Locations:

Platts publishes final daily indices for Platts locations around 5:00 pm CT. Platts price submitter trades and non-Platts price submitter ICE exchange trades are used in these indices.

Platts price submitter ICE trades are removed from the ICE trade data to eliminate double counting. Both the buy and sell side of ICE trades will be counted in the indices. For trades not done on ICE, only the buy or sell side reported by the price submitter will be counted in the indices. The trades are screened for outliers using existing mechanisms as well as verifying trade data that occurs outside of the transparent trading range observed on the ICE exchange. At locations with robust trading activity, the index is the volume-weighted average of all trades. However, the volume-weighted average price does not always represent the average of the trading activity. Therefore, in less liquid or highly volatile markets, Platts may publish an assessment rather than using the volume weighted average. Platts will examine other market information to determine whether it can publish an assessment. These assessments are clearly designated by asterisks in price tables and include an assessment rationale that describes how the price was derived Assessments are based on other market information, including but not limited to, an analysis of historical daily prices, locational spread relationships to values at related liquid pricing points, and ICE physical bids and offers. If that is not possible, Platts will not publish a price for the day.

Final Daily Indices for ICE Locations:

Platts publishes daily indices for ICE locations once each day at the same time that preliminary daily indices for Platts locations are published, or shortly after1:00 pm CT. The only trade data used in these indices are ICE exchange trades from ICE. Both the buy and sell side of ICE exchange trades are counted in the indices, regardless of whether the counterparties are Platts price submitters. The trades are not screened for outliers and Platts does not assess prices for locations with no trades.

Canadian OTC Daily Locations:

The daily OTC indices will be published as soon as all daily trades have been submitted by price submitters and Platts has reviewed the trades for anomalous data. Please note that transactions executed on the ICE NGX exchange will not be included in the indices as the intention behind these locations is to increase transparency around trading activity in the OTC markets in Canada. Platts publishes the OTC indices for the TCPL Alberta, AECO-C; Dawn, Ontario; Westcoast, Station 2 Northwest, Canadian Border (Sumas); and Emerson, Viking locations.

Monthly market

In the monthly market, gas is priced for flow on each day of the month at specified volumes. Transaction data is collected for the three days of bidweek , and Platts prices are published on the first business day of the month in which the gas will flow. Platts publishes two price components: the index and the absolute range. The index is the volume-weighted average of all the transactions submitted to Platts that are used to calculate the index for each point. The absolute range shows the absolute low and high of deals submitted, excluding outliers that are not used (see section below on outliers). Platts publishes fixed prices to two decimal places and basis prices to three decimal places.

In the monthly market Platts uses both physical fixed-price and physical basis transactions. In those basis transactions, the basis value is negotiated on any bidweek day and the price is set by the final settlement value of the NYMEX contract plus or minus the negotiated basis. The NYMEX futures contract typically expires on the third-to-last business day of the month.

As part of its North American Natural Gas agreement with ICE, Platts publishes preliminary and final monthly indices for Platts and ICE locations. The methodology used to derive indices for Platts locations is different than ICE locations.

Preliminary Monthly Indices for Platts and ICE Locations:

Platts publishes preliminary monthly indices for Platts and ICE locations at the end of each day during bidweek. The only trade data used in these indices are ICE exchange trades from ICE. Both the buy and sell side of ICE exchange trades are counted in the indices, regardless of whether the counterparties are Platts price submitters. The trades are not screened for outliers and Platts does not assess prices for locations with no trades.

Final Monthly Indices for Platts Locations:

Platts publishes final monthly indices for Platts locations around noon on the first business day of the month. Platts price submitter trades and non-Platts price submitter ICE exchange trades are used in these final indices.

Platts price submitter ICE trades are removed from the ICE trade data to eliminate double counting. Both the buy and sell side of ICE trades will be counted in the indices. For trades not done on ICE, only the buy or sell side submitted by the price submitter will be counted in the indices. Platts screens for outlying data using existing mechanisms as well as verifying trade data that occurs outside of the trading range observed on the ICE exchange. At locations with robust trading activity, the index is the volume-weighted average price of all trades. However, the volume-weighted average does not always represent the average of the trading activity. Therefore, in less liquid or highly volatile markets, Platts may publish an assessment rather than using the volume weighted average. Platts will examine other market information to determine whether it can publish an assessment. These assessments are clearly designated by asterisks in price tables and include an assessment rationale that describes how the price was derived. Assessments are based on other market information, including but not limited to, an analysis of historical daily prices, locational spread relationships to values at related liquid pricing points, and ICE physical bids and offers. If that is not possible, Platts will not publish a price for the month.

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Final Monthly Indices for ICE Locations:

Platts publishes monthly indices for ICE locations at the same time as the final monthly indices for Platts locations. The only trade data used in these indices are ICE exchange trades from ICE. Both the buy and sell side of ICE exchange trades are counted in the indices, regardless of whether the counterparties are Platts price submitters. The trades are not screened for outliers and Platts does not publish prices for locations with no trades.

To enhance market transparency, Platts publishes the volumes and number of transactions at each trading point in daily and monthly indices. To provide a broad overview of market liquidity, Platts locations are grouped into three tiers: tier 1, points with volumes of at least 100,000 MMBtu/day and at least 10 trades; tier 2, volumes of 25,000 to 99,999 MMBtu/day and at least five trades; and tier 3, points with volumes below 25,000 MMBtu/day and/or fewer than five trades. Volumes, deal counts, and tier level for all index locations are published in monthly tables found at GP0120 and NG0610 for daily locations and GP0121 and NG0611 for monthly locations.Platts also publishes the physical basis prices that are incorporated into the monthlyindices. The physical basis data shows the volume, deal count, low price, high price, average price, and cash equivalent price for each location at which physical basis deals are reported.

Canadian OTC Monthly Locations.

The monthly OTC indices are published on the last day of bidweek, as soon as all bidweek trades have been submitted by price submitters and Platts has reviewed the trades for anomalous data. Please note that transactions executed on the ICE NGX exchange are not included in the indices as the intention behind these locations is to increase transparency around trading activity in the OTC markets in Canada. Platts will publish the OTC indices for the TCPL Alberta, AECO-C; Dawn, Ontario; Westcoast, Station 2; Northwest, Canadian Border (Sumas); and Emerson, Viking locations.

Outliers

Platts analyses reported transactions in order to identify potential anomalous data that may be excluded from the index. This analysis includes a comparison of the trade price with bid, offer, and transaction data on the ICE exchange. Platts believes that ICE exchange data represents transparent and market tested values. Therefore, the ICE exchange trading range is a key indicator for identifying anomalous data. Other analysis includes, but is not limited to, standard deviation from the mean, volume, and gaps in trade prices. Platts editors will contact the price submitter for more specifics on the potential anomalous transaction.

Gaps in the market price are not inherently anomalous. They warrant closer analysis and may not be reflected in the final published indices. Examples of potentially anomalous data could include information that might be outside normal market practice, transactional data containing unusual contractual terms, information that is incomplete (lacking full confirmation, or important details), and/or information that otherwise deviates from the Platts methodology.

Part IV: Platts editorial standards

All Platts employees must adhere to the S&P Global Code of Business Ethics (COBE), which has to be signed annually. The COBE reflects S&P Global's commitment to integrity, honesty and acting in good faith in all its dealings.

In addition, Platts requires that all employees attest annually that they do not have any personal relationships or personal financial interests that may influence or be perceived to influence or interfere with their ability to perform their jobs in an objective, impartial and effective manner.

Market reporters are required to ensure adherence to published methodologies as well as internal standards that require accurate records are kept in order to document their work.

Platts has a Compliance function that is independent of the editorial group. The Compliance team is responsible for ensuring the quality and adherence to Platts policies, standards, processes and procedures. The Compliance team conducts regular assessments of editorial operations, including checks for adherence to published methodologies.

S&P Global Platts appoints an independent, external auditor with appropriate experience and capability to review and report on its adherence to this stated methodology. The annual report is published online at: https://www.spglobal.com/commodityinsights/en/about-commodityinsights/regulatory-engagement.

Part V: Corrections

Platts is committed to promptly correcting any material errors to published values. When corrections are made, they are generally based on data and information that was available when the index or assessment was originally calculated. Platts expects that data submissions are complete and accurate, and hence errors on either account may be considered a sufficient reason to correct the index.

Platts makes every effort to contact price submitters prior to publication in order to verify potential anomalous data. Should Platts be unable to contact a price submitter or receive confirmation, the attempts to do so are logged and a decision as to whether to include or exclude the data in the index will be made.

Data and information received after indices have been published may also be considered for an index correction, if the original transaction price, volume or location was incorrectly submitted, or the trade has been canceled or confirmed as non-standard.

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If Platts is notified of an error in a submission, after an index is calculated and published, it will assess the impact of that error. Platts will consider correcting an index, as a result of the error, typically up to and including 10 business days following the original date of publication of the index.

Errors that price submitters should report to Platts include but are not limited to, inaccuracies or omissions, in part or in full, in the attributes (price, volume, location, etc.) at the time the transaction was done and reported to Platts. They do not include operationally driven or after-the-fact changes in the nature of the transaction. For instance, if an interruption in transportation service forces two counterparties to alter flows and delivery points, Platts does not consider that those changes require an index to be corrected so long as the price, volume and location information originally submitted to Platts accurately reflected those attributes at the time the trade was made and submitted to Platts.

Part VI: Requests for clarifications of data and complaints

Platts strives to provide critical information of the highest standards, to facilitate greater transparency and efficiency in commodity markets.

Platts users raise questions about its methodologies and the approach taken in pricing, proposed methodology changes and other editorial decisions in relation to Platts price assessments or indices. Platts strongly values these interactions and encourages dialogue concerning any questions a market participant or stakeholder may have.

However, Platts recognizes that occasionally a market participant may not be satisfied with responses received or the services provided by Platts and wish to escalate matters. Full information about how to contact Platts to request a clarification around an assessment, or make a complaint, is available on the Platts website, at: Complaints | S&P Global Commodity Insights (spglobal.com).

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Part VII: Definitions of the trading locations for which Platts publishes daily and monthly indices or assessments

The following US and Canada natural gas specifications guide contains the primary price point specifications for Platts natural gas indices and assessments in US and Canada.

Price points common to both the daily and monthly markets and any differences in daily and monthly pricing methodology are noted in the descriptions.

Points are listed alphabetically within eight regions: Northeast, Appalachia, Midcontinent, Upper Midwest, East Texas, Louisiana/Southeast, Rockies/Northwest, and Southwest. For the daily market, symbols are listed for the common range (high, low, midpoint, volume), absolute range (high, low) and deal count for both the trade date and flow date(s), the weekly average and the monthly average. For the monthly market, symbols are listed for bidweek prices (high, low, index, volume) and the deal count, and for physical basis transactions, the high, low, average, volume, deal count and cash equivalent prices are listed. Symbols also are listed for the location's tier in the monthly market.

This methodology is current at the time of publication. Platts may issue further updates and enhancements to this methodology and will announce these to subscribers through its usual publications of record. A revision history, a cumulative summary of changes is included at the end of this section.

Regional and national averages

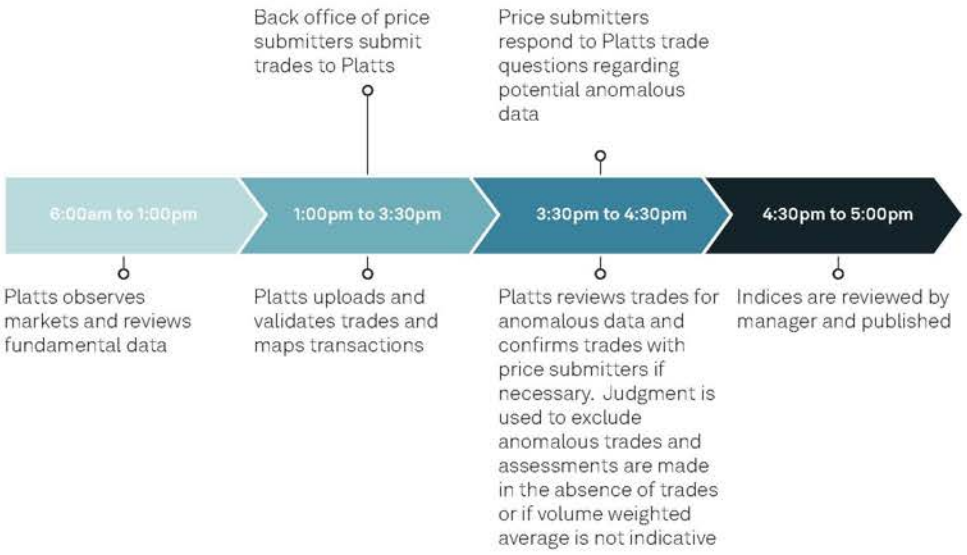
National and regional average prices are calculated in the daily and monthly markets. The regional prices represent a straight average of the index prices at all hubs listed within a region.

The following sublistings are not included in these calculations:

In the Northeast, the Transco, Zone 6 non-NY North index, Transco, zone 5 delivered North and Transco, zone 5 delivered South indices, and Tennessee, Zone 6, delivered North and Tennessee, Zone 6, delivered South indices are not included in the regional average because transactions at both locations are included in the Transco, Zone 6 Non-New York index, Transco, zone 5 delivered index, and the Tennessee, zone 6 delivered index, respectively. In the Upper Midwest, the three Chicago sublistings of Chicago-Nicor, Chicago-NIPSCO and Chicago-Peoples are not included because transactions at those locations are also included in the Chicago city-gates average. In the Southwest, the El Paso, West Texas sublisting is not included because transactions at this location are also included in the El Paso, Permian Basin index. In the Rockies/Northwest section, the prices at AECO and Westcoast, Station 2 are not included as trading is reported in Canadian dollars. For the monthly average only, Northwest, S of Green River and Northwest, Wyoming pool are not included in the average since both locations are included in the Northwest, Rocky Mountains index.

Natural gas daily indices methodology

Time zone: Central Time



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Northeast

Algonquin, city-gates (daily and monthly market)

Deliveries from Algonquin Gas Transmission to all distributors and end-use facilities in Connecticut, Massachusetts, and Rhode Island. Trades done upstream of the Cromwell Compressor station are not included.

Algonquin, receipts (daily market only)

Deliveries into Algonquin Gas Transmission from Texas Eastern Transmission at the Lambertville and Hanover, NJ, interconnects; from Transcontinental Gas Pipe Line at the Centerville, NJ, interconnect; from Columbia Gas Transmission at the Hanover, NJ, and Ramapo, NY, interconnects; from Millennium Pipeline at Ramapo, NY; from Tennessee Gas Pipeline at the Mahwah, NJ, Cheshire, CT., and Mendon, MA., interconnects; from Iroquois Gas Transmission System at the Brookfield, CT., interconnect; and from Maritimes & Northeast Pipeline at the Beverly, MA., interconnect.

Dracut, Mass. (daily market only)

Deliveries into Tennessee Gas Pipeline at the Dracut interconnect with Maritimes & Northeast Pipeline near Middlesex, MA. Dracut also includes gas entering from Portland Natural Gas Transmission System.

Iroquois, receipts (daily and monthly market)

Deliveries into Iroquois Gas Transmission System at the US-Canadian border at the Waddington interconnect with TC Energy (formally TransCanada) pipelines.

Iroquois, zone 1 (daily market only)

Deliveries from Iroquois Pipeline starting at, but not including, Waddington, New York and extending to and including Iroquois interconnection with the Tennessee Gas Pipeline Company at Wright, New York.

Iroquois, zone 2 (daily and monthly market)

Deliveries from Iroquois Gas Transmission System starting at the Athens, NY, power plant downstream to the terminus of the pipeline at Hunts Point and South Commack.

Niagara (daily and monthly market)

Cross-border deliveries to and from TC Energy pipelines and the Niagara spur and loop lines, a border-crossing point between eastern Canada and the northeastern United States, north of Niagara Falls, NY Niagara Spur Loop line and Niagara Spur line interconnects are with Tennessee Gas Pipeline, National Fuel Gas Supply, Dominion Transmission and Texas Eastern Transmission.

Tennessee, Zone 5 (200 leg) (daily market only)

Deliveries from Tennessee Gas Pipeline Zone 5, downstream of compressor station 245 extending to and including station 254.

Tennessee, zone 6 delivered (daily and monthly market)

Deliveries from Tennessee Gas Pipeline on the 200 leg in Connecticut, Massachusetts, Rhode Island and New Hampshire.

Tennessee, Zone 6, delivered North (daily and monthly market)

Deliveries from Tennessee Gas Pipeline on the 200 leg on all legs east of Station 267 in Massachusetts and New Hampshire excluding the Hopkinton to Gloucester Lateral which begins in Hopkinton, passes through Lexington, Burlington, Wilmington, Somerville, Beverly Salem and ends in Gloucester, Massachusetts.

Tennessee, Zone 6, delivered South (daily and monthly market)

Deliveries from Tennessee Gas Pipeline on the 200 leg on all legs west of Station 267 in Massachusetts and New Hampshire.

Texas Eastern, M-3 (daily and monthly market)

Deliveries from Texas Eastern Transmission beginning at the outlet side of the Delmont compressor station in Westmoreland County, PA, easterly to all points in the M3 market zone, except for deliveries to Transcontinental Gas Pipe Line at Lower Chanceford.

Transco, zone 5 delivered (daily and monthly market)

Deliveries from Transcontinental Gas Pipe Line on the 30-inch, 36-inch and 42-inch lines from the Georgia-South Carolina border to the Virginia-Maryland border. Deliveries into Transco at the Pleasant Valley receipt point near Fairfax, VA, from Dominion's Cove Point LNG terminal are not included.

Transco, zone 5 delivered North (daily market only)

Deliveries from Transcontinental Gas Pipe Line on the 30-inch, 36-inch and 42-inch lines north of Station 165 to the Virginia-Maryland border. Deliveries into Transco at the Pleasant Valley receipt point near Fairfax, VA, from Dominion's Cove Point LNG terminal are not included. Transactions are also included in the Transco, zone 5 delivered index.

Transco, zone 5 delivered South (daily and monthly market)

Deliveries from Transcontinental Gas Pipe Line on the 30-inch, 36-inch and 42-inch lines from the Georgia-South Carolina border up to and including Station 165 in Virginia. Deliveries from Transco north of Station 165 are not included. Transactions are also included in the Transco, zone 5 delivered index.

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Transco, zone 6 non-N.Y. (daily and monthly market)

Deliveries from Transcontinental Gas Pipe Line from the start of zone 6 at the Virginia-Maryland border to the Linden, NJ, compressor station and on the 24-inch pipeline to the Wharton, PA, station. The non-New York point does not include deliveries to Public Service Electric and Gas in New Jersey, whose supply is taken downstream of Linden.

Transco, zone 6 non-N.Y. North (daily and monthly market)

Deliveries from Transcontinental Gas Pipe Line from Station 195 in York, Pennsylvania, to the Linden, New Jersey, compressor station and on the Leidy Line south of Clinton County, Pennsylvania. The non-New York North point does not include deliveries to Public Service Electric and Gas in New Jersey, whose supply is taken downstream of Linden. Transactions are also included in the Transco, zone 6 non-NY index.

Transco, zone 6 N.Y. (daily and monthly market)

Deliveries from Transcontinental Gas Pipe Line at the end of zone 6 into city-gates downstream of Linden, NJ, for New York City area distributors.

Appalachia

Columbia Gas, Appalachia (daily and monthly market)

Deliveries in Columbia Gas Transmission's Interruptible Paper Pool (IPP pool) from any source on Columbia Gas. Deliveries in the IPP pool, which is also known as the "TCO Pool" can originate from any source delivered into Columbia Gas' system.

Columbia Gas, Appalachia (Non-IPP) (daily and monthly market)

Deliveries to Columbia Gas Transmission from on-system production locations that are restricted from Columbia's IPP pool (TCO pool). This pricing location does not include transactions for gas delivered to Columbia from interconnects with other interstate pipeline systems.

Eastern Gas, North (daily market only)

Deliveries into Eastern Gas Transmission and Storage starting at the Valley Gate delivery point at the end of Eastern Gas's South Point system, about 40 miles northeast of Pittsburgh in Armstrong County, PA, and continuing north into New York and eastward across the state, crossing the Hudson River and terminating in Rensselaer County, near Albany, Troy and Schenectady, NY

Eastern Gas, South (Eastern Gas, Appalachia in monthly market) (daily and monthly market)

Deliveries into two Eastern Gas Transmission and Storage main lines: One runs northeast from Warren County, Ohio, midway between Cincinnati and Dayton, and merges with the second line just northeast of Pittsburgh, PA. The second line runs from Buchanan County, VA, on the Virginia-West Virginia border north to the end of the zone at Valley Gate in Armstrong County, PA.

Lebanon Hub (daily and monthly market)

Deliveries to or from Texas Gas Transmission, ANR Pipeline, Texas Eastern Transmission, Panhandle Eastern Pipe Line, Columbia Gas Transmission, Dominion Gas Transmission and Rockies Express Pipeline at interconnects in the Lebanon, OH, area.

Leidy Hub (daily and monthly market)

Deliveries into and from Dominion Transmission, National Fuel Gas Supply, Columbia Gas Transmission, Texas Eastern Transmission and Transcontinental Gas Pipe Line in the vicinity of the Leidy storage facility in Clinton County, PA.

Millennium, East receipts (daily and monthly market)

Receipts into Millennium Pipeline downstream of the Corning compressor station in Steuben County, NY, and upstream of the Ramapo interconnect with Algonquin Gas Transmission in Rockland County, NY.

Tennessee, zone 4-200 leg (daily and monthly market)

Deliveries into Tennessee Gas Pipeline at all points of receipt on the 200 line in the states of Pennsylvania and Ohio as well as transactions at Tennessee's station 219 pool. This location does not include deliveries from Tennessee to other systems in zone 4.

Tennessee, zone 4-300 leg (daily and monthly market)

Deliveries into Tennessee Gas Pipeline, zone 4-300 leg from, and including, station 315 in Tioga County, PA, to, and including, station 321 in Susquehanna County, PA.

Tennessee, zone 4-313 Pool (daily and monthly market)

Transactions at Station 313 in Potter County, Pennsylvania, on Tennessee Gas Pipeline's Zone 4 300 Leg.

Texas Eastern M-2, receipts (daily and monthly market)

Receipts into Texas Eastern Transmission on its 24- and 30-inch lines in the pipeline's Market Zone 2, which extends on the 24-inch line from the Illinois-Indiana state line to the suction side of Bern compressor station in Lewisville, Ohio, and on the 30-inch line from the Tennessee-Kentucky state line to the suction side of Delmont station in Westmoreland County, PA, and to the discharge side of Station Site No. 22 in southwestern Pennsylvania. (This location does not include deliveries out of Texas Eastern, M-2.)

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Transco, Leidy Line receipts (daily and monthly market)

Receipts into Transcontinental Gas Pipe Line's Leidy Line downstream of the Leidy and Wharton storage facilities in Clinton and Potter counties, PA, to Transco's station 505 in Hunterdon County, NJ This pricing location does not include transactions at the storage-related interconnects with Dominion Transmission, National Fuel Gas Supply, UGI Storage or Tennessee Gas Pipeline.

Midcontinent

ANR, Okla. (daily and monthly market)

Deliveries into ANR Pipeline at the start of the Southwest mainline at the Custer, OK, compressor station, into the Texas Panhandle north to the Greensburg, KS, station.

Enable Gas, East (daily and monthly market)

Deliveries into Enable Gas Transmission's flex/neutral and north pooling areas in northeastern Arkansas and southeastern Oklahoma. The north pooling area is separated from the south pooling area by a generally northwest-to-southeast line between Le Flore County, OK, and Bolivar County, MS. The flex (or neutral) pooling area in Oklahoma comprises all of Pushmataha, Latimer, Haskell and Pittsburg counties and the northeast section of Atoka County.

NGPL, Amarillo receipt (daily market only)

Deliveries into Natural Gas Pipeline Co. of America starting at the Trailblazer Pipeline interconnection in Gage County, NE, on the Amarillo mainline at compressor station 106 east to NGPL's interconnection with Northern Border Pipeline at station 109 in Keokuk County, IA.

NGPL, Midcontinent (daily and monthly market)

Deliveries into Natural Gas Pipeline Co. of America starting at compressor station 155 in Wise County, TX, west to the Amarillo mainline at station 112 in Moore County in the Texas Panhandle, and then north to the Trailblazer Pipeline interconnection in Gage County, NE. Included are deliveries into NGPL at all Oklahoma points west of station 801, as well as those in North Texas north and east of station 170 and in Kansas south of station 103.

Oneok, Okla. (daily and monthly market)

Deliveries into Oneok Gas Transportation's mainline systems from several gathering systems, all of which are located in Oklahoma. One of the two largest is near the east-central part of the state in Pittsburg and Haskell counties. The second, in the west-central part of the state, extends from Blaine and Canadian counties southeast to Grady County. Oneok operates a single price pool for all gas coming into the system.

Panhandle, Tx.-Okla. (daily and monthly market)

Deliveries into Panhandle Eastern Pipe Line on two laterals running from the Texas and Oklahoma panhandles, southwestern Kansas and northwestern Oklahoma upstream of the Haven, KS, compressor station. Deliveries to Panhandle at the Haven pooling point — the demarcation between Panhandle's field and market zones — are not included.

Southern Star, Tx.-Okla.-Kan. (daily and monthly market)

Deliveries into Southern Star Central Gas Pipeline's system from Hemphill County in the Texas Panhandle eastward, from Carter County in south-central Oklahoma northward and from Grant County in southwestern Kansas eastward.

Texas Eastern, M-1 24-inch (daily market only)

Deliveries to Texas Eastern's 24-inch line downstream of the Little Rock, AR, compressor station to the Illinois-Indiana state line.

Upper Midwest

Alliance, into interstates (daily market only)

Deliveries from Alliance Pipeline into Vector Pipeline, Natural Gas Pipeline Co. of America, ANR Pipeline and Midwestern Gas Transmission at the tailgate of the Aux Sable plant in north-central Illinois at the terminus of Alliance. Deliveries into the Northern Indiana Public Service, Peoples Gas Light & Coke and Nicor Gas city-gates in the Chicago area are not included.

ANR, ML 7 (daily market only)

Deliveries into ANR Pipeline in its northern market zone starting at the Sandwich, IL, compressor station at the terminus of the Southwest mainline north through Wisconsin to the Crystal Falls, MI, interconnection with Great Lakes Gas Transmission. Also, deliveries into ANR east from Sandwich to the Defiance, Ohio, compressor station at the terminus of the Southeast mainline, and north from the Bridgman, MI., station to the Orient, MI, station.

Chicago city-gates (daily and monthly market)

Deliveries into the Nicor Gas, Peoples Gas Light & Coke, North Shore Gas and Northern Indiana Public Service city-gates in the Chicago metropolitan area.

Chicago-Nicor (daily and monthly market)

Deliveries into the Nicor Gas system in the Chicago metropolitan area. Transactions are also included in the Chicago city-gates index.

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Chicago-NIPSCO (daily and monthly market)

Deliveries into the Northern Indiana Public Service system in the Chicago metropolitan area. Transactions are also included in the Chicago city-gates index.

Chicago-Peoples (daily and monthly market)

Deliveries into the Peoples Gas Light & Coke system in the Chicago metropolitan area. Transactions are also included in the Chicago city-gates index.

Consumers Energy city-gate (daily and monthly market)

Deliveries into all city-gates of Consumers Energy, which serves most of central Michigan and the areas around Saginaw Bay.

Dawn, Ontario (daily and monthly market)*

Deliveries from Union Gas' Dawn Hub, a gathering point for 15 adjacent storage pools in Ontario near Port Huron, MI, on the US-Canadian border. Included are deliveries into TC Energy pipelines at Kirkwall, Ontario; deliveries into Great Lakes Gas Transmission at St. Clair, MI; deliveries into Consumers Energy at Bluewater, MI; deliveries into Panhandle Eastern Pipe Line at Ojibway, MI; and deliveries into Dawn storage. Deliveries from Union into Canadian Mainline at Parkway, Ontario, are not included.

Emerson, Viking GL (daily and monthly market)*

Deliveries into Great Lakes Gas Transmission from TC Energy pipelines at the Emerson 2 meter station at the US-Canadian border at Emerson, Manitoba, and deliveries into Viking Gas Transmission from Canadian Mainline at the Emerson 1 station.

MichCon city-gate (daily and monthly market)

Deliveries into all city-gates of Michigan Consolidated Gas, which serves the Detroit and Grand Rapids areas and much of north and northeast Michigan. The main MichCon city-gates are located at interconnects with ANR Pipeline at Willow Run and Wolkfork, MI, Panhandle Eastern Pipe Line at River Rouge, Great Lakes Gas Transmission at Belle River, Union Gas at St. Clair Pipeline and Consumers Energy at Northville. MichCon also receives in-state production at Kalkaska.

Northern Border, Ventura Transfer Point (daily and monthly market)

Deliveries on Northern Border Pipeline at its Ventura Transfer point (DRN# 125771). This location is designed to capture gas traded on Northern Border at Ventura that is not traded for delivery to Northern Natural Gas at the Northern Natural/ Northern Border Ventura interconnect (DRN#4680).

Northern, demarcation (daily and monthly market)

Deliveries into Northern Natural Gas at the demarcation point between its production (field) and market zones, at the Clifton station in Clay County, KS.

Northern, Ventura (daily and monthly market)

Deliveries to Northern Natural Gas at Ventura in Hancock County, IA.

REX, Zone 3 delivered (daily and monthly market)

Deliveries from Rockies Express Pipeline to Natural Gas Pipeline Co. of America pipeline at the Moultrie County, IL interconnect; to Midwestern Gas Transmission at the Edgar County, IL interconnect; to ANR Pipeline at the Shelby County, IN interconnect; to the Trunkline system at the Douglas County, IL interconnect; and to the Panhandle Eastern Pipe Line at the Putnam County, IN interconnect.

Rover, delivered (daily and monthly market)

Deliveries from Rover Pipeline into ANR Pipeline and Panhandle Eastern Pipeline in Defiance County, Ohio.

East Texas

Agua Dulce Hub (daily market only)

Deliveries into Kinder Morgan Texas Pipelines, Houston Pipe Line, Gulf South Pipeline, Natural Gas Pipeline Co. of America, Transcontinental Gas Pipe Line, Tennessee Gas Pipeline, TransTexas Gas, Enterprise Texas, NET Mexico, and Valley Crossing at the Agua Dulce Hub in Nueces County, TX, about 20 miles west-southwest of Corpus Christi. Deliveries from the ExxonMobil King Ranch plant are included.

Carthage Hub (daily market only)

Deliveries into Enable East, Gulf South Pipeline, Atmos Pipeline, Southern Natural Gas, Kinder Morgan Texas Pipelines, Tennessee Gas Pipeline, Texas Eastern Transmission and Texas Gas Transmission at the tailgate of the Carthage, Texas, processing plant in Panola County, Texas.

Florida Gas, zone 1 (daily and monthly market)

Deliveries into Florida Gas Transmission beginning at compressor station 2 in Nueces County in South Texas to station 7 in Acadia Parish, LA.

Houston Ship Channel (daily and monthly market)

Deliveries to end-users and pipelines that serve them in the Houston Ship Channel region, an industrial area extending from the east side of Houston to Galveston Bay and northeastward to the Port Arthur-Beaumont area. Gas is delivered in this area by numerous pipelines, including Kinder Morgan Texas Pipeline, Kinder Morgan Tejas Pipeline, Houston Pipe Line and Enterprise Texas pipeline.

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Katy (daily and monthly market)

Deliveries into Oasis Pipeline, Atmos Pipeline, Houston Pipe Line and Kinder Morgan Texas Pipelines in the Katy, TX, area, including deliveries and receipts into and out of Katy storage.

NGPL, S. Texas (daily and monthly market)

Deliveries into Natural Gas Pipeline Co. of America at the beginning of the mainline at the Thompsonville receipt point in Jim Hogg County, TX, north to compressor station 302 in Montgomery County, TX.

NGPL, Texok zone (daily and monthly market)

Deliveries to Natural Gas Pipeline Co. of America in all areas of the Texok zone excluding the portion in Texas and Oklahoma on the A/G Line. Applicable to the Texok zone are deliveries to NGPL from the Louisiana-Texas border westward to compressor station 302 in Montgomery County, TX, and northward to the interconnect with the Gulf Coast Mainline receipt zone in Cass County, TX. The "Texok Gulf Coast Pooling Point" is included in this posting, but the "Texok A/G Pooling Point" is not. Trades at ICE locations ICE Bennington, Oklahoma and ICE NGPL, TXOK West Pool are excluded from this location.

Tennessee, zone 0 (daily and monthly market)

Deliveries into Tennessee Gas Pipeline's 100 leg from the Mexico Texas border to Compressor Station 40 in Natchitoches, Louisiana, including all points of receipts on the Carthage Line No. 701-1 up to but not including transactions done at Carthage Hub in Panola County, Texas.

Texas Eastern, E. Texas (daily and monthly market)

Deliveries into Texas Eastern Transmission on the 24-inch line from the Huntsville, TX, compressor station to the Little Rock station in Arkansas, including the segment from Joaquin to Sharon.

Texas Eastern, S. Texas (daily and monthly market)

Deliveries into Texas Eastern Transmission on the 30-inch pipeline from the Mexico-Texas border to just upstream of the Vidor, TX, compressor station; and deliveries into Texas Eastern on the 24-inch pipeline from the Hagist Ranch compressor station to just upstream of the Huntsville, TX compressor station.

Transco, zone 1 (daily and monthly market)

Deliveries into Transcontinental Gas Pipe Line on two 24-inch lines running from South Texas to compressor station 30 in Wharton County, TX, which is Transco's pooling point for gas gathered on the Gulf Central Texas Lateral and for onshore coastal South Texas production.

Transco, zone 2 (daily and monthly market)

Deliveries into Transcontinental Gas Pipe Line on the 30-inch line downstream of station 30 in Wharton County, TX, to compressor station 45 in Beauregard Parish, LA, the only pooling point in the zone.

Louisiana/Southeast

ANR, La. (daily and monthly market)

Deliveries into ANR Pipeline along the southeastern Louisiana lateral that starts offshore and runs to the Patterson, LA, compressor station onshore and on to the Eunice, LA station, where ANR's Southeast mainline begins. Also, deliveries into ANR along a second lateral that runs from the HIOS system downstream of West Cameron 167 offshore to the Grand Chenier, LA station onshore and on to the Eunice station, as well as deals done at the Eunice pool.

Columbia Gulf, La. (daily and monthly market)

Deliveries into Columbia Gulf Transmission on its onshore lateral pipeline system stretching across South Louisiana, upstream of Rayne, LA. Columbia Gulf's East Lateral extends from Rayne to Venice, LA. The West Lateral runs from Rayne to west of Cameron, LA. Excluded are deals done in the offshore rate zone, at Rayne or elsewhere in the mainline rate zone.

Columbia Gulf, mainline (daily and monthly market)

Deliveries into Columbia Gulf Transmission anywhere along its mainline system zone in Louisiana and Mississippi. The mainline system extends northeast from Rayne, LA to Leach, KY.

Florida city-gates (daily market only)

Deliveries from Florida Gas Transmission into all city-gates in the Florida market area, which begins in Santa Rosa County just west of station 12 in the extreme western Florida Panhandle and extends into southern Florida. Also included in the development of Florida city-gates daily index are basis deals done within the defined Florida city-gates methodology at a differential to Florida Gas, Zone 3 final daily index.

Florida Gas, zone 2 (daily and monthly market)

Deliveries into Florida Gas Transmission downstream of station 7 in Acadia Parish, LA, to station 8 in East Baton Rouge Parish. Included is supply into the mainline from the White Lake Lateral and from the Chacahoula Lateral, both of which extend south from the mainline into production areas.

Florida Gas, zone 3 (daily and monthly market)

Deliveries into Florida Gas Transmission downstream of compressor station 8 to just upstream of station 12 in Santa Rosa County, FL., the demarcation point with the market area. Includes deliveries between stations 8 and 12, including Mobile

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Bay deals into Florida Gas.

Henry Hub (daily and monthly market)

Deliveries into interstate and intrastate pipelines from the outlet of Henry Hub on Sabine Pipe Line in Vermilion Parish, LA. Pipelines include Gulf South Pipeline, Southern Natural Gas, Natural Gas Pipeline Co. of America, Texas Gas Transmission, Sabine Pipe Line, Columbia Gulf Transmission, Transcontinental Gas Pipe Line, Trunkline Gas, Jefferson Island Pipeline and Acadian Gas.

Pine Prairie Hub (daily and monthly market)

Deliveries into and out of interstate and intrastate pipelines at the Pine Prairie header system in Louisiana. Pipelines include Tennessee Gas Pipe Line, Transcontinental Gas Pipe Line, Texas Eastern Transmission, Columbia Gulf Transmission, Texas Gas Transmission, Florida Gas Transmission, ANR Pipeline, and Kinder Morgan Louisiana Pipeline. Included are deliveries and receipts into and out of Pine Prairie storage.

Southern Natural, La. (daily and monthly market)

Deliveries into Southern Natural Gas' mainlines anywhere in Louisiana, including an eastern spur starting in Plaquemines Parish and a western spur starting in St. Mary Parish in South Louisiana, and a line that starts at the Texas-Louisiana border in DeSoto Parish and runs to the Louisiana-Mississippi border in East Carroll Parish in northern Louisiana.

Tennessee, La., 500 leg (daily and monthly market)

Deliveries into Tennessee Gas Pipeline's 500 leg in zone L in southeastern Louisiana, including deliveries into the 500 Leg from the offshore Blue Water Header system. The 500 Leg meets the boundary of Zone 1 at station 534 at Purvis, MS.

Tennessee, La., 800 leg (daily and monthly market)

Deliveries into Tennessee Gas Pipeline's 800 leg in zone L in southeastern Louisiana, including deliveries from the offshore Blue Water Header system. The leg meets the boundary of the market area at station 834 at Winnsboro in central Louisiana.

Tennessee, Zone 1 (daily market only)

Deliveries into Tennessee Gas Pipeline 100 Leg between Natchitoches, Louisiana and Portland, Tennessee.

Texas Eastern, E. La. (daily and monthly market)

Deliveries into Texas Eastern Transmission on the 30-inch line from the Opelousas, LA, compressor station to the Kosciusko, MS, compressor station. Included are deliveries into the 30-inch pipeline from Texas Eastern's Venice Line at the New Roads, LA compressor station.

Texas Eastern, W. La. (daily and monthly market)

Deliveries into Texas Eastern Transmission on the 30-inch line from the Vidor, LA compressor station to just upstream of the Opelousas, LA compressor station. Includes deliveries from Texas Eastern's offshore Cameron Line at the Gillis, LA compressor station.

Texas Eastern, M-1 30-inch (Kosi) (daily and monthly market)

Deliveries into Texas Eastern Transmission on the 30-inch line at the Kosciusko, MS compressor station, which is the demarcation point between Texas Eastern's production and market zones. Deliveries into the 24-inch mainline are not included.

Texas Gas, zone SL (daily and monthly market)

Deliveries into Texas Gas Transmission on two southeastern Louisiana laterals, including offshore segments. The southwest spur begins offshore at Grand Chenier and runs through Cameron Parish to the Eunice compressor station. The southeast spur begins offshore and runs through Terrebone Parish to Eunice. Zone SL extends to the vicinity where Texas Gas crosses the Red River in Rapides Parish.

Texas Gas, zone 1 (daily and monthly market)

Deliveries into Texas Gas Transmission starting just south of the Pineville, LA compressor station in Rapides Parish north to Crockett County, TN.

Transco, zone 3 (daily and monthly market)

Deliveries into Transcontinental Gas Pipe Line on the 30-inch, 36-inch and 42-inch lines downstream of compressor station 45 in Beauregard Parish, LA to station 65 on the Louisiana-Mississippi border in St. Helena Parish, LA. Pooling points in the zone are at stations 50, 62 and 65.

Transco, zone 4 (daily and monthly market)

Deliveries into Transcontinental Gas Pipe Line on the 30-inch, 36-inch and 42-inch lines downstream of compressor station 65 at the Louisiana-Mississippi border in St. Helena Parish, LA, to the Georgia-South Carolina border. Gas enters the Transco mainline from the Mobile Bay Lateral at station 85 in Butler, AL, the only zone 4 pooling point.

Trunkline, La. (monthly market only)

Deliveries into Trunkline Gas at points upstream of the Longville compressor station on the lines that do not extend to Texas.

Trunkline, E. La. (daily market only)

Deliveries into Trunkline Gas on an offshore gathering system running from south of Terrebonne Parish west to the Kaplan

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station in Vermilion Parish, the boundary with the WLA zone.

Trunkline, W. La. (daily market only)

Deliveries into Trunkline Gas along two laterals starting at an offshore Louisiana lateral leading to the Kaplan, LA station in Vermilion Parish, northwest to the Longville compressor station. Includes deliveries at the Kaplan compressor station, which demarcates the WLA and ELA zones.

Trunkline, zone 1A (daily and monthly market)

Deliveries to Trunkline Gas Co. in zone 1A from the discharge side of its Longville, LA, compressor station north to the suction side of its Dyersburg, TN, station, as well as transactions at Trunkline's zone 1A pool.

Rockies/Northwest

Cheyenne Hub (daily and monthly market)

Deliveries into Trailblazer Pipeline, Public Service Co. of Colorado and Colorado Interstate Gas in the vicinity of the Cheyenne Hub in northeast Colorado.

CIG, Rocky Mountains (daily and monthly market)

Deliveries into Colorado Interstate Gas' 20-inch, 22-inch and 24-inch mainlines in Wyoming and Colorado. Also included are deliveries into the Parachute to Natural Buttes segment in Uintah County, Utah, and deliveries into CIG's 16-inch lateral running from the Rawlins station in Carbon County, WY to the Elk Basin station in Park County, WY. Not included are deliveries into CIG's system at points south of Cheyenne, WY.

GTN, Kingsgate (daily market only)

Deliveries into Gas Transmission Northwest from Foothills Pipeline at the Kingsgate interconnection at the US-Canadian border in Boundary County, ID. The system was previously known as PG&E Gas Transmission, Northwest.

Kern River/Opal plant (daily market only)

Deliveries into Kern River Gas Transmission at the Opal, WY, processing plant and Muddy Creek compressor station in southwestern Wyoming where Kern River interconnects with Northwest Pipeline, Questar Pipeline and Colorado Interstate Gas. Gas traded at the Opal plant that is not nominated into a specific pipeline is included in the daily Kern River-Opal plant pricing point.

Kern River, Wyoming (monthly market only)

Deliveries into Kern River Gas Transmission anywhere in Wyoming. Transactions done at Opal, WY and the Muddy Creek compressor station, where Kern River interconnects with Northwest Pipeline, Questar Pipeline and Colorado Interstate Gas, are used in both the Kern River, Wyoming, and Northwest Pipeline, Rocky Mountain, monthly postings because gas traded at those points often isn't for nomination into a specific pipeline

Northwest, Canadian border (Sumas) (daily and monthly market)*

Deliveries into Northwest Pipeline from Westcoast Energy at the Sumas, WA.-Huntington, British Columbia, interconnection at the US-Canadian border.

Northwest, Rocky Mountains (monthly market)

Deliveries into Northwest Pipeline's mainline in Wyoming, Utah and Colorado between the Kemmerer and Moab stations. Deliveries at Ignacio, CO and elsewhere in zone MO are excluded. Transactions done at Opal, WY, and the Muddy Creek compressor station, where Northwest interconnects with Kern River Gas Transmission, Questar Pipeline and Colorado Interstate Gas, are used in both the Kern River, Wyoming, and Northwest Pipeline, Rocky Mountain monthly postings because gas traded at those points often is not for nomination into a specific pipeline.

Northwest, Rocky Mountain Pool (daily market only)

Deliveries into Northwest Pipeline from the Green River, WY compressor station to the Moab compressor station in San Juan County, Utah. Not included are transactions done at White River Hub.

Northwest, S. of Green River (daily and monthly market)

Deliveries into Northwest Pipeline from the Green River, WY compressor station south to the La Plata interconnection with El Paso Natural Gas in the San Juan Basin in La Plata County, CO. Included are deliveries from Clay Basin storage, the Piceance Basin and the Ignacio plant.

Northwest, Wyoming pool (daily and monthly market)

Deliveries into Northwest Pipeline from the Green River, WY compressor station to the Kemmerer, WY station. Included are deliveries at the Opal, WY plant as well as at the Painter, Anschutz, Muddy Creek, Granger, Shute Creek and Whitney stations.

PG&E, Malin (daily and monthly market)

Deliveries into Pacific Gas and Electric's Lines 400 and 401 at the Oregon-California border at Malin, OR. This location includes deliveries from Gas Transmission Northwest and Ruby Pipeline.

Questar, Rocky Mountains (daily market only)

Deliveries into Questar Pipeline on its North system, which runs from northwestern Colorado through southern Wyoming

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to Salt Lake City, and on its South system, which runs from western Colorado to Payson, Utah, east of the Fidlar compressor station. A 20-inch line running parallel to the Utah-Colorado border connects the two systems. This point was discontinued in the monthly market effective May 1, 2014. It continues to be published in the daily market.

Stanfield, Ore. (daily market only)

Deliveries into Northwest Pipeline from Gas Transmission Northwest at the Stanfield compressor station in Umatilla County, OR on the Oregon-Washington border. This point was discontinued in the monthly market effective Jan. 1, 2012. It continues to be published in the daily market.

TCPL Alberta, AECO-C (daily and monthly market)

Deliveries into TC Energy's Alberta System at the AECO-C, NIT Hub in southeastern Alberta. AECO-C is the principal storage facility and hub on TCPL Alberta; paying the rate for NIT service, or Nova Inventory Transfer, will cover transmission for delivery of gas to AECO-C and most other points. The monthly bidweek posting is composed of fixed-price deals only. The price is reported in Canadian dollars per gigajoule.

TCPL Alberta, AECO-C Physical Basis (monthly market only)

Deliveries on TC Energy's Alberta System at the AECO-C, NIT Hub in southeastern Alberta. Posting is composed of physical basis deals in which the basis value is negotiated on one of the first three days of bidweek and the price is set by the final closing value of the near-month NYMEX futures contract plus or minus the negotiated basis. AECO-C is the principal storage facility and hub on TCPL Alberta; paying the rate for NIT service, or Nova Inventory Transfer, will cover transmission for delivery of gas to AECO-C and most other points. The price is reported in US dollars per MMBtu.

Westcoast, station 2 (daily and monthly market)

Deliveries into Westcoast Energy at compressor station 2 in north-central British Columbia. The price is reported in Canadian dollars per gigajoule. This point was added to the monthly bidweek market effective for December 2013 delivery.

White River Hub (daily market only)

Deliveries to or from pools or interconnects that make up the White River Hub in Rio Blanco County, Colorado.

Southwest

El Paso, Bondad (daily market only)

Deliveries into El Paso Natural Gas at the Bondad compressor station in the San Juan Basin. Bondad is located in the northern part of the San Juan Basin in La Plata County, CO, south of the Ignacio plant on Northwest Pipeline and north of the Blanco plant on El Paso.

El Paso, Permian Basin (daily and monthly market)

Deliveries into El Paso Natural Gas in the Permian Basin from three pools: the Waha plant south (Waha pool), the Keystone station south to Waha (Keystone pool) and the Plains station south to Keystone (Plains pool).

El Paso, San Juan Basin (daily and monthly market)

Deliveries into El Paso Natural Gas south of the Bondad compressor station in the San Juan Basin, including gas from the Blanco, Chaco, Rio Vista, Milagro and Valverde plants in New Mexico.

El Paso, South Mainline (daily market only)

Deliveries on El Paso's south mainline at points between Cornudas station in West Texas to but not including Ehrenberg, AZ.

El Paso, West Texas (daily and monthly):

Deliveries into El Paso Natural Gas in West Texas from two pools: the Waha plant south (Waha Pool), and the Keystone station south to Waha (Keystone Pool).

Kern River, delivered (daily and monthly market)

Deliveries from Kern River Gas Transmission upstream of the Southern California Gas system in the Las Vegas, NV, area; excluded are deliveries at Wheeler Ridge, Kramer Junction and Daggett.

PG&E, city-gate (daily and monthly market)

Deliveries from Pacific Gas and Electric's intrastate transmission system to city-gates on PG&E's local distribution system in Northern California.

PG&E, South (daily and monthly market)

Deliveries into Pacific Gas and Electric in Southern California from El Paso Natural Gas and Transwestern Pipeline at Topock, CA; from Kern River Gas Transmission at Daggett, CA, and the High Desert Lateral; from Southern California Gas at the Kern River station; and from Questar Southern Trails Pipeline at Essex, CA.

SoCal Gas (daily and monthly market)

Deliveries into Southern California Gas from El Paso Natural Gas at Topock, CA, and Blythe, CA (Ehrenberg, AZ); from Transwestern Pipeline at Topock-Needles, CA; from Kern River Gas Transmission at Wheeler Ridge and Kramer Junction, CA; and from Questar Southern Trails Pipeline at Needles. The point also includes deliveries from Pacific Gas and Electric at several points, including Kern River station and Pisgah-Daggett; and in-state production.

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SoCal Gas, city-gate (daily and monthly market)

Deliveries at Southern California Gas' city-gate pool. The SoCal Gas city-gate pool is a "virtual" trading location on SoCal Gas' system for deliveries to and from holders of the distributor's city-gate pool contracts. This point includes storage transactions delivered to and from the city-gate pool.

Transwestern, Permian Basin (daily and monthly market)

Deliveries into Transwestern Pipeline from the West Texas zone located southeast and southwest of the WT-1 compressor station in Lea County, NM and the Central zone bordered by station 8 in Lincoln County, NM, to the northwest, station P-1 in Roosevelt County, NM, to the east and station WT-1 in Eddy County, NM to the south.

Transwestern, San Juan Basin (daily and monthly market)

Deliveries to Transwestern Pipeline at points included in Transwestern's Blanco Hub in San Juan County, NM.

Waha (daily and monthly market)

Deliveries into interstate and intrastate pipelines at the outlet of the Waha header system in the Permian Basin in West Texas. Pipelines and locations include El Paso Natural Gas, Transwestern Pipeline, Natural Gas Pipeline Co. of America, Northern Natural Gas, Delhi Pipeline, Oasis Pipeline, Atmos Zone 1, OneOk West Tex, Enterprise Texas Pipeline, Permian Highway Pipeline, and Gulf Coast Express Pipeline. Does not include Atmos Zone 3 or Tolar Hub.

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Platts locations daily symbols

Name of Indices	Final Daily Indices By Trade Date				Preliminary Daily Indices By Trade Date			Final Daily Indices By Flow Date						Preliminary Daily Indices By Flow Date				
Description of Symbol	Index and Common Range	Absolute Range	Deal Count	Cash Basis	Index and Common Range	Absolute Range	Deal Count	Index and Common Range	Absolute Range	Deal Count	Weekly Average	Monthly Average	Monthly Average Deal Count	Index and Common Range	Absolute Range	Deal Count	Weekly Average	Monthly Average
Market Data Category	GD	GD	GD		GI	GI	GI	GD	GD	GD	GD	GD	GD	GI	GI	GI	GI	GI
Bates Published	h,l,u,w	h,l	u		h,l,c,w	h,l	u	h,l,u,w	h,l	u	h,l,u	u,w	u	h,l,c,w	h,l	u	h,l,c	c
Algonquin, city-gates	IGBEE00	IGBEE20	BGBEE00	GCBAB00	PXBEE00	PXBEE20	PMBEE00	IGBEE21	IGBEE22	BGBEE21	IGBEE04	IGBEE06	IGBEE08	PNBEE21	POBEE22	PPBEE21	PRBEE04	PSBEE06
Algonquin, receipts	IGBDK00	IGBDK20	BGBDK00	GCBAC00	PXBDK00	PXBDK20	PMBDK00	IGBDK21	IGBDK22	BGBDK21	IGBDK04	IGBDK06	IGBDK08	PNBDK21	POBDK22	PPBDK21	PRBDK04	PSBDK06
Dracut, Mass.	IGBDW00	IGBDW20	BGBDW00	GCBAP00	PXBDW00	PXBDW20	PMBDW00	IGBDW21	IGBDW22	BGBDW21	IGBDW04	IGBDW06	IGBDW08	PNBDW21	POBDW22	PPBDW21	PRBDW04	PSBDW06
Iroquois, receipts	IGBCR00	IGBCR20	BGBCR00	GCBAY00	PXBCR00	PXBCR20	PMBCR00	IGBCR21	IGBCR22	BGBCR21	IGBCR04	IGBCR06	IGBCR08	PNBCR21	POBCR22	PPBCR21	PRBCR04	PSBCR06
Iroquois, zone 1 (delivered excl. Waddington)	IGBRP00	IGBRP20	BGBRP00	GCBAI00	PXBRP00	PXBRP20	PMBRP00	IGBRP21	IGBRP22	BGBRP21	IGBRP04	IGBRP06	IGBRP08	PNBRP21	POBRP22	PPBRP21	PRBRP04	PSBRP06
Iroquois, zone 2	IGBEJ00	IGBEJ20	BGBEJ00	GCBAZ00	PXBEJ00	PXBEJ20	PMBEJ00	IGBEJ21	IGBEJ22	BGBEJ21	IGBEJ04	IGBEJ06	IGBEJ08	PNBEJ21	POBEJ22	PPBEJ21	PRBEJ04	PSBEJ06
Niagara	IGBCS00	IGBCS20	BGBCS00	GCBBL00	PXBCS00	PXBCS20	PMBCS00	IGBCS21	IGBCS22	BGBCS21	IGBCS04	IGBCS06	IGBCS08	PNBCS21	POBCS22	PPBCS21	PRBCS04	PSBCS06
Tennessee, zone 5-200 leg	IGBRQ00	IGBRQ20	BGBRQ00	GCBAJ00	PXBRQ00	PXBRQ20	PMBRQ00	IGBRQ21	IGBRQ22	BGBRQ21	IGBRQ04	IGBRQ06	IGBRQ08	PNBRQ21	POBRQ22	PPBRQ21	PRBRQ04	PSBRQ06
Tennessee zone 6 (300 leg) del.	IGBJC00	IGBJC20	BGBJC00	GCBCC00	PXBJC00	PXBJC20	PMBJC00	IGBJC21	IGBJC22	BGBJC21	IGBJC04	IGBJC06	IGBJC08	PNBJC21	POBJC22	PPBJC21	PRBJC04	PSBJC06
Tennessee, zone 6 delivered	IGBEI00	IGBEI20	BGBEI00	GCBCG00	PXBEI00	PXBEI20	PMBEI00	IGBEI21	IGBEI22	BGBEI21	IGBEI04	IGBEI06	IGBEI08	PNBEI21	POBEI22	PPBEI21	PRBEI04	PSBEI06
Tennessee, Zone 6, delivered North	IGBRR00	IGBRR20	BGBRR00	GCBAK00	PXBRR00	PXBRR20	PMBRR00	IGBRR21	IGBRR22	BGBRR21	IGBRR04	IGBRR06	IGBRR08	PNBRR21	POBRR22	PPBRR21	PRBRR04	PSBRR06
Tennessee, Zone 6, delivered South	IGBRS00	IGBRS20	BGBRS00	GCBAL00	PXBRS00	PXBRS20	PMBRS00	IGBRS21	IGBRS22	BGBRS21	IGBRS04	IGBRS06	IGBRS08	PNBRS21	POBRS22	PPBRS21	PRBRS04	PSBRS06
Texas Eastern, M-3	IGBEK00	IGBEK20	BGBEK00	GDCBQ00	PXBEK00	PXBEK20	PMBEK00	IGBEK21	IGBEK22	BGBEK21	IGBEK04	IGBEK06	IGBEK08	PNBEK21	POBEK22	PPBEK21	PRBEK04	PSBEK06
Transco, zone 5 delivered	IGBEN00	IGBEN20	BGBEN00	GCBCN00	PXBEN00	PXBEN20	PMBEN00	IGBEN21	IGBEN22	BGBEN21	IGBEN04	IGBEN06	IGBEN08	PNBEN21	POBEN22	PPBEN21	PRBEN04	PSBEN06
Transco, zone 5 delivered North	IGCGL00	IGCGL20	CGCGL00	GDCGO00	PXCGL00	PXCGL20	PMCGL00	IGCGL21	IGCGL22	CGCGL21	IGCGL04	IGCGL06	IGCGL08	PNCGL21	POCGL22	PPCGL21	PRCGL04	PSCGL06
Transco, zone 5 delivered South	IGCHL00	IGCHL20	CGCHL00	GDCHO00	PXCHL00	PXCHL20	PMCHL00	IGCHL21	IGCHL22	CGCHL21	IGCHL04	IGCHL06	IGCHL08	PNCHL21	POCHL22	PPCHL21	PRCHL04	PSCHL06
Transco, zone 6 N.Y.	IGBEM00	IGBEM20	BGBEM00	GDCBP00	PXBEM00	PXBEM20	PMBEM00	IGBEM21	IGBEM22	BGBEM21	IGBEM04	IGBEM06	IGBEM08	PNBEM21	POBEM22	PPBEM21	PRBEM04	PSBEM06
Transco, zone 6 non-N.Y.	IGBEL00	IGBEL20	BGBEL00	GCBCO00	PXBEL00	PXBEL20	PMBEL00	IGBEL21	IGBEL22	BGBEL21	IGBEL04	IGBEL06	IGBEL08	PNBEL21	POBEL22	PPBEL21	PRBEL04	PSBEL06
Transco Zone 6 non-NY North	IGBJS00	IGBJS20	BGBJS00	GCBDI00	PXBJS00	PXBJS20	PMBJS00	IGBJS21	IGBJS22	BGBJS21	IGBJS04	IGBJS06	IGBJS08	PNBJS21	POBJS22	PPBJS21	PRBJS04	PSBJS06
Transco Zone 6 non-NY South	IGBJT00	IGBJT20	BGBJT00	GDDCO00	PXBJT00	PXBJT20	PMBJT00	IGBJT21	IGBJT22	BGBJT21	IGBJT04	IGBJT06	IGBJT08	PNBJT21	POBJT22	PPBJT21	PRBJT04	PSBJT06
Northeast Regional Average	IGCAA00				PXCAA00			IGCAA21						PNCAA21				
Columbia Gas, Appalachia	IGBDE00	IGBDE20	BGBDE00	GCBAK00	PXBDE00	PXBDE20	PMBDE00	IGBDE21	IGBDE22	BGBDE21	IGBDE04	IGBDE06	IGBDE08	PNBDE21	POBDE22	PPBDE21	PRBDE04	PSBDE06
Columbia Gas, Appalachia (Non-IPP)	IGBJU00	IGBJU20	BGBJU00	GCBAN00	PXBJU00	PXBJU20	PMBJU00	IGBJU21	IGBJU22	BGBJU21	IGBJU04	IGBJU06	IGBJU08	PNBJU21	POBJU22	PPBJU21	PRBJU04	PSBJU06
Eastern Gas, North	IGBDB00	IGBDB20	BGBDB00	GCBAO00	PXBDB00	PXBDB20	PMBDB00	IGBDB21	IGBDB22	BGBDB21	IGBDB04	IGBDB06	IGBDB08	PNBDB21	POBDB22	PPBDB21	PRBDB04	PSBDB06
Eastern Gas, South	IGBDC00	IGBDC20	BGBDC00	GDCBE00	PXBDC00	PXBDC20	PMBDC00	IGBDC21	IGBDC22	BGBDC21	IGBDC04	IGBDC06	IGBDC08	PNBDC21	POBDC22	PPBDC21	PRBDC04	PSBDC06
Lebanon Hub	IGBFJ00	IGBFJ20	BGBFJ00	GCBBD00	PXBFJ00	PXBFJ20	PMBFJ00	IGBFJ21	IGBFJ22	BGBFJ21	IGBFJ04	IGBFJ06	IGBFJ08	PNBFJ21	POBFJ22	PPBFJ21	PRBFJ04	PSBFJ06
Leidy Hub	IGBDD00	IGBDD20	BGBDD00	GCBBE00	PXBDD00	PXBDD20	PMBDD00	IGBDD21	IGBDD22	BGBDD21	IGBDD04	IGBDD06	IGBDD08	PNBDD21	POBDD22	PPBDD21	PRBDD04	PSBDD06
Millennium, East receipts	IGBIW00	IGBIW20	BGBIW00	GCBBG00	PXBIW00	PXBIW20	PMBIW00	IGBIW21	IGBIW22	BGBIW21	IGBIW04	IGBIW06	IGBIW08	PNBIW21	POBIW22	PPBIW21	PRBIW04	PSBIW06
Tennessee, zone 4-200 leg	IGBJN00	IGBJN20	BGBJN00	GCBCE00	PXBJN00	PXBJN20	PMBJN00	IGBJN21	IGBJN22	BGBJN21	IGBJN04	IGBJN06	IGBJN08	PNBJN21	POBJN22	PPBJN21	PRBJN04	PSBJN06
Tennessee, zone 4-300 leg	IGBFL00	IGBFL20	BGBFL00	GDCBO00	PXBFL00	PXBFL20	PMBFL00	IGBFL21	IGBFL22	BGBFL21	IGBFL04	IGBFL06	IGBFL08	PNBFL21	POBFL22	PPBFL21	PRBFL04	PSBFL06
Tennessee, zone 4-313 Pool	IGCFL00	IGCFL20	CGCFL00	GDCCO00	PXCFL00	PXCFL20	PMCFL00	IGCFL21	IGCFL22	CGCFL21	IGCFL04	IGCFL06	IGCFL08	PNCFL21	POCFL22	PPCFL21	PRCFL04	PSCFL06
Texas Eastern, M-2, receipts	IGBJE00	IGBJE20	BGBJE00	GCBCH00	PXBJE00	PXBJE20	PMBJE00	IGBJE21	IGBJE22	BGBJE21	IGBJE04	IGBJE06	IGBJE08	PNBJE21	POBJE22	PPBJE21	PRBJE04	PSBJE06

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Platts locations daily symbols

Name of Indices	Final Daily Indices By Trade Date				Preliminary Daily Indices By Trade Date			Final Daily Indices By Flow Date						Preliminary Daily Indices By Flow Date				
Description of Symbol	Index and Common Range	Absolute Range	Deal Count	Cash Basis	Index and Common Range	Absolute Range	Deal Count	Index and Common Range	Absolute Range	Deal Count	Weekly Average	Monthly Average	Monthly Average Deal Count	Index and Common Range	Absolute Range	Deal Count	Weekly Average	Monthly Average
Market Data Category	GD	GD	GD		GI	GI	GI	GD	GD	GD	GD	GD	GD	GI	GI	GI	GI	GI
Bates Published	h,l,u,w	h,l	u		h,l,c,w	h,l	u	h,l,u,w	h,l	u	h,l,u	u,w	u	h,l,c,w	h,l	u	h,l,c	c
Transco, Leidy Line receipts	IGBIS00	IGBIS20	BGBIS00	GCBCI00	PXBIS00	PXBIS20	PMBIS00	IGBIS21	IGBIS22	BGBIS21	IGBIS04	IGBIS06	IGBIS08	PNBIS21	POBIS22	PPBIS21	PRBIS04	PSBIS06
Appalachia Regional Average	IGDAA00				PXDAA00			IGDAA21						PNDAA21				
ANR, Okla.	IGBBY00	IGBBY20	BGBBY00	GCBAG00	PXBBY00	PXBBY20	PMBBY00	IGBBY21	IGBBY22	BGBBY21	IGBBY04	IGBBY06	IGBBY08	PNBBY21	POBBY22	PPBBY21	PRBBY04	PSBBY06
Enable Gas, East	IGBCA00	IGBCA20	BGBCA00	GCBAT00	PXBCA00	PXBCA20	PMBCA00	IGBCA21	IGBCA22	BGBCA21	IGBCA04	IGBCA06	IGBCA08	PNBCA21	POBCA22	PPBCA21	PRBCA04	PSBCA06
NGPL, Amarillo receipt	IGBDR00	IGBDR20	BGBDR00	GCBBH00	PXBDR00	PXBDR20	PMBDR00	IGBDR21	IGBDR22	BGBDR21	IGBDR04	IGBDR06	IGBDR08	PNBDR21	POBDR22	PPBDR21	PRBDR04	PSBDR06
NGPL, Midcontinent	IGBBZ00	IGBBZ20	BGBBZ00	GCBBI00	PXBBZ00	PXBBZ20	PMBBZ00	IGBBZ21	IGBBZ22	BGBBZ21	IGBBZ04	IGBBZ06	IGBBZ08	PNBBZ21	POBBZ22	PPBBZ21	PRBBZ04	PSBBZ06
Oneok, Okla.	IGBCD00	IGBCD20	BGBCD00	GCBBR00	PXBCD00	PXBCD20	PMBCD00	IGBCD21	IGBCD22	BGBCD21	IGBCD04	IGBCD06	IGBCD08	PNBCD21	POBCD22	PPBCD21	PRBCD04	PSBCD06
Panhandle, Tx.-Okla.	IGBCE00	IGBCE20	BGBCE00	GDCBK00	PXBCE00	PXBCE20	PMBCE00	IGBCE21	IGBCE22	BGBCE21	IGBCE04	IGBCE06	IGBCE08	PNBCE21	POBCE22	PPBCE21	PRBCE04	PSBCE06
Southern Star, Tx.-Okla.-Kan.	IGBCF00	IGBCF20	BGBCF00	GCBBY00	PXBCF00	PXBCF20	PMBCF00	IGBCF21	IGBCF22	BGBCF21	IGBCF04	IGBCF06	IGBCF08	PNBCF21	POBCF22	PPBCF21	PRBCF04	PSBCF06
Texas Eastern, M-1 24-inch	IGBET00	IGBET20	BGBET00	GCBCW00	PXBET00	PXBET20	PMBET00	IGBET21	IGBET22	BGBET21	IGBET04	IGBET06	IGBET08	PNBET21	POBET22	PPBET21	PRBET04	PSBET06
Midcontinent Regional Average	IGEAA00				PXEAA00			IGEAA21						PNEAA21				
Alliance, into interstates	IGBDP00	IGBDP20	BGBDP00	GCBAD00	PXBDP00	PXBDP20	PMBDP00	IGBDP21	IGBDP22	BGBDP21	IGBDP04	IGBDP06	IGBDP08	PNBDP21	POBDP22	PPBDP21	PRBDP04	PSBDP06
ANR, ML 7	IGBDQ00	IGBDQ20	BGBDQ00	GCBAF00	PXBDQ00	PXBDQ20	PMBDQ00	IGBDQ21	IGBDQ22	BGBDQ21	IGBDQ04	IGBDQ06	IGBDQ08	PNBDQ21	POBDQ22	PPBDQ21	PRBDQ04	PSBDQ06
Chicago city-gates	IGBDX00	IGBDX20	BGBDX00	GDCBC00	PXBDX00	PXBDX20	PMBDX00	IGBDX21	IGBDX22	BGBDX21	IGBDX04	IGBDX06	IGBDX08	PNBDX21	POBDX22	PPBDX21	PRBDX04	PSBDX06
Chicago - Nicor	IGBEX00	IGBEX20	BGBEX00	GCBEX00	PXBEX00	PXBEX20	PMBEX00	IGBEX21	IGBEX22	BGBEX21	IGBEX04	IGBEX06	IGBEX08	PNBEX21	POBEX22	PPBEX21	PRBEX04	PSBEX06
Chicago - NIPSCO	IGBFX00	IGBFX20	BGBFX00	GCBFX00	PXBFX00	PXBFX20	PMBFX00	IGBFX21	IGBFX22	BGBFX21	IGBFX04	IGBFX06	IGBFX08	PNBFX21	POBFX22	PPBFX21	PRBFX04	PSBFX06
Chicago - Peoples	IGBGX00	IGBGX20	BGBGX00	GCBGX00	PXBGX00	PXBGX20	PMBGX00	IGBGX21	IGBGX22	BGBGX21	IGBGX04	IGBGX06	IGBGX08	PNBGX21	POBGX22	PPBGX21	PRBGX04	PSBGX06
Consumers Energy city-gate	IGBDY00	IGBDY20	BGBDY00	GCBAN00	PXBDY00	PXBDY20	PMBDY00	IGBDY21	IGBDY22	BGBDY21	IGBDY04	IGBDY06	IGBDY08	PNBDY21	POBDY22	PPBDY21	PRBDY04	PSBDY06
Dawn, Ontario	IGBCX00	IGBCX20	BGBCX00	GDCBD00	PXBCX00	PXBCX20	PMBCX00	IGBCX21	IGBCX22	BGBCX21	IGBCX04	IGBCX06	IGBCX08	PNBCX21	POBCX22	PPBCX21	PRBCX04	PSBCX06
Emerson, Viking GL	IGBCW00	IGBCW20	BGBCW00	GCBAS00	PXBCW00	PXBCW20	PMBCW00	IGBCW21	IGBCW22	BGBCW21	IGBCW04	IGBCW06	IGBCW08	PNBCW21	POBCW22	PPBCW21	PRBCW04	PSBCW06
MichCon city-gate	IGBDZ00	IGBDZ20	BGBDZ00	GCBBF00	PXBDZ00	PXBDZ20	PMBDZ00	IGBDZ21	IGBDZ22	BGBDZ21	IGBDZ04	IGBDZ06	IGBDZ08	PNBDZ21	POBDZ22	PPBDZ21	PRBDZ04	PSBDZ06
Northern Border, Ventura TP	IGBGH00	IGBGH20	BGBGH00	GCBBM00	PXBGH00	PXBGH20	PMBGH00	IGBGH21	IGBGH22	BGBGH21	IGBGH04	IGBGH06	IGBGH08	PNBGH21	POBGH22	PPBGH21	PRBGH04	PSBGH06
Northern, demarcation	IGBDV00	IGBDV20	BGBDV00	GCBBN00	PXBDV00	PXBDV20	PMBDV00	IGBDV21	IGBDV22	BGBDV21	IGBDV04	IGBDV06	IGBDV08	PNBDV21	POBDV22	PPBDV21	PRBDV04	PSBDV06
Northern, Ventura	IGBDU00	IGBDU20	BGBDU00	GCBBO00	PXBDU00	PXBDU20	PMBDU00	IGBDU21	IGBDU22	BGBDU21	IGBDU04	IGBDU06	IGBDU08	PNBDU21	POBDU22	PPBDU21	PRBDU04	PSBDU06
REX, zone 3 delivered	IGBRO00	IGBRO20	BGBRO00	GCBRO00	PXBRO00	PXBRO20	PMBRO00	IGBRO21	IGBRO22	BGBRO21	IGBRO04	IGBRO06	IGBRO08	PNBRO21	POBRO22	PPBRO21	PRBRO04	PSBRO06
Rover, delivered	IGBRV00	IGBRV20	BGBRV00	GCBAO00	PXBRV00	PXBRV20	PMBRV00	IGBRV21	IGBRV22	BGBRV21	IGBRV04	IGBRV06	IGBRV08	PNBRV21	POBRV22	PPBRV21	PRBRV04	PSBRV06
Upper Midwest Regional Average	IGFAA00				PXFAA00			IGFAA21						PNFAA21				
Agua Dulce Hub	IGBAV00	IGBAV20	BGBAV00	GCBAA00	PXBAV00	PXBAV20	PMBAV00	IGBAV21	IGBAV22	BGBAV21	IGBAV04	IGBAV06	IGBAV08	PNBAV21	POBAV22	PPBAV21	PRBAV04	PSBAV06
Carthage Hub	IGBAF00	IGBAF20	BGBAF00	GCBAH00	PXBAF00	PXBAF20	PMBAF00	IGBAF21	IGBAF22	BGBAF21	IGBAF04	IGBAF06	IGBAF08	PNBAF21	POBAF22	PPBAF21	PRBAF04	PSBAF06
Florida Gas, zone 1	IGBAW00	IGBAW20	BGBAW00	GCBAV00	PXBAW00	PXBAW20	PMBAW00	IGBAW21	IGBAW22	BGBAW21	IGBAW04	IGBAW06	IGBAW08	PNBAW21	POBAW22	PPBAW21	PRBAW04	PSBAW06
Houston Ship Channel	IGBAP00	IGBAP20	BGBAP00	GDCBI00	PXBAP00	PXBAP20	PMBAP00	IGBAP21	IGBAP22	BGBAP21	IGBAP04	IGBAP06	IGBAP08	PNBAP21	POBAP22	PPBAP21	PRBAP04	PSBAP06
Katy	IGBAQ00	IGBAQ20	BGBAQ00	GCBBA00	PXBAQ00	PXBAQ20	PMBAQ00	IGBAQ21	IGBAQ22	BGBAQ21	IGBAQ04	IGBAQ06	IGBAQ08	PNBAQ21	POBAQ22	PPBAQ21	PRBAQ04	PSBAQ06
NGPL, STX	IGBAZ00	IGBAZ20	BGBAZ00	GCBBJ00	PXBAZ00	PXBAZ20	PMBAZ00	IGBAZ21	IGBAZ22	BGBAZ21	IGBAZ04	IGBAZ06	IGBAZ08	PNBAZ21	POBAZ22	PPBAZ21	PRBAZ04	PSBAZ06

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Platts locations daily symbols

Name of Indices	Final Daily Indices By Trade Date				Preliminary Daily Indices By Trade Date			Final Daily Indices By Flow Date						Preliminary Daily Indices By Flow Date				
Description of Symbol	Index and Common Range	Absolute Range	Deal Count	Cash Basis	Index and Common Range	Absolute Range	Deal Count	Index and Common Range	Absolute Range	Deal Count	Weekly Average	Monthly Average	Monthly Average Deal Count	Index and Common Range	Absolute Range	Deal Count	Weekly Average	Monthly Average
Market Data Category	GD	GD	GD		GI	GI	GI	GD	GD	GD	GD	GD	GD	GI	GI	GI	GI	GI
Bates Published	h,l,u,w	h,l	u		h,l,c,w	h,l	u	h,l,u,w	h,l	u	h,l,u	u,w	u	h,l,c,w	h,l	u	h,l,c	c
NGPL, Texok zone	IGBAL00	IGBAL20	BGBAL00	GCBBK00	PXBAL00	PXBAL20	PMBAL00	IGBAL21	IGBAL22	BGBAL21	IGBAL04	IGBAL06	IGBAL08	PNBAL21	POBAL22	PPBAL21	PRBAL04	PSBAL06
Tennessee, zone 0	IGBBA00	IGBBA20	BGBBA00	GCBCD00	PXBBA00	PXBBA20	PMBBA00	IGBBA21	IGBBA22	BGBBA21	IGBBA04	IGBBA06	IGBBA08	PNBBA21	POBBA22	PPBBA21	PRBBA04	PSBBA06
Texas Eastern, ETX	IGBAN00	IGBAN20	BGBAN00	GCBCV00	PXBAN00	PXBAN20	PMBAN00	IGBAN21	IGBAN22	BGBAN21	IGBAN04	IGBAN06	IGBAN08	PNBAN21	POBAN22	PPBAN21	PRBAN04	PSBAN06
Texas Eastern, STX	IGBBB00	IGBBB20	BGBBB00	GCBCY00	PXBBB00	PXBBB20	PMBBB00	IGBBB21	IGBBB22	BGBBB21	IGBBB04	IGBBB06	IGBBB08	PNBBB21	POBBB22	PPBBB21	PRBBB04	PSBBB06
Transco, zone 1	IGBBC00	IGBBC20	BGBBC00	GCBCJ00	PXBBC00	PXBBC20	PMBBC00	IGBBC21	IGBBC22	BGBBC21	IGBBC04	IGBBC06	IGBBC08	PNBBC21	POBBC22	PPBBC21	PRBBC04	PSBBC06
Transco, zone 2	IGBBU00	IGBBU20	BGBBU00	GCBCK00	PXBBU00	PXBBU20	PMBBU00	IGBBU21	IGBBU22	BGBBU21	IGBBU04	IGBBU06	IGBBU08	PNBBU21	POBBU22	PPBBU21	PRBBU04	PSBBU06
East Texas Regional Average	IGGAA00				PXGAA00			IGGAA21						PNGAA21				
ANR, La.	IGBBF00	IGBBF20	BGBBF00	GCBAE00	PXBBF00	PXBBF20	PMBBF00	IGBBF21	IGBBF22	BGBBF21	IGBBF04	IGBBF06	IGBBF08	PNBBF21	POBBF22	PPBBF21	PRBBF04	PSBBF06
Columbia Gulf, La.	IGBBG00	IGBBG20	BGBBG00	GCBAL00	PXBBG00	PXBBG20	PMBBG00	IGBBG21	IGBBG22	BGBBG21	IGBBG04	IGBBG06	IGBBG08	PNBBG21	POBBG22	PPBBG21	PRBBG04	PSBBG06
Columbia Gulf, mainline	IGBBH00	IGBBH20	BGBBH00	GCBAM00	PXBBH00	PXBBH20	PMBBH00	IGBBH21	IGBBH22	BGBBH21	IGBBH04	IGBBH06	IGBBH08	PNBBH21	POBBH22	PPBBH21	PRBBH04	PSBBH06
Florida city-gates	IGBED00	IGBED20	BGBED00	GCBAU00	PXBED00	PXBED20	PMBED00	IGBED21	IGBED22	BGBED21	IGBED04	IGBED06	IGBED08	PNBED21	POBED22	PPBED21	PRBED04	PSBED06
Florida Gas, zone 2	IGBBJ00	IGBBJ20	BGBBJ00	GCBAW00	PXBBJ00	PXBBJ20	PMBBJ00	IGBBJ21	IGBBJ22	BGBBJ21	IGBBJ04	IGBBJ06	IGBBJ08	PNBBJ21	POBBJ22	PPBBJ21	PRBBJ04	PSBBJ06
Florida Gas, zone 3	IGBBK00	IGBBK20	BGBBK00	GDCBH00	PXBBK00	PXBBK20	PMBBK00	IGBBK21	IGBBK22	BGBBK21	IGBBK04	IGBBK06	IGBBK08	PNBBK21	POBBK22	PPBBK21	PRBBK04	PSBBK06
Henry Hub	IGBBL00	IGBBL20	BGBBL00		PXBBL00	PXBBL20	PMBBL00	IGBBL21	IGBBL22	BGBBL21	IGBBL04	IGBBL06	IGBBL08	PNBBL21	POBBL22	PPBBL21	PRBBL04	PSBBL06
Pine Prairie Hub	IGBRU00	IGBRU20	BGBRU00	GCBDL00	PXBRU00	PXBRU20	PMBRU00	IGBRU21	IGBRU22	BGBRU21	IGBRU04	IGBRU06	IGBRU08	PNBRU21	POBRU22	PPBRU21	PRBRU04	PSBRU06
Southern Natural, La.	IGBBO00	IGBBO20	BGBBO00	GCBBX00	PXBBO00	PXBBO20	PMBBO00	IGBBO21	IGBBO22	BGBBO21	IGBBO04	IGBBO06	IGBBO08	PNBBO21	POBBO22	PPBBO21	PRBBO04	PSBBO06
Tennessee, Zone 1	IGBHI00	IGBHI20	BGBHI00	GCBHB00	PXBHI00	PXBHI20	PMBHI00	IGBHI21	IGBHI22	BGBHI21	IGBHI04	IGBHI06	IGBHI08	PNBHI21	POBHI22	PPBHI21	PRBHI04	PSBHI06
Tennessee, La., 500 leg	IGBBP00	IGBBP20	BGBBP00	GCBCA00	PXBBP00	PXBBP20	PMBBP00	IGBBP21	IGBBP22	BGBBP21	IGBBP04	IGBBP06	IGBBP08	PNBBP21	POBBP22	PPBBP21	PRBBP04	PSBBP06
Tennessee, La., 800 leg	IGBBQ00	IGBBQ20	BGBBQ00	GCBCB00	PXBBQ00	PXBBQ20	PMBBQ00	IGBBQ21	IGBBQ22	BGBBQ21	IGBBQ04	IGBBQ06	IGBBQ08	PNBBQ21	POBBQ22	PPBBQ21	PRBBQ04	PSBBQ06
Texas Eastern, ELA	IGBBS00	IGBBS20	BGBBS00	GCBCU00	PXBBS00	PXBBS20	PMBBS00	IGBBS21	IGBBS22	BGBBS21	IGBBS04	IGBBS06	IGBBS08	PNBBS21	POBBS22	PPBBS21	PRBBS04	PSBBS06
Texas Eastern, M-1 30-inch (Kosi)	IGBDI00	IGBDI20	BGBDI00	GCBCX00	PXBDI00	PXBDI20	PMBDI00	IGBDI21	IGBDI22	BGBDI21	IGBDI04	IGBDI06	IGBDI08	PNBDI21	POBDI22	PPBDI21	PRBDI04	PSBDI06
Texas Eastern, WLA	IGBBR00	IGBBR20	BGBBR00	GCBCZ00	PXBBR00	PXBBR20	PMBBR00	IGBBR21	IGBBR22	BGBBR21	IGBBR04	IGBBR06	IGBBR08	PNBBR21	POBBR22	PPBBR21	PRBBR04	PSBBR06
Texas Gas, zone 1	IGBAO00	IGBAO20	BGBAO00	GCBDA00	PXBAO00	PXBAO20	PMBAO00	IGBAO21	IGBAO22	BGBAO21	IGBAO04	IGBAO06	IGBAO08	PNBAO21	POBAO22	PPBAO21	PRBAO04	PSBAO06
Texas Gas, zone SL	IGBBT00	IGBBT20	BGBBT00	GCBDB00	PXBBT00	PXBBT20	PMBBT00	IGBBT21	IGBBT22	BGBBT21	IGBBT04	IGBBT06	IGBBT08	PNBBT21	POBBT22	PPBBT21	PRBBT04	PSBBT06
Transco, zone 3	IGBBV00	IGBBV20	BGBBV00	GCBCL00	PXBBV00	PXBBV20	PMBBV00	IGBBV21	IGBBV22	BGBBV21	IGBBV04	IGBBV06	IGBBV08	PNBBV21	POBBV22	PPBBV21	PRBBV04	PSBBV06
Transco, zone 4	IGBDJ00	IGBDJ20	BGBDJ00	GCBCM00	PXBDJ00	PXBDJ20	PMBDJ00	IGBDJ21	IGBDJ22	BGBDJ21	IGBDJ04	IGBDJ06	IGBDJ08	PNBDJ21	POBDJ22	PPBDJ21	PRBDJ04	PSBDJ06
Trunkline, ELA	IGBBX00	IGBBX20	BGBBX00	GCBCR00	PXBBX00	PXBBX20	PMBBX00	IGBBX21	IGBBX22	BGBBX21	IGBBX04	IGBBX06	IGBBX08	PNBBX21	POBBX22	PPBBX21	PRBBX04	PSBBX06
Trunkline, WLA	IGBBW00	IGBBW20	BGBBW00	GCBCS00	PXBBW00	PXBBW20	PMBBW00	IGBBW21	IGBBW22	BGBBW21	IGBBW04	IGBBW06	IGBBW08	PNBBW21	POBBW22	PPBBW21	PRBBW04	PSBBW06
Trunkline, zone 1A	IGBGF00	IGBGF20	BGBGF00	GCBCT00	PXBGF00	PXBGF20	PMBGF00	IGBGF21	IGBGF22	BGBGF21	IGBGF04	IGBGF06	IGBGF08	PNBGF21	POBGF22	PPBGF21	PRBGF04	PSBGF06
Louisiana/Southeast Regional Average	IGHAA00				PXHAA00			IGHAA21						PNHAA21				
Cheyenne Hub	IGBCO00	IGBCO20	BGBCO00	GCBAI00	PXBCO00	PXBCO20	PMBCO00	IGBCO21	IGBCO22	BGBCO21	IGBCO04	IGBCO06	IGBCO08	PNBCO21	POBCO22	PPBCO21	PRBCO04	PSBCO06
CIG, Rocky Mountains	IGBCK00	IGBCK20	BGBCK00	GCBAJ00	PXBCK00	PXBCK20	PMBCK00	IGBCK21	IGBCK22	BGBCK21	IGBCK04	IGBCK06	IGBCK08	PNBCK21	POBCK22	PPBCK21	PRBCK04	PSBCK06
GTN, Kingsgate	IGBCY00	IGBCY20	BGBCY00	GCBAX00	PXBCY00	PXBCY20	PMBCY00	IGBCY21	IGBCY22	BGBCY21	IGBCY04	IGBCY06	IGBCY08	PNBCY21	POBCY22	PPBCY21	PRBCY04	PSBCY06

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Platts locations daily symbols

Name of Indices	Final Daily Indices By Trade Date				Preliminary Daily Indices By Trade Date			Final Daily Indices By Flow Date						Preliminary Daily Indices By Flow Date				
Description of Symbol	Index and Common Range	Absolute Range	Deal Count	Cash Basis	Index and Common Range	Absolute Range	Deal Count	Index and Common Range	Absolute Range	Deal Count	Weekly Average	Monthly Average	Monthly Average Deal Count	Index and Common Range	Absolute Range	Deal Count	Weekly Average	Monthly Average
Market Data Category	GD	GD	GD		GI	GI	GI	GD	GD	GD	GD	GD	GD	GI	GI	GI	GI	GI
Bates Published	h,l,u,w	h,l	u		h,l,c,w	h,l	u	h,l,u,w	h,l	u	h,l,u	u,w	u	h,l,c,w	h,l	u	h,l,c	c
Kern River/Opal plant	IGBCL00	IGBCL20	BGBCL00	GCBBC00	PXBCL00	PXBCL20	PMBCL00	IGBCL21	IGBCL22	BGBCL21	IGBCL04	IGBCL06	IGBCL08	PNBCL21	POBCL22	PPBCL21	PRBCL04	PSBCL06
Northwest, Canadian border (Sumas)	IGBCT00	IGBCT20	BGBCT00	GDCBJ00	PXBCT00	PXBCT20	PMBCT00	IGBCT21	IGBCT22	BGBCT21	IGBCT04	IGBCT06	IGBCT08	PNBCT21	POBCT22	PPBCT21	PRBCT04	PSBCT06
Northwest, Rocky Mountain Pool	IGBRW00	IGBRW20	BGBRW00	GCBAQ00	PXBRW00	PXBRW20	PMBRW00	IGBRW21	IGBRW22	BGBRW21	IGBRW04	IGBRW06	IGBRW08	PNBRW21	POBRW22	PPBRW21	PRBRW04	PSBRW06
Northwest, S. of Green River	IGBCQ00	IGBCQ20	BGBCQ00	GCBBP00	PXBCQ00	PXBCQ20	PMBCQ00	IGBCQ21	IGBCQ22	BGBCQ21	IGBCQ04	IGBCQ06	IGBCQ08	PNBCQ21	POBCQ22	PPBCQ21	PRBCQ04	PSBCQ06
Northwest, Wyoming pool	IGBCP00	IGBCP20	BGBCP00	GCBBQ00	PXBCP00	PXBCP20	PMBCP00	IGBCP21	IGBCP22	BGBCP21	IGBCP04	IGBCP06	IGBCP08	PNBCP21	POBCP22	PPBCP21	PRBCP04	PSBCP06
PG&E, Malin	IGBDO00	IGBDO20	BGBDO00	GCBBS00	PXBDO00	PXBDO20	PMBDO00	IGBDO21	IGBDO22	BGBDO21	IGBDO04	IGBDO06	IGBDO08	PNBDO21	POBDO22	PPBDO21	PRBDO04	PSBDO06
Questar, Rocky Mountains	IGBCN00	IGBCN20	BGBCN00	GCBBU00	PXBCN00	PXBCN20	PMBCN00	IGBCN21	IGBCN22	BGBCN21	IGBCN04	IGBCN06	IGBCN08	PNBCN21	POBCN22	PPBCN21	PRBCN04	PSBCN06
Stanfield, Ore.	IGBCM00	IGBCM20	BGBCM00	GCBBZ00	PXBCM00	PXBCM20	PMBCM00	IGBCM21	IGBCM22	BGBCM21	IGBCM04	IGBCM06	IGBCM08	PNBCM21	POBCM22	PPBCM21	PRBCM04	PSBCM06
TCPL Alberta, AECO-C	IGBCU00	IGBCU20	BGBCU00	GDCBN00	PXBCU00	PXBCU20	PMBCU00	IGBCU21	IGBCU22	BGBCU21	IGBCU04	IGBCU06	IGBCU08	PNBCU21	POBCU22	PPBCU21	PRBCU04	PSBCU06
Westcoast, station 2	IGBCZ00	IGBCZ20	BGBCZ00	GCBDC00	PXBCZ00	PXBCZ20	PMBCZ00	IGBCZ21	IGBCZ22	BGBCZ21	IGBCZ04	IGBCZ06	IGBCZ08	PNBCZ21	POBCZ22	PPBCZ21	PRBCZ04	PSBCZ06
White River Hub	IGBGL00	IGBGL20	BGBGL00	GCBDD00	PXBGL00	PXBGL20	PMBGL00	IGBGL21	IGBGL22	BGBGL21	IGBGL04	IGBGL06	IGBGL08	PNBGL21	POBGL22	PPBGL21	PRBGL04	PSBGL06
Rockies/Northwest Regional Average	IGIAA00				PXIAA00			IGIAA21						PNIAA21				
El Paso, Bondad	IGBCG00	IGBCG20	BGBCG00	GCBAQ00	PXBCG00	PXBCG20	PMBCG00	IGBCG21	IGBCG22	BGBCG21	IGBCG04	IGBCG06	IGBCG08	PNBCG21	POBCG22	PPBCG21	PRBCG04	PSBCG06
El Paso, Permian Basin	IGBAB00	IGBAB20	BGBAB00	GDCBF00	PXBAB00	PXBAB20	PMBAB00	IGBAB21	IGBAB22	BGBAB21	IGBAB04	IGBAB06	IGBAB08	PNBAB21	POBAB22	PPBAB21	PRBAB04	PSBAB06
El Paso, San Juan Basin	IGBCH00	IGBCH20	BGBCH00	GDCBG00	PXBCH00	PXBCH20	PMBCH00	IGBCH21	IGBCH22	BGBCH21	IGBCH04	IGBCH06	IGBCH08	PNBCH21	POBCH22	PPBCH21	PRBCH04	PSBCH06
El Paso, South Mainline	IGBFR00	IGBFR20	BGBFR00	GCBAR00	PXBFR00	PXBFR20	PMBFR00	IGBFR21	IGBFR22	BGBFR21	IGBFR04	IGBFR06	IGBFR08	PNBFR21	POBFR22	PPBFR21	PRBFR04	PSBFR06
El Paso, West Texas	IGBRT00	IGBRT20	BGBRT00	GCBRT00	PXBRT00	PXBRT20	PMBRT00	IGBRT21	IGBRT22	BGBRT21	IGBRT04	IGBRT06	IGBRT08	PNBRT21	POBRT22	PPBRT21	PRBRT04	PSBRT06
Kern River, delivered	IGBES00	IGBES20	BGBES00	GCBBB00	PXBES00	PXBES20	PMBES00	IGBES21	IGBES22	BGBES21	IGBES04	IGBES06	IGBES08	PNBES21	POBES22	PPBES21	PRBES04	PSBES06
PG&E, city-gate	IGBEB00	IGBEB20	BGBEB00	GDCBL00	PXBEB00	PXBEB20	PMBEB00	IGBEB21	IGBEB22	BGBEB21	IGBEB04	IGBEB06	IGBEB08	PNBEB21	POBEB22	PPBEB21	PRBEB04	PSBEB06
PG&E, South	IGBDM00	IGBDM20	BGBDM00	GCBBT00	PXBDM00	PXBDM20	PMBDM00	IGBDM21	IGBDM22	BGBDM21	IGBDM04	IGBDM06	IGBDM08	PNBDM21	POBDM22	PPBDM21	PRBDM04	PSBDM06
SoCal Gas	IGBDL00	IGBDL20	BGBDL00	GDCBM00	PXBDL00	PXBDL20	PMBDL00	IGBDL21	IGBDL22	BGBDL21	IGBDL04	IGBDL06	IGBDL08	PNBDL21	POBDL22	PPBDL21	PRBDL04	PSBDL06
SoCal Gas, city-gate	IGBGG00	IGBGG20	BGBGG00	GCBBW00	PXBGG00	PXBGG20	PMBGG00	IGBGG21	IGBGG22	BGBGG21	IGBGG04	IGBGG06	IGBGG08	PNBGG21	POBGG22	PPBGG21	PRBGG04	PSBGG06
Transwestern, Permian Basin	IGBAE00	IGBAE20	BGBAE00	GCBCP00	PXBAE00	PXBAE20	PMBAE00	IGBAE21	IGBAE22	BGBAE21	IGBAE04	IGBAE06	IGBAE08	PNBAE21	POBAE22	PPBAE21	PRBAE04	PSBAE06
Transwestern, San Juan Basin	IGBGK00	IGBGK20	BGBGK00	GCBCQ00	PXBGK00	PXBGK20	PMBGK00	IGBGK21	IGBGK22	BGBGK21	IGBGK04	IGBGK06	IGBGK08	PNBGK21	POBGK22	PPBGK21	PRBGK04	PSBGK06
Waha	IGBAD00	IGBAD20	BGBAD00	GDCBR00	PXBAD00	PXBAD20	PMBAD00	IGBAD21	IGBAD22	BGBAD21	IGBAD04	IGBAD06	IGBAD08	PNBAD21	POBAD22	PPBAD21	PRBAD04	PSBAD06
Southwest Regional Average	IGJAA00				PXJAA00			IGJAA21						PNJAA21				

Bates are defined as: high = h; Low = l; Index = u or Final Indices and c for Preliminary Indices; Volume = w

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Platts locations monthly symbols

Name of Indices	Final Monthly Indices						Preliminary Daily Indices During Bidweek				Preliminary Bidweek To Date Indices			
Description of Symbol	Index	Deal Count	Basis	Basis Deal Count	Fixed Price Equivalent	Tier	Preliminary Fixed Price	Preliminary Fixed Price Deal Count	Preliminary Basis	Preliminary Basis Deal Count	Preliminary Cumulative Fixed Price	Preliminary Cumulative Fixed Price Deal Count	Preliminary Cumulative Basis	Preliminary Cumulative Basis Deal Count
Market Data Category	GM	GM	GM	GM	GM	GM	GJ	GJ	GJ	GJ	GJ	GJ	GJ	GJ
Bates Published	h,l,u,w	u	h,l,u,w	u	u	u	h, l, c, w	u	h, l, c, w	u	h, l, c, w	u	h, l, c, w	u
Algonquin, city-gates	IGBEE03	BGBEE03	IGBEE36	BGBEE36	EGBEE36	CGBEE03	PMBEE03	PFBEE03	PHBEE36	PJBEE36	PCBEE03	PGBEE03	PIBEE36	PKBEE36
Iroquois, receipts	IGBCR03	BGBCR03	IGBCR36	BGBCR36	EGBCR36	CGBCR03	PMBCR03	PFBCR03	PHBCR36	PJBCR36	PCBCR03	PGBCR03	PIBCR36	PKBCR36
Iroquois, zone 2	IGBEJ03	BGBEJ03	IGBEJ36	BGBEJ36	EGBEJ36	CGBEJ03	PMBEJ03	PFBEJ03	PHBEJ36	PJBEJ36	PCBEJ03	PGBEJ03	PIBEJ36	PKBEJ36
Niagara	IGBCS03	BGBCS03	IGBCS36	BGBCS36	EGBCS36	CGBCS03	PMBCS03	PFBCS03	PHBCS36	PJBCS36	PCBCS03	PGBCS03	PIBCS36	PKBCS36
Tennessee, zone 6 delivered	IGBEI03	BGBEI03	IGBEI36	BGBEI36	EGBEI36	CGBEI03	PMBEI03	PFBEI03	PHBEI36	PJBEI36	PCBEI03	PGBEI03	PIBEI36	PKBEI36
Tennessee, Zone 6, delivered North	IGBJW03	BGBRW03	IGBRW36	BGBRW36	EGBRW36	CGBRW03	PMBRW03	PFBRW03	PHBRW36	PJBRW36	PCBRW03	PGBRW03	PIBRW36	PKBRW36
Tennessee, Zone 6, delivered South	IGBJX03	BGBJX03	IGBJX36	BGBJX36	EGBJX36	CGBJX03	PMBJX03	PFBJX03	PHBJX36	PJBJX36	PCBJX03	PGBJX03	PIBJX36	PKBJX36
Texas Eastern, M-3	IGBEK03	BGBEK03	IGBEK36	BGBEK36	EGBEK36	CGBEK03	PMBEK03	PFBEK03	PHBEK36	PJBEK36	PCBEK03	PGBEK03	PIBEK36	PKBEK36
Transco, zone 5 delivered	IGBEN03	BGBEN03	IGBEN36	BGBEN36	EGBEN36	CGBEN03	PMBEN03	PFBEN03	PHBEN36	PJBEN36	PCBEN03	PGBEN03	PIBEN36	PKBEN36
Transco, zone 5 delivered South	IGCHL03	BGCHL03	IGCHL36	CGCHL36	EGCHL36	CGCHL03	PMCHL03	PFCHL03	PHCHL36	PJCHL36	PCCHL03	PGCHL03	PICHL36	PKCHL36
Transco, zone 6 N.Y.	IGBEM03	BGBEM03	IGBEM36	BGBEM36	EGBEM36	CGBEM03	PMBEM03	PFBEM03	PHBEM36	PJBEM36	PCBEM03	PGBEM03	PIBEM36	PKBEM36
Transco, zone 6 non-N.Y.	IGBEL03	BGBEL03	IGBEL36	BGBEL36	EGBEL36	CGBEL03	PMBEL03	PFBEL03	PHBEL36	PJBEL36	PCBEL03	PGBEL03	PIBEL36	PKBEL36
Transco Zone 6 non-NY North	IGBJS03	BGBJS03	IGBJS36	BGBJS36	EGBJS36	CGBJS03	PMBJS03	PFBJS03	PHBJS36	PJBJS36	PCBJS03	PGBJS03	PIBJS36	PKBJS36
Northeast Regional Average	IGCAA03													
Columbia Gas, Appalachia	IGBDE03	BGBDE03	IGBDE36	BGBDE36	EGBDE36	CGBDE03	PMBDE03	PFBDE03	PHBDE36	PJBDE36	PCBDE03	PGBDE03	PIBDE36	PKBDE36
Columbia Gas, Appalachia (Non-IPP)	IGBJU03	BGBJU03	IGBJU36	BGBJU36	EGBJU36	CGBJU03	PMBJU03	PFBJU03	PHBJU36	PJBJU36	PCBJU03	PGBJU03	PIBJU36	PKBJU36
Eastern Gas, Appalachia	IGBDC03	BGBDC03	IGBDC36	BGBDC36	EGBDC36	CGBDC03	PMBDC03	PFBDC03	PHBDC36	PJBDC36	PCBDC03	PGBDC03	PIBDC36	PKBDC36
Lebanon Hub	IGBFJ03	BGBFJ03	IGBFJ36	BGBFJ36	EGBFJ36	CGBFJ03	PMBFJ03	PFBFJ03	PHBFJ36	PJBFJ36	PCBFJ03	PGBFJ03	PIBFJ36	PKBFJ36
Leidy Hub	IGBDD03	BGBDD03	IGBDD36	BGBDD36	EGBDD36	CGBDD03	PMBDD03	PFBDD03	PHBDD36	PJBDD36	PCBDD03	PGBDD03	PIBDD36	PKBDD36
Millennium, East receipts	IGBIW03	BGBIW03	IGBIW36	BGBIW36	EGBIW36	CGBIW03	PMBIW03	PFBIW03	PHBIW36	PJBIW36	PCBIW03	PGBIW03	PIBIW36	PKBIW36
Tennessee, zone 4-200 leg	IGBJN03	BGBJN03	IGBJN36	BGBJN36	EGBJN36	CGBJN03	PMBJN03	PFBJN03	PHBJN36	PJBJN36	PCBJN03	PGBJN03	PIBJN36	PKBJN36
Tennessee, zone 4-300 leg	IGBFL03	BGBFL03	IGBFL36	BGBFL36	EGBFL36	CGBFL03	PMBFL03	PFBFL03	PHBFL36	PJBFL36	PCBFL03	PGBFL03	PIBFL36	PKBFL36
Tennessee, zone 4-313 Pool	IGCFL03	BGCFL03	IGCFL36	CGCFL36	EGCFL36	CGCFL03	PMCFL03	PFCFL03	PHCFL36	PJCFL36	PCCFL03	PGCFL03	PICFL36	PKCFL36
Texas Eastern, M-2, receipts	IGBJE03	BGBJE03	IGBJE36	BGBJE36	EGBJE36	CGBJE03	PMBJE03	PFBJE03	PHBJE36	PJBJE36	PCBJE03	PGBJE03	PIBJE36	PKBJE36
Transco, Leidy Line receipts	IGBIS03	BGBIS03	IGBIS36	BGBIS36	EGBIS36	CGBIS03	PMBIS03	PFBIS03	PHBIS36	PJBIS36	PCBIS03	PGBIS03	PIBIS36	PKBIS36
Appalachia Regional Average	IGDAA03													
ANR, Okla.	IGBBY03	BGBBY03	IGBBY36	BGBBY36	EGBBY36	CGBBY03	PMBBY03	PFBBY03	PHBBY36	PJBBY36	PCBBY03	PGBBY03	PIBBY36	PKBBY36
Enable Gas, East	IGBCA03	BGBCA03	IGBCA36	BGBCA36	EGBCA36	CGBCA03	PMBCA03	PFBCA03	PHBCA36	PJBCA36	PCBCA03	PGBCA03	PIBCA36	PKBCA36
NGPL, Midcontinent	IGBBZ03	BGBBZ03	IGBBZ36	BGBBZ36	EGBBZ36	CGBBZ03	PMBBZ03	PFBBZ03	PHBBZ36	PJBBZ36	PCBBZ03	PGBBZ03	PIBBZ36	PKBBZ36
Oneok, Okla.	IGBCD03	BGBCD03	IGBCD36	BGBCD36	EGBCD36	CGBCD03	PMBCD03	PFBCD03	PHBCD36	PJBCD36	PCBCD03	PGBCD03	PIBCD36	PKBCD36
Panhandle, Tx.-Okla.	IGBCE03	BGBCE03	IGBCE36	BGBCE36	EGBCE36	CGBCE03	PMBCE03	PFBCE03	PHBCE36	PJBCE36	PCBCE03	PGBCE03	PIBCE36	PKBCE36
Southern Star, Tx.-Okla.-Kan.	IGBCF03	BGBCF03	IGBCF36	BGBCF36	EGBCF36	CGBCF03	PMBCF03	PFBCF03	PHBCF36	PJBCF36	PCBCF03	PGBCF03	PIBCF36	PKBCF36
Midcontinent Regional Average	IGEAA03													

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Platts locations monthly symbols

Name of Indices	Final Monthly Indices						Preliminary Daily Indices During Bidweek				Preliminary Bidweek To Date Indices			
Description of Symbol	Index	Deal Count	Basis	Basis Deal Count	Fixed Price Equivalent	Tier	Preliminary Fixed Price	Preliminary Fixed Price Deal Count	Preliminary Basis	Preliminary Basis Deal Count	Preliminary Cumulative Fixed Price	Preliminary Cumulative Fixed Price Deal Count	Preliminary Cumulative Basis	Preliminary Cumulative Basis Deal Count
Market Data Category	GM	GM	GM	GM	GM	GM	GJ	GJ	GJ	GJ	GJ	GJ	GJ	GJ
Bates Published	h,l,u,w	u	h,l,u,w	u	u	u	h, l, c, w	u	h, l, c, w	u	h, l, c, w	u	h, l, c, w	u
Chicago city-gates	IGBDX03	BGBDX03	IGBDX36	BGBDX36	EGBDX36	CGBDX03	PMBDX03	PFBDX03	PHBDX36	PJBDX36	PCBDX03	PGBDX03	PIBDX36	PKBDX36
Chicago - Nicor	IGBEX03	BGBEX03	IGBEX36	BGBEX36	EGBEX36	CGBEX03	PMBEX03	PFBEX03	PHBEX36	PJBEX36	PCBEX03	PGBEX03	PIBEX36	PKBEX36
Chicago - NIPSCO	IGBFX03	BGBFX03	IGBFX36	BGBFX36	EGBFX36	CGBFX03	PMBFX03	PFBFX03	PHBFX36	PJBFX36	PCBFX03	PGBFX03	PIBFX36	PKBFX36
Chicago - Peoples	IGBGX03	BGBGX03	IGBGX36	BGBGX36	EGBGX36	CGBGX03	PMBGX03	PFBGX03	PHBGX36	PJBGX36	PCBGX03	PGBGX03	PIBGX36	PKBGX36
Consumers Energy city-gate	IGBDY03	BGBDY03	IGBDY36	BGBDY36	EGBDY36	CGBDY03	PMBDY03	PFBDY03	PHBDY36	PJBDY36	PCBDY03	PGBDY03	PIBDY36	PKBDY36
Dawn, Ontario	IGBCX03	BGBCX03	IGBCX36	BGBCX36	EGBCX36	CGBCX03	PMBCX03	PFBCX03	PHBCX36	PJBCX36	PCBCX03	PGBCX03	PIBCX36	PKBCX36
Emerson, Viking GL	IGBCW03	BGBCW03	IGBCW36	BGBCW36	EGBCW36	CGBCW03	PMBCW03	PFBCW03	PHBCW36	PJBCW36	PCBCW03	PGBCW03	PIBCW36	PKBCW36
MichCon city-gate	IGBDZ03	BGBDZ03	IGBDZ36	BGBDZ36	EGBDZ36	CGBDZ03	PMBDZ03	PFBDZ03	PHBDZ36	PJBDZ36	PCBDZ03	PGBDZ03	PIBDZ36	PKBDZ36
Northern Border, Ventura TP	IGBGH03	BGBGH03	IGBGH36	BGBGH36	EGBGH36	CGBGH03	PMBGH03	PFBGH03	PHBGH36	PJBGH36	PCBGH03	PGBGH03	PIBGH36	PKBGH36
Northern, demarcation	IGBDV03	BGBDV03	IGBDV36	BGBDV36	EGBDV36	CGBDV03	PMBDV03	PFBDV03	PHBDV36	PJBDV36	PCBDV03	PGBDV03	PIBDV36	PKBDV36
Northern, Ventura	IGBDU03	BGBDU03	IGBDU36	BGBDU36	EGBDU36	CGBDU03	PMBDU03	PFBDU03	PHBDU36	PJBDU36	PCBDU03	PGBDU03	PIBDU36	PKBDU36
REX, zone 3 delivered	IGBRO03	BGBRO03	IGBRO36	BGBRO36	EGBRO36	CGBRO03	PMBRO03	PFBRO03	PHBRO36	PJBRO36	PCBRO03	PGBRO03	PIBRO36	PKBRO36
Rover, delivered	IGBRV03	BGBRV03	IGBRV36	BGBRV36	EGBRV36	CGBRV03	PMBRV03	PFBRV03	PHBRV36	PJBRV36	PCBRV03	PGBRV03	PIBRV36	PKBRV36
Upper Midwest Regional Average	IGFAA03													
Florida Gas, zone 1	IGBAW03	BGBAW03	IGBAW36	BGBAP36	EGBAP36	CGBAP03	PMBAP03	PFBAP03	PHBAP36	PJBAP36	PCBAP03	PGBAP03	PIBAP36	PKBAP36
Houston Ship Channel	IGBAP03	BGBAP03	IGBAP36	BGBAP36	EGBAP36	CGBAP03	PMBAP03	PFBAP03	PHBAP36	PJBAP36	PCBAP03	PGBAP03	PIBAP36	PKBAP36
Katy	IGBAQ03	BGBAQ03	IGBAQ36	BGBAQ36	EGBAQ36	CGBAQ03	PMBAQ03	PFBAQ03	PHBAQ36	PJBAQ36	PCBAQ03	PGBAQ03	PIBAQ36	PKBAQ36
NGPL, STX	IGBAZ03	BGBAZ03	IGBAZ36	BGBAZ36	EGBAZ36	CGBAZ03	PMBAZ03	PFBAZ03	PHBAZ36	PJBAZ36	PCBAZ03	PGBAZ03	PIBAZ36	PKBAZ36
NGPL, Texok zone	IGBAL03	BGBAL03	IGBAL36	BGBAL36	EGBAL36	CGBAL03	PMBAL03	PFBAL03	PHBAL36	PJBAL36	PCBAL03	PGBAL03	PIBAL36	PKBAL36
Tennessee, zone 0	IGBBA03	BGBBA03	IGBBA36	BGBBA36	EGBBA36	CGBBA03	PMBBA03	PFBBA03	PHBBA36	PJBBA36	PCBBA03	PGBBA03	PIBBA36	PKBBA36
Texas Eastern, ETX	IGBAN03	BGBAN03	IGBAN36	BGBAN36	EGBAN36	CGBAN03	PMBAN03	PFBAN03	PHBAN36	PJBAN36	PCBAN03	PGBAN03	PIBAN36	PKBAN36
Texas Eastern, STX	IGBBB03	BGBBB03	IGBBB36	BGBBB36	EGBBB36	CGBBB03	PMBBB03	PFBBB03	PHBBB36	PJBBB36	PCBBB03	PGBBB03	PIBBB36	PKBBB36
Transco, zone 1	IGBBC03	BGBBC03	IGBBC36	BGBBC36	EGBBC36	CGBBC03	PMBBC03	PFBBC03	PHBBC36	PJBBC36	PCBBC03	PGBBC03	PIBBC36	PKBBC36
Transco, zone 2	IGBBU03	BGBBU03	IGBBU36	BGBBU36	EGBBU36	CGBBU03	PMBBU03	PFBBU03	PHBBU36	PJBBU36	PCBBU03	PGBBU03	PIBBU36	PKBBU36
East Texas Regional Average	IGGAA03													
ANR, La.	IGBBF03	BGBBF03	IGBBF36	BGBBF36	EGBBF36	CGBBF03	PMBBF03	PFBBF03	PHBBF36	PJBBF36	PCBBF03	PGBBF03	PIBBF36	PKBBF36
Columbia Gulf, La.	IGBBG03	BGBBG03	IGBBG36	BGBBG36	EGBBG36	CGBBG03	PMBBG03	PFBBG03	PHBBG36	PJBBG36	PCBBG03	PGBBG03	PIBBG36	PKBBG36
Columbia Gulf, mainline	IGBBH03	BGBBH03	IGBBH36	BGBBH36	EGBBH36	CGBBH03	PMBBH03	PFBBH03	PHBBH36	PJBBH36	PCBBH03	PGBBH03	PIBBH36	PKBBH36
Florida Gas, zone 2	IGBBJ03	BGBBJ03	IGBBJ36	BGBBJ36	EGBBJ36	CGBBJ03	PMBBJ03	PFBBJ03	PHBBJ36	PJBBJ36	PCBBJ03	PGBBJ03	PIBBJ36	PKBBJ36
Florida Gas, zone 3	IGBBK03	BGBBK03	IGBBK36	BGBBK36	EGBBK36	CGBBK03	PMBBK03	PFBBK03	PHBBK36	PJBBK36	PCBBK03	PGBBK03	PIBBK36	PKBBK36
Henry Hub	IGBBL03	BGBBL03	IGBBL36	BGBBL36	EGBBL36	CGBBL03	PMBBL03	PFBBL03	PHBBL36	PJBBL36	PCBBL03	PGBBL03	PIBBL36	PKBBL36
Pine Prairie Hub	IGBRU03	BGBRU03	IGBRU36	BGBRU36	EGBRU36	CGBRU03	PMBRU03	PFBRU03	PHBRU36	PJBRU36	PCBRU03	PGBRU03	PIBRU36	PKBRU36
Southern Natural, La.	IGBBO03	BGBBO03	IGBBO36	BGBBO36	EGBBO36	CGBBO03	PMBBO03	PFBBO03	PHBBO36	PJBBO36	PCBBO03	PGBBO03	PIBBO36	PKBBO36
Tennessee, La., 500 leg	IGBBP03	BGBBP03	IGBBP36	BGBBP36	EGBBP36	CGBBP03	PMBBP03	PFBBP03	PHBBP36	PJBBP36	PCBBP03	PGBBP03	PIBBP36	PKBBP36
Tennessee, La., 800 leg	IGBBQ03	BGBBQ03	IGBBQ36	BGBBQ36	EGBBQ36	CGBBQ03	PMBBQ03	PFBBQ03	PHBBQ36	PJBBQ36	PCBBQ03	PGBBQ03	PIBBQ36	PKBBQ36

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Platts locations monthly symbols

Name of Indices	Final Monthly Indices						Preliminary Daily Indices During Bidweek				Preliminary Bidweek To Date Indices			
Description of Symbol	Index	Deal Count	Basis	Basis Deal Count	Fixed Price Equivalent	Tier	Preliminary Fixed Price	Preliminary Fixed Price Deal Count	Preliminary Basis	Preliminary Basis Deal Count	Preliminary Cumulative Fixed Price	Preliminary Cumulative Fixed Price Deal Count	Preliminary Cumulative Basis	Preliminary Cumulative Basis Deal Count
Market Data Category	GM	GM	GM	GM	GM	GM	GJ	GJ	GJ	GJ	GJ	GJ	GJ	GJ
Bates Published	h,l,u,w	u	h,l,u,w	u	u	u	h, l, c, w	u	h, l, c, w	u	h, l, c, w	u	h, l, c, w	u
Texas Eastern, ELA	IGBBS03	BGBBS03	IGBBS36	BGBBS36	EGBBS36	CGBBS03	PMBBS03	PFBBS03	PHBBS36	PJBBS36	PCBBS03	PGBBS03	PIBBS36	PKBBS36
Texas Eastern, M-1 30-inch (Kosi)	IGBDI03	BGBDI03	IGBDI36	BGBDI36	EGBDI36	CGBDI03	PMBDI03	PFBDI03	PHBDI36	PJBDI36	PCBDI03	PGBDI03	PIBDI36	PKBDI36
Texas Eastern, WLA	IGBBR03	BGBBR03	IGBBR36	BGBBR36	EGBBR36	CGBBR03	PMBBR03	PFBBR03	PHBBR36	PJBBR36	PCBBR03	PGBBR03	PIBBR36	PKBBR36
Texas Gas, zone 1	IGBAO03	BGBAO03	IGBAO36	BGBAO36	EGBAO36	CGBAO03	PMBAO03	PFBAO03	PHBAO36	PJBAO36	PCBAO03	PGBAO03	PIBAO36	PKBAO36
Texas Gas, zone SL	IGBBT03	BGBBT03	IGBBT36	BGBBT36	EGBBT36	CGBBT03	PMBBT03	PFBBT03	PHBBT36	PJBBT36	PCBBT03	PGBBT03	PIBBT36	PKBBT36
Transco, zone 3	IGBBV03	BGBBV03	IGBBV36	BGBBV36	EGBBV36	CGBBV03	PMBBV03	PFBBV03	PHBBV36	PJBBV36	PCBBV03	PGBBV03	PIBBV36	PKBBV36
Transco, zone 4	IGBDJ03	BGBDJ03	IGBDJ36	BGBDJ36	EGBDJ36	CGBDJ03	PMBDJ03	PFBDJ03	PHBDJ36	PJBDJ36	PCBDJ03	PGBDJ03	PIBDJ36	PKBDJ36
Trunkline, LA	IGBER03	BGBER03	IGBER36	BGBER36	EGBER36	CGBER03	PMBER03	PFBER03	PHBER36	PJBER36	PCBER03	PGBER03	PIBER36	PKBER36
Trunkline, zone 1A	IGBGF03	BGBGF03	IGBGF36	BGBGF36	EGBGF36	CGBGF03	PMBGF03	PFBGF03	PHBGF36	PJBGF36	PCBGF03	PGBGF03	PIBGF36	PKBGF36
Louisiana/Southeast Regional Average	IGHAA03													
Cheyenne Hub	IGBCO03	BGBCO03	IGBCO36	BGBCO36	EGBCO36	CGBCO03	PMBCO03	PFBCO03	PHBCO36	PJBCO36	PCBCO03	PGBCO03	PIBCO36	PKBCO36
CIG, Rocky Mountains	IGBCK03	BGBCK03	IGBCK36	BGBCK36	EGBCK36	CGBCK03	PMBCK03	PFBCK03	PHBCK36	PJBCK36	PCBCK03	PGBCK03	PIBCK36	PKBCK36
Kern River, Wyoming	IGBCL03	BGBCL03	IGBCL36	BGBCL36	EGBCL36	CGBCL03	PMBCL03	PFBCL03	PHBCL36	PJBCL36	PCBCL03	PGBCL03	PIBCL36	PKBCL36
Northwest, Canadian border (Sumas)	IGBCT03	BGBCT03	IGBCT36	BGBCT36	EGBCT36	CGBCT03	PMBCT03	PFBCT03	PHBCT36	PJBCT36	PCBCT03	PGBCT03	PIBCT36	PKBCT36
Northwest, Rocky Mountains	IGBCP03	BGBCP03	IGBCP36	BGBCP36	EGBCP36	CGBCP03	PMBCP03	PFBCP03	PHBCP36	PJBCP36	PCBCP03	PGBCP03	PIBCP36	PKBCP36
Northwest, S. of Green River	IGBYT03	BGBYT03	IGBYT36	BGBYT36	EGBYT36	CGBYT03	PMBYT03	PFBYT03	PHBYT36	PJBYT36	PCBYT03	PGBYT03	PIBYT36	PKBYT36
Northwest, Wyoming Pool	IGBDA03	BGBDA03	IGBDA36	BGBDA36	EGBDA36	CGBDA03	PMBDA03	PFBDA03	PHBDA36	PJBDA36	PCBDA03	PGBDA03	PIBDA36	PKBDA36
PG&E, Malin	IGBDO03	BGBDO03	IGBDO36	BGBDO36	EGBDO36	CGBDO03	PMBDO03	PFBDO03	PHBDO36	PJBDO36	PCBDO03	PGBDO03	PIBDO36	PKBDO36
TCPL Alberta, AECO-C	IGBCU03	BGBCU03	IGBCU36	BGBCU36	EGBCU36	CGBCU03	PMBCU03	PFBCU03	PHBCU36	PJBCU36	PCBCU03	PGBCU03	PIBCU36	PKBCU36
Westcoast, station 2	IGBCZ03	BGBCZ03	IGBCZ36	BGBCZ36	EGBCZ36	CGBCZ03	PMBCZ03	PFBCZ03	PHBCZ36	PJBCZ36	PCBCZ03	PGBCZ03	PIBCZ36	PKBCZ36
Rockies/Northwest Regional Average	IGIAA03													
El Paso, Permian Basin	IGBAB03	BGBAB03	IGBAB36	BGBAB36	EGBAB36	CGBAB03	PMBAB03	PZBAB03	PHBAB36	PJBAB36	PCBAB03	PGBAB03	PIBAB36	PKBAB36
El Paso, San Juan Basin	IGBCH03	BGBCH03	IGBCH36	BGBCH36	EGBCH36	CGBCH03	PMBCH03	PZBCH03	PHBCH36	PJBCH36	PCBCH03	PGBCH03	PIBCH36	PKBCH36
El Paso, West Texas	IGBRT03	BGBRT03	IGBRT36	BGBRT36	EGBRT36	CGBRT03	PMBRT03	PFBRT03	PHBRT36	PJBRT36	PCBRT03	PGBRT03	PIBRT36	PKBRT36
Kern River, delivered	IGBRX03	BGBRX03	IGBRX36	BGBRX36	EGBRX36	CGBRX03	PMBRX03	PFBRX03	PHBRX36	PJBRX36	PCBRX03	PGBRX03	PIBRX36	PKBRX36
PG&E, city-gate	IGBEB03	BGBEB03	IGBEB36	BGBEB36	EGBEB36	CGBEB03	PMBEB03	PZBEB03	PHBEB36	PJBEB36	PCBEB03	PGBEB03	PIBEB36	PKBEB36
PG&E, South	IGBDM03	BGBDM03	IGBDM36	BGBDM36	EGBDM36	CGBDM03	PMBDM03	PZBDM03	PHBDM36	PJBDM36	PCBDM03	PGBDM03	PIBDM36	PKBDM36
SoCal Gas	IGBDL03	BGBDL03	IGBDL36	BGBDL36	EGBDL36	CGBDL03	PMBDL03	PZBDL03	PHBDL36	PJBDL36	PCBDL03	PGBDL03	PIBDL36	PKBDL36
SoCal Gas, city-gate	IGBGG03	BGBGG03	IGBGG36	BGBGG36	EGBGG36	CGBGG03	PMBGG03	PZBGG03	PHBGG36	PJBGG36	PCBGG03	PGBGG03	PIBGG36	PKBGG36
Transwestern, Permian Basin	IGBAE03	BGBAE03	IGBAE36	BGBAE36	EGBAE36	CGBAE03	PMBAE03	PZBAE03	PHBAE36	PJBAE36	PCBAE03	PGBAE03	PIBAE36	PKBAE36
Transwestern, San Juan Basin	IGBGK03	BGBGK03	IGBGK36	BGBGK36	EGBGK36	CGBGK03	PMBGK03	PZBGK03	PHBGK36	PJBGK36	PCBGK03	PGBGK03	PIBGK36	PKBGK36
Waha	IGBAD03	BGBAD03	IGBAD36	BGBAD36	EGBAD36	CGBAD03	PMBAD03	PZBAD03	PHBAD36	PJBAD36	PCBAD03	PGBAD03	PIBAD36	PKBAD36
Southwest Regional Average	IGJAA03													
NYMEX Henry Hub Expiration	ENALC00													

Bates are defined as: high = h; Low = l; Index = u or Final Indices and c for Preliminary Indices; Volume = w

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Platts Canadian OTC Indices daily symbols

Name of Indices	Final Daily Indices By Trade Date			Final Daily Indices By Flow Date		
Description of Symbol	Index	Absolute Range	Deal Count	Index	Absolute Range	Deal Count
Market Data Category	GD	GD	GD	GD	GD	GD
Bates Published	c,w	h,l	u	c,w	h,l	u
Dawn, Ontario OTC	PVBCX90	PVBCX91	BGBCX92	PVBCX93	PVBCX94	BGBCX95
Emerson, Viking GL OTC	PVBCW90	PVBCW91	BGBCW92	PVBCW93	PVBCW94	BGBCW95
Northwest, Canadian border (Sumas) OTC	PVBCT90	PVVCT91	BGVCT92	PVBCT93	PVVCT94	BGVCT95
TCPL Alberta, AECO-C OTC	PVBCU90	PVBCU91	BGBCU92	PVBCU93	PVBCU94	BGBCU95
Westcoast, station 2 OTC	PVBCZ90	PVBCZ91	BGBCZ92	PVBCZ93	PVBCZ94	BGBCZ95

Bates are defined as: high = h; Low = l; Index = u or Final Indices and c for Preliminary Indices; Volume = w

Platts Canadian OTC Indices monthly symbols

Name of Indices	Final Monthly Indices	
Description of Symbol	Index	Deal Count
Market Data Category	GM	GM
Bates Published	h,l,c,w	u
Dawn, Ontario OTC	PVBCX96	BGBCX97
Emerson, Viking GL OTC	PVBCW96	BGBCW97
Northwest, Canadian border (Sumas) OTC	PVBCT96	BGVCT97
TCPL Alberta, AECO-C OTC	PVBCU96	BGBCU97
Westcoast, station 2 OTC	PVBCZ96	BGBCZ97

Bates are defined as: high = h; Low = l; Index = u or Final Indices and c for Preliminary Indices; Volume = w

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ICE locations daily symbols

Name of Indices	Final Daily Indices By Trade Date			Final Daily Indices By Flow Date		
Description of Symbol	Index and Common Range	Absolute Range	Deal Count	Index	Absolute Range	Deal Count
Market Data Category	GD	GD	GD	GD	GD	GD
Bates Published	h,l,c,w	h,l	u	h,l,c,w	h,l	u
ICE Agua Blanca Pool	JAAHU00	JAAHU20	JCCHU00	JAAHU21	JAAHU22	JCCHU21
ICE Agua Dulce Hub	JAAGI00	JAAGI20	JCCGI00	JAAGI21	JAAGI22	JCCGI21
ICE Algonquin CG (Excl. J and G Lateral deliveries)	JAAAA00	JAAAA20	JCCAA00	JAAAA21	JAAAA22	JCCAA21
ICE Algonquin Citygates (Excl. J Lateral deliveries)	JAAAB00	JAAAB20	JCCAB00	JAAAB21	JAAAB22	JCCAB21
ICE Algonquin, Millennium-Ramapo receipts	JAAHF00	JAAHF20	JCCHF00	JAAHF21	JAAHF22	JCCHF21
ICE Algonquin, TGP-Mahwah receipts	JAAHG00	JAAHG20	JCCHG00	JAAHG21	JAAHG22	JCCHG21
ICE Alliance, Chicago Exchange Hub	JAAAC00	JAAAC20	JCCAC00	JAAAC21	JAAAC22	JCCAC21
ICE Alliance, ANR Interconnect	JAAAD00	JAAAD20	JCCAD00	JAAAD21	JAAAD22	JCCAD21
ICE Alliance, Midwestern Interconnect	JAAFX00	JAAFX20	JCCFX00	JAAFX21	JAAFX22	JCCFX21
ICE Alliance, NGPL Interconnect	JAAAF00	JAAAF20	JCCAF00	JAAAF21	JAAAF22	JCCAF21
ICE Alliance, Nicor Interconnect	JAAAG00	JAAAG20	JCCAG00	JAAAG21	JAAAG22	JCCAG21
ICE Alliance, Vector Interconnect	JAAAH00	JAAAH20	JCCAH00	JAAAH21	JAAAH22	JCCAH21
ICE ANR, SE Transmission Pool	JAAAI00	JAAAI20	JCCAI00	JAAAI21	JAAAI22	JCCAI21
ICE ANR, SE Gathering Pool	JAAAJ00	JAAAJ20	JCCAJ00	JAAAJ21	JAAAJ22	JCCAJ21
ICE ANR, Joliet Hub CDP	JAAAK00	JAAAK20	JCCAK00	JAAAK21	JAAAK22	JCCAK21
ICE Atmos, zone 3, receipts	JAAAL00	JAAAL20	JCCAL00	JAAAL21	JAAAL22	JCCAL21
ICE Banquete Hub	JAAHX00	JAAHX20	JCCHX00	JAAHX21	JAAHX22	JCCHX21
ICE Bay Gas Storage	JADTZ00	JADTZ20	JCETZ00	JADTZ21	JADTZ22	JCETZ21
ICE Bennington, Oklahoma (buyer's choice)	JAAHK00	JAAHK20	JCCHK00	JAAHK21	JAAHK22	JCCHK21
ICE Bluewater Gas Storage	JAAAN00	JAAAN20	JCCAN00	JAAAN21	JAAAN22	JCCAN21
ICE Bobcat Interconnect (buyers' choice dlvd)	JAAAO00	JAAAO20	JCCAO00	JAAAO21	JAAAO22	JCCAO21
ICE Bobcat Storage (In-ground transfer only)	JAAAP00	JAAAP20	JCCAP00	JAAAP21	JAAAP22	JCCAP21
ICE Carthage Hub Tailgate	JAAAQ00	JAAAQ20	JCCAQ00	JAAAQ21	JAAAQ22	JCCAQ21
ICE CIG - Mainline (sellers' choice, non-lateral)	JAAFY00	JAAFY20	JCCFY00	JAAFY21	JAAFY22	JCCFY21
ICE CIG, Mainline Pool	JAAFZ00	JAAFZ20	JCCFZ00	JAAFZ21	JAAFZ22	JCCFZ21
ICE CIG - Mainline South (sellers' choice)	JAAAT00	JAAAT20	JCCAT00	JAAAT21	JAAAT22	JCCAT21
ICE Clarington Tennessee	JAAFI00	JAAFI20	JCCFI00	JAAFI21	JAAFI22	JCCFI21
ICE Columbia Gas, A04 Pool	JAAAU00	JAAAU20	JCCAU00	JAAAU21	JAAAU22	JCCAU21
ICE Columbia Gas, A06 Pool	JAAAV00	JAAAV20	JCCAV00	JAAAV21	JAAAV22	JCCAV21
ICE Columbia Gas, A08 Pool	JABBY00	JABBY20	JCBBY00	JABBY21	JABBY22	JCBBY21
ICE Columbia Gas, Segmentation Pool	JAAAW00	JAAAW20	JCCAW00	JAAAW21	JAAAW22	JCCAW21
ICE Cove Point, on system delivery	JAAHM00	JAAHM20	JCCHM00	JAAHM21	JAAHM22	JCCHM21
ICE Egan Interconnect (buyers' choice delivered)	JAAAZ00	JAAAZ20	JCCAZ00	JAAAZ21	JAAAZ22	JCCAZ21
ICE Egan Storage (In-ground transfer only)	JAABA00	JAABA20	JCCBA00	JAABA21	JAABA22	JCCBA21
ICE El Paso, Anadarko Pool	JAAHZ00	JAAHZ20	JCCHZ00	JAAHZ21	JAAHZ22	JCCHZ21
ICE El Paso, Keystone Pool	JAABB00	JAABB20	JCCBB00	JAABB21	JAABB22	JCCBB21
ICE El Paso, Plains Pool	JAABC00	JAABC20	JCCBC00	JAABC21	JAABC22	JCCBC21

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ICE locations daily symbols

Name of Indices	Final Daily Indices By Trade Date			Final Daily Indices By Flow Date		
Description of Symbol	Index and Common Range	Absolute Range	Deal Count	Index	Absolute Range	Deal Count
Market Data Category	GD	GD	GD	GD	GD	GD
Bates Published	h,l,c,w	h,l	u	h,l,c,w	h,l	u
ICE El Paso, Waha Pool	JAABD00	JAABD20	JCCBD00	JAABD21	JAABD22	JCCBD21
ICE Enable Gas, Flex Pool only	JAABE00	JAABE20	JCCBE00	JAABE21	JAABE22	JCCBE21
ICE Enable Gas, North Pool only	JAABF00	JAABF20	JCCBF00	JAABF21	JAABF22	JCCBF21
ICE Enable Gas, Perryville Hub	JAABG00	JAABG20	JCCBG00	JAABG21	JAABG22	JCCBG21
ICE Enable Gas, South Pool only	JAABH00	JAABH20	JCCBH00	JAABH21	JAABH22	JCCBH21
ICE Enable Gas, West (W1 or W2 as mutually agreed)	JAABI00	JAABI20	JCCBI00	JAABI21	JAABI22	JCCBI21
ICE Enable Gas, West Pool	JAABJ00	JAABJ20	JCCBJ00	JAABJ21	JAABJ22	JCCBJ21
ICE ENT, STX Map	JAAHT00	JAAHT20	JCCHT00	JAAHT21	JAAHT22	JCCHT21
ICE ETC, Cleburne	JAAHH00	JAAHH20	JCCHH00	JAAHH21	JAAHH22	JCCHH21
ICE ETC, Maypearl	JAABK00	JAABK20	JCCBK00	JAABK21	JAABK22	JCCBK21
ICE Gillis Hub	JAAWY00	JAAWL20	JCCWL00	JAAWL21	JAAWL22	JCCWL21
ICE Golden Triangle Storage & Hub	JAABL00	JAABL20	JCCBL00	JAABL21	JAABL22	JCCBL21
ICE Great Lakes Gas, St. Clair	JAABM00	JAABM20	JCCBM00	JAABM21	JAABM22	JCCBM21
ICE Guardian, Guardian Hub	JAABN00	JAABN20	JCCBN00	JAABN21	JAABN22	JCCBN21
ICE Gulf South, Perryville Exchange Point	JAABO00	JAABO20	JCCBO00	JAABO21	JAABO22	JCCBO21
ICE Gulf South, Pool Area #16	JAABP00	JAABP20	JCCBP00	JAABP21	JAABP22	JCCBP21
ICE HPL, East Texas Pool	JAABR00	JAABR20	JCCBR00	JAABR21	JAABR22	JCCBR21
ICE HSC-Kinder Morgan	JAAWX00	JAAWM20	JCCWM00	JAAWM21	JAAWM22	JCCWM21
ICE Iroquois, zone 2 (non-Hunts Point/Eastchester Lateral)	JAABT00	JAABT20	JCCBT00	JAABT21	JAABT22	JCCBT21
ICE Iroquois, zone 2 Hunts Point/Eastchester Lateral	JAABU00	JAABU20	JCCBU00	JAABU21	JAABU22	JCCBU21
ICE Jefferson Island Storage and Hub	JAABV00	JAABV20	JCCBV00	JAABV21	JAABV22	JCCBV21
ICE Katy, ENSTOR Pool (excl. Kinder Morgan Texas)	JAABW00	JAABW20	JCCBW00	JAABW21	JAABW22	JCCBW21
ICE Katy, Lonestar (Warranted as Intrastate)	JAABX00	JAABX20	JCCBX00	JAABX21	JAABX22	JCCBX21
ICE Katy, Lonestar Interstate	JAABY00	JAABY20	JCCBY00	JAABY21	JAABY22	JCCBY21
ICE Katy, Oasis Pipeline	JAABZ00	JAABZ20	JCCBZ00	JAABZ21	JAABZ22	JCCBZ21
ICE Kern River, on system receipt	JAACA00	JAACA20	JCCCA00	JAACA21	JAACA22	JCCCA21
ICE Maritimes, Hubline and Beverly Salem	JAACB00	JAACB20	JCCCB00	JAACB21	JAACB22	JCCCB21
ICE Maritimes and Northeast Pipeline US (buyer's choice dlvd)	JAACC00	JAACC20	JCCCC00	JAACC21	JAACC22	JCCCC21
ICE MEP, Lamar	JABFW00	JABFW20	JCBFW00	JABFW21	JABFW22	JCBFW21
ICE Midship, receipts	JADGZ00	JADGZ20	JCEGZ00	JADGZ21	JADGZ22	JCEGZ21
ICE Millennium Pipeline - buyers' choice delivered	JAAHA00	JAAHA20	JCCHA00	JAAHA21	JAAHA22	JCCHA21
ICE Moss Bluff Interconnect (buyers' choice dlvd)	JAACD00	JAACD20	JCCCD00	JAACD21	JAACD22	JCCCD21
ICE Moss Bluff Storage (In-ground transfers only)	JAACE00	JAACE20	JCCCE00	JAACE21	JAACE22	JCCCE21
ICE MS Hub Storage	JAACF00	JAACF20	JCCCF00	JAACF21	JAACF22	JCCCF21
ICE NGPL, Amarillo Pooling PIN	JAACG00	JAACG20	JCCCG00	JAACG21	JAACG22	JCCCG21
ICE NGPL, Amarillo Storage PIN	JAACH00	JAACH20	JCCCH00	JAACH21	JAACH22	JCCCH21
ICE NGPL, Gulf Coast Mainline Pool	JAACI00	JAACI20	JCCCI00	JAACI21	JAACI22	JCCCI21

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ICE locations daily symbols

Name of Indices	Final Daily Indices By Trade Date			Final Daily Indices By Flow Date		
Description of Symbol	Index and Common Range	Absolute Range	Deal Count	Index	Absolute Range	Deal Count
Market Data Category	GD	GD	GD	GD	GD	GD
Bates Published	h,l,c,w	h,l	u	h,l,c,w	h,l	u
ICE NGPL, Iowa-Illinois GC Pool	JAAHN00	JAAHN20	JCCHN00	JAAHN21	JAAHN22	JCCHN21
ICE NGPL, Iowa-Illinois AM Pool	JAAHO00	JAAHO20	JCCHO00	JAAHO21	JAAHO22	JCCHO21
ICE NGPL, Iowa-Illinois GC Storage	JAAHP00	JAAHP20	JCCHP00	JAAHP21	JAAHP22	JCCHP21
ICE NGPL, Iowa-Illinois AM Storage	JAAHQ00	JAAHQ20	JCCHQ00	JAAHQ21	JAAHQ22	JCCHQ21
ICE NGPL, Louisiana Pooling PIN	JAACL00	JAACL20	JCCCL00	JAACL21	JAACL22	JCCCL21
ICE NGPL, Louisiana Storage PIN	JAACM00	JAACM20	JCCCM00	JAACM21	JAACM22	JCCCM21
ICE NGPL, Mid-American Citygate	JAACN00	JAACN20	JCCCN00	JAACN21	JAACN22	JCCCN21
ICE NGPL, Mid-Continent Storage PIN	JAACO00	JAACO20	JCCCO00	JAACO21	JAACO22	JCCCO21
ICE NGPL TXOK East Storage (Gulf Coast) PIN 25658	JAAGA00	JAAGA20	JCCGA00	JAAGA21	JAAGA22	JCCGA21
ICE NGPL, TXOK East Pool	JAACP00	JAACP20	JCCCP00	JAACP21	JAACP22	JCCCP21
ICE NGPL, TXOK West Pool	JAACQ00	JAACQ20	JCCCQ00	JAACQ21	JAACQ22	JCCCQ21
ICE NorTex, Tolar Hub	JAACR00	JAACR20	JCCCR00	JAACR21	JAACR22	JCCCR21
ICE Northern Border, Harper Transfer Point	JAACS00	JAACS20	JCCCS00	JAACS21	JAACS22	JCCCS21
ICE Northern Border, Nicor Interconnect	JAACT00	JAACT20	JCCCT00	JAACT21	JAACT22	JCCCT21
ICE Northern Border, Vector Interconnect	JAACU00	JAACU20	JCCCU00	JAACU21	JAACU22	JCCCU21
ICE Northern Border, Will County	JAACV00	JAACV20	JCCCV00	JAACV21	JAACV22	JCCCV21
ICE Northern Natural, Mid 13 - 16A Pool	JAACW00	JAACW20	JCCCW00	JAACW21	JAACW22	JCCCW21
ICE Northern Natural, Mid 1-7 Pool	JAACX00	JAACX20	JCCCX00	JAACX21	JAACX22	JCCCX21
ICE Northern Natural, Mid 8 -12 Pool	JAACY00	JAACY20	JCCCY00	JAACY21	JAACY22	JCCCY21
ICE Oasis, Waha Pool	JAACZ00	JAACZ20	JCCCZ00	JAACZ21	JAACZ22	JCCCZ21
ICE ONEOK, Westex Pool	JAADA00	JAADA20	JCCDA00	JAADA21	JAADA22	JCCDA21
ICE Opal Plant Tailgate	JAADB00	JAADB20	JCCDB00	JAADB21	JAADB22	JCCDB21
ICE PG&E, Daggett	JAADC00	JAADC20	JCCDC00	JAADC21	JAADC22	JCCDC21
ICE PG&E, Kern River Station	JAADD00	JAADD20	JCCDD00	JAADD21	JAADD22	JCCDD21
ICE PG&E-Onyx Hill	JAAHB00	JAAHB20	JCCHB00	JAAHB21	JAAHB22	JCCHB21
ICE PG&E, Topock	JAADE00	JAADE20	JCCDE00	JAADE21	JAADE22	JCCDE21
ICE Pioneer Plant Tailgate	JAADG00	JAADG20	JCCDG00	JAADG21	JAADG22	JCCDG21
ICE PNGTS (buyer's choice dlvd)	JAADH00	JAADH20	JCCDH00	JAADH21	JAADH22	JCCDH21
ICE Questar, North Pool	JAADI00	JAADI20	JCCDI00	JAADI21	JAADI22	JCCDI21
ICE Questar, South Pool	JAADJ00	JAADJ20	JCCDJ00	JAADJ21	JAADJ22	JCCDJ21
ICE REX, Cheyenne Comp Pool	JACFZ00	JACFZ20	JCDFZ00	JACFZ21	JACFZ22	JCDFZ21
ICE REX (East), delivered into ANR	JAADK00	JAADK20	JCCDK00	JAADK21	JAADK22	JCCDK21
ICE REX (East), delivered into Lebanon Hub	JAAHC00	JAAHC20	JCCHC00	JAAHC21	JAAHC22	JCCHC21
ICE REX (East), delivered into Midwestern Gas	JAADL00	JAADL20	JCCDL00	JAADL21	JAADL22	JCCDL21
ICE REX (East), delivered into NGPL	JAADM00	JAADM20	JCCDM00	JAADM21	JAADM22	JCCDM21
ICE REX (East), delivered into Panhandle	JAADN00	JAADN20	JCCDN00	JAADN21	JAADN22	JCCDN21

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ICE locations daily symbols

Name of Indices	Final Daily Indices By Trade Date			Final Daily Indices By Flow Date		
Description of Symbol	Index and Common Range	Absolute Range	Deal Count	Index	Absolute Range	Deal Count
Market Data Category	GD	GD	GD	GD	GD	GD
Bates Published	h,l,c,w	h,l	u	h,l,c,w	h,l	u
ICE REX (East), delivered into Trunkline	JAADO00	JAADO20	JCCDO00	JAADO21	JAADO22	JCCDO21
ICE REX (West), delivered into ANR	JAADP00	JAADP20	JCCDP00	JAADP21	JAADP22	JCCDP21
ICE REX (West), delivered into Natural Gas Pipeline of America	JADUZ00	JADUZ20	JCEUZ00	JADUZ21	JADUZ22	JCEUZ21
ICE REX (West), delivered into Northern Natural	JAADQ00	JAADQ20	JCCDQ00	JAADQ21	JAADQ22	JCCDQ21
ICE REX (West), delivered into Panhandle	JAADR00	JAADR20	JCCDR00	JAADR21	JAADR22	JCCDR21
ICE REX, zone 3 delivered Pool	JAAQR00	JAAQR20	JCCQR00	JAAQR21	JAAQR22	JCCQR21
ICE REX, zone 3 receipts	JAAHS00	JAAHS20	JCCHS00	JAAHS21	JAAHS22	JCCHS21
ICE Rover, delivered into ANR	JAAHI00	JAAHI20	JCCHI00	JAAHI21	JAAHI22	JCCHI21
ICE Rover, delivered into Panhandle	JAAHJ00	JAAHJ20	JCCHJ00	JAAHJ21	JAAHJ22	JCCHJ21
ICE Rover, receipts	JAAHR00	JAAHR20	JCCHR00	JAAHR21	JAAHR22	JCCHR21
ICE Ruby, Onyx Hill	JAADS00	JAADS20	JCCDS00	JAADS21	JAADS22	JCCDS21
ICE Ruby, Receipt Pool	JAADT00	JAADT20	JCCDT00	JAADT21	JAADT22	JCCDT21
ICE Ryckman Creek Gas Storage	JAADU00	JAADU20	JCCDU00	JAADU21	JAADU22	JCCDU21
ICE Salt Plains Storage (buyers' choice)	JAADV00	JAADV20	JCCDV00	JAADV21	JAADV22	JCCDV21
ICE Salt Plains Storage (In-ground transfer only)	JAADW00	JAADW20	JCCDW00	JAADW21	JAADW22	JCCDW21
ICE Socal, Blythe	JAADX00	JAADX20	JCCDX00	JAADX21	JAADX22	JCCDX21
ICE Socal, Ehrenberg (delivered)	JAADY00	JAADY20	JCCDY00	JAADY21	JAADY22	JCCDY21
ICE Socal, Firm Storage only (Citygate)	JAADZ00	JAADZ20	JCCDZ00	JAADZ21	JAADZ22	JCCDZ21
ICE Socal, In-ground transfer only (Citygate)	JAAEA00	JAAEA20	JCCEA00	JAAEA21	JAAEA22	JCCEA21
ICE Socal, Interruptible Storage only (Citygate)	JAAEB00	JAAEB20	JCCEB00	JAAEB21	JAAEB22	JCCEB21
ICE Socal, Kern River Station	JAAEC00	JAAEC20	JCCEC00	JAAEC21	JAAEC22	JCCEC21
ICE Socal, Kramer Junction	JAAED00	JAAED20	JCCED00	JAAED21	JAAED22	JCCED21
ICE Socal, Needles	JAAEE00	JAAEE20	JCCEE00	JAAEE21	JAAEE22	JCCEE21
ICE Socal, sellers' choice dlvd incl. CA production	JAAEF00	JAAEF20	JCCEF00	JAAEF21	JAAEF22	JCCEF21
ICE Socal - Topock	JAAHD00	JAAHD20	JCCHD00	JAAHD21	JAAHD22	JCCHD21
ICE Socal, Topock, El Paso	JAAEG00	JAAEG20	JCCEG00	JAAEG21	JAAEG22	JCCEG21
ICE Socal, Topock, Transwestern	JAAEH00	JAAEH20	JCCEH00	JAAEH21	JAAEH22	JCCEH21
ICE Socal, Wheeler Ridge	JAAEI00	JAAEI20	JCCEI00	JAAEI21	JAAEI22	JCCEI21
ICE Sonat - Zone 0	JAAHE00	JAAHE20	JCCHE00	JAAHE21	JAAHE22	JCCHE21
ICE Sonat, Zone 0 South Louisiana Pool	JAAEJ00	JAAEJ20	JCCEJ00	JAAEJ21	JAAEJ22	JCCEJ21
ICE Sonat, Zone 1 North Pool	JAAEK00	JAAEK20	JCCEK00	JAAEK21	JAAEK22	JCCEK21
ICE Southern Pines Hub	JAAEM00	JAAEM20	JCCEM00	JAAEM21	JAAEM22	JCCEM21
ICE Stagecoach Marcellus Hub	JAAEN00	JAAEN20	JCCEN00	JAAEN21	JAAEN22	JCCEN21
ICE Stingray, pool delivery	JAAEO00	JAAEO20	JCCEO00	JAAEO21	JAAEO22	JCCEO21
ICE Tennessee, zone 0 North	JAAEP00	JAAEP20	JCCEP00	JAAEP21	JAAEP22	JCCEP21
ICE Tennessee, zone 0 South	JAAEQ00	JAAEQ20	JCCEQ00	JAAEQ21	JAAEQ22	JCCEQ21
ICE Tennessee, zone 0 South Texas Border Pool	JABFY00	JABFY20	JCBFY00	JABFY21	JABFY22	JCBFY21

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ICE locations daily symbols

Name of Indices	Final Daily Indices By Trade Date			Final Daily Indices By Flow Date		
Description of Symbol	Index and Common Range	Absolute Range	Deal Count	Index	Absolute Range	Deal Count
Market Data Category	GD	GD	GD	GD	GD	GD
Bates Published	h,l,c,w	h,l	u	h,l,c,w	h,l	u
ICE Tennessee, zone 1 100 Leg Pool	JAAER00	JAAER20	JCCER00	JAAER21	JAAER22	JCCER21
ICE Tennessee, zone 1 800 Leg Pool	JAAXX00	JAAXM20	JCCXM00	JAAXM21	JAAXM22	JCCXM21
ICE Tennessee, zone 1, Station 87 Pool	JAAES00	JAAES20	JCCES00	JAAES21	JAAES22	JCCES21
ICE Tennessee, zone 4, station 219 Pool	JAAET00	JAAET20	JCCET00	JAAET21	JAAET22	JCCET21
ICE Tennessee, zone 6 300 leg	JADPZ00	JADPZ20	JCEPZ00	JADPZ21	JADPZ22	JCEPZ21
ICE Texas Eastern, M2 Zone (delivered)	JAAEV00	JAAEV20	JCCEV00	JAAEV21	JAAEV22	JCCEV21
ICE Texas Eastern, Manhattan Lateral (delivered)	JAAEW00	JAAEW20	JCCEW00	JAAEW21	JAAEW22	JCCEW21
ICE Texas Gas, Mainline Pool	JAAEX00	JAAEX20	JCCEX00	JAAEX21	JAAEX22	JCCEX21
ICE Texas Gas, North Louisiana Pool	JAAEY00	JAAEY20	JCCEY00	JAAEY21	JAAEY22	JCCEY21
ICE Transco, River Road	JABFZ00	JABFZ20	JCBFZ00	JABFZ21	JABFZ22	JCBFZ21
ICE Transco, zone 6 (non-NY north mainline)	JAAEZ00	JAAEZ20	JCCEZ00	JAAEZ21	JAAEZ22	JCCEZ21
ICE Transco, zone 6 non-NY South	JADSZ00	JADSZ20	JCESZ00	JADSZ21	JADSZ22	JCESZ21
ICE Transco, zone 6 station 210 Pool	JAAFA00	JAAFA20	JCCFA00	JAAFA21	JAAFA22	JCCFA21
ICE Transwestern, Central Pool	JAAFB00	JAAFB20	JCCFB00	JAAFB21	JAAFB22	JCCFB21
ICE Transwestern, Panhandle Pool	JAAFC00	JAAFC20	JCCFC00	JAAFC21	JAAFC22	JCCFC21
ICE Transwestern, West Texas Pool	JAAFD00	JAAFD20	JCCFD00	JAAFD21	JAAFD22	JCCFD21
ICE Tres Palacios Hub - Injection	JAAFE00	JAAFE20	JCCFE00	JAAFE21	JAAFE22	JCCFE21
ICE Tres Palacios Hub - Withdrawal	JAAFF00	JAAFF20	JCCFF00	JAAFF21	JAAFF22	JCCFF21
ICE Waha Hub, West Texas (buyer's choice dlvd)	JAAFG00	JAAFG20	JCCFG00	JAAFG21	JAAFG22	JCCFG21
ICE WIC, Pool	JAAFH00	JAAFH20	JCCFH00	JAAFH21	JAAFH22	JCCFH21

Bates are defined as: high = h; Low = l; Index = u or Final Indices and c for Preliminary Indices; Volume = w

ICE locations monthly symbols

Name of Indices	Final Monthly Indices				Preliminary Daily Indices During Bidweek				Preliminary Bidweek To Date Indices			
Description of Symbol	Index	Deal Count	Basis	Basis Deal Count	Preliminary Fixed Price	Preliminary Fixed Price Deal Count	Preliminary Basis	Preliminary Basis Deal Count	Preliminary Cumulative Fixed Price	Preliminary Cumulative Fixed Price Deal Count	Preliminary Cumulative Basis	Preliminary Cumulative Basis Deal Count
Market Data Category	GM	GM	GM	GM	GJ	GJ	GJ	GJ	GJ	GJ	GJ	GJ
Bates Published	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u
ICE Agua Blanca Pool	JAAHU03	JDDHU03	JAAHU36	JDDHU36	JBBHU03	JEEHU03	JBBHU36	JEEHU36	JCCHU03	JFFHU03	JCCHU36	JFFHU36
ICE Agua Dulce Hub	JAAGI03	JDDGI03	JAAGI36	JDDGI36	JBBGI03	JEEGI03	JBBGI36	JEEGI36	JCCGI03	JFFGI03	JCCGI36	JFFGI36
ICE Algonquin CG (Excl. J and G Lateral deliveries)	JAAAA03	JDDAA03	JAAAA36	JDDAA36	JBBAA03	JEEAA03	JBBAA36	JEEAA36	JCCAA03	JFFAA03	JCCAA36	JFFAA36

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ICE locations monthly symbols

Name of Indices	Final Monthly Indices				Preliminary Daily Indices During Bidweek				Preliminary Bidweek To Date Indices			
Description of Symbol	Index	Deal Count	Basis	Basis Deal Count	Preliminary Fixed Price	Preliminary Fixed Price Deal Count	Preliminary Basis	Preliminary Basis Deal Count	Preliminary Cumulative Fixed Price	Preliminary Cumulative Fixed Price Deal Count	Preliminary Cumulative Basis	Preliminary Cumulative Basis Deal Count
Market Data Category	GM	GM	GM	GM	GJ	GJ	GJ	GJ	GJ	GJ	GJ	GJ
Bates Published	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u
ICE Algonquin Citygates (Excl. J Lateral deliveries)	JAAAB03	JDDAB03	JAAAB36	JDDAB36	JBBAB03	JEEAB03	JBBAB36	JEEAB36	JCCAB03	JFFAB03	JCCAB36	JFFAB36
ICE Algonquin, Millennium-Ramapo receipts	JAAHF03	JDDHF03	JAAHF36	JDDHF36	JBBHF03	JEEHF03	JBBHF36	JEEHF36	JCCHF03	JFFHF03	JCCHF36	JFFHF36
ICE Algonquin, TGP-Mahwah receipts	JAAHG03	JDDHG03	JAAHG36	JDDHG36	JBBHG03	JEEHG03	JBBHG36	JEEHG36	JCCHG03	JFFHG03	JCCHG36	JFFHG36
ICE Alliance, Chicago Exchange Hub	JAAAC03	JDDAC03	JAAAC36	JDDAC36	JBBAC03	JEEAC03	JBBAC36	JEEAC36	JCCAC03	JFFAC03	JCCAC36	JFFAC36
ICE Alliance, ANR Interconnect	JAAAD03	JDDAD03	JAAAD36	JDDAD36	JBBAD03	JEEAD03	JBBAD36	JEEAD36	JCCAD03	JFFAD03	JCCAD36	JFFAD36
ICE Alliance, Midwestern Interconnect	JAAFX03	JDDFX03	JAAFX36	JDDFX36	JBBFX03	JEEFX03	JBBFX36	JEEFX36	JCCFX03	JFFFX03	JCCFX36	JFFFX36
ICE Alliance, NGPL Interconnect	JAAAF03	JDDAF03	JAAAF36	JDDAF36	JBBAF03	JEEAF03	JBBAF36	JEEAF36	JCCAF03	JFFAF03	JCCAF36	JFFAF36
ICE Alliance, Nicor Interconnect	JAAAG03	JDDAG03	JAAAG36	JDDAG36	JBBAG03	JEEAG03	JBBAG36	JEEAG36	JCCAG03	JFFAG03	JCCAG36	JFFAG36
ICE Alliance, Vector Interconnect	JAAAH03	JDDAH03	JAAAH36	JDDAH36	JBBAH03	JEEAH03	JBBAH36	JEEAH36	JCCAH03	JFFAH03	JCCAH36	JFFAH36
ICE ANR, SE Transmission Pool	JAAAI03	JDDAI03	JAAAI36	JDDAI36	JBBAI03	JEEAI03	JBBAI36	JEEAI36	JCCAI03	JFFAI03	JCCAI36	JFFAI36
ICE ANR, SE Gathering Pool	JAAAJ03	JDDAJ03	JAAAJ36	JDDAJ36	JBBAJ03	JEEAJ03	JBBAJ36	JEEAJ36	JCCAJ03	JFFAJ03	JCCAJ36	JFFAJ36
ICE ANR, Joliet Hub CDP	JAAAK03	JDDAK03	JAAAK36	JDDAK36	JBBAK03	JEEAK03	JBBAK36	JEEAK36	JCCAK03	JFFAK03	JCCAK36	JFFAK36
ICE Atmos, zone 3, receipts	JAAAL03	JDDAL03	JAAAL36	JDDAL36	JBBAL03	JEEAL03	JBBAL36	JEEAL36	JCCAL03	JFFAL03	JCCAL36	JFFAL36
ICE Banquete Hub	JAAHX03	JDDHX03	JAAHX36	JDDHX36	JBBHX03	JEEHX03	JBBHX36	JEEHX36	JCCHX03	JFFHX03	JCCHX36	JFFHX36
ICE Bay Gas Storage	JADJZ03	JEDJZ03	JADJZ36	JEDJZ36	JCDJZ03	JEDJY03	JCDJZ36	JEDJY36	JLDJZ03	JFDJZ03	JLDJZ36	JFDJZ36
ICE Bennington, Oklahoma (buyer's choice)	JAAHK03	JDDHK03	JAAHK36	JDDHK36	JBBHK03	JEEHK03	JBBHK36	JEEHK36	JCCHK03	JFFHK03	JCCHK36	JFFHK36
ICE Bluewater Gas Storage	JAAAN03	JDDAN03	JAAAN36	JDDAN36	JBBAN03	JEEAN03	JBBAN36	JEEAN36	JCCAN03	JFFAN03	JCCAN36	JFFAN36
ICE Bobcat Interconnect (buyers' choice dlvd)	JAAAO03	JDDAO03	JAAAO36	JDDAO36	JBBAO03	JEEAO03	JBBAO36	JEEAO36	JCCAO03	JFFAO03	JCCAO36	JFFAO36
ICE Bobcat Storage (In-ground transfer only)	JAAAP03	JDDAP03	JAAAP36	JDDAP36	JBBAP03	JEEAP03	JBBAP36	JEEAP36	JCCAP03	JFFAP03	JCCAP36	JFFAP36
ICE Carthage Hub Tailgate	JAAAQ03	JDDAQ03	JAAAQ36	JDDAQ36	JBBAQ03	JEEAQ03	JBBAQ36	JEEAQ36	JCCAQ03	JFFAQ03	JCCAQ36	JFFAQ36
ICE CIG - Mainline (sellers' choice, non-lateral)	JAAFY03	JDDFY03	JAAFY36	JDDFY36	JBBFY03	JEEFY03	JBBFY36	JEEFY36	JCCFY03	JFFFY03	JCCFY36	JFFFY36
ICE CIG, Mainline Pool	JAAFZ03	JDDFZ03	JAAFZ36	JDDFZ36	JBBFZ03	JEEFZ03	JBBFZ36	JEEFZ36	JCCFZ03	JFFFZ03	JCCFZ36	JFFFZ36
ICE CIG - Mainline South (sellers' choice)	JAAAT03	JDDAT03	JAAAT36	JDDAT36	JBBAT03	JEEAT03	JBBAT36	JEEAT36	JCCAT03	JFFAT03	JCCAT36	JFFAT36
ICE Clarington Tennessee	JAAXA03	JDDXA03	JAAXA36	JDDXA36	JBBXA03	JEEXA03	JBBXA36	JEEXA36	JCCXA03	JFFXA03	JCCXA36	JFFXA36
ICE Columbia Gas, A04 Pool	JAAAU03	JDDAU03	JAAAU36	JDDAU36	JBBAU03	JEEAU03	JBBAU36	JEEAU36	JCCAU03	JFFAU03	JCCAU36	JFFAU36
ICE Columbia Gas, A06 Pool	JAAAV03	JDDAV03	JAAAV36	JDDAV36	JBBAV03	JEEAV03	JBBAV36	JEEAV36	JCCAV03	JFFAV03	JCCAV36	JFFAV36
ICE Columbia Gas, A08 Pool	JABBY03	JDBBY03	JABBY36	JDBBY36	JBCBY03	JEBBY03	JBCBY36	JEBBY36	JCBBY03	JFBBY03	JCBBY36	JFBBY36
ICE Columbia Gas, Segmentation Pool	JAAAW03	JDDAW03	JAAAW36	JDDAW36	JBBAW03	JEEAW03	JBBAW36	JEEAW36	JCCAW03	JFFAW03	JCCAW36	JFFAW36
ICE Cove Point, on system delivery	JAAHM03	JDDHM03	JAAHM36	JDDHM36	JBBHM03	JEEHM03	JBBHM36	JEEHM36	JCCHM03	JFFHM03	JCCHM36	JFFHM36
ICE Eastern Gas, North	JAAFI03	JDDFI03	JAAFI36	JDDFI36	JBBFI03	JEEFI03	JBBFI36	JEEFI36	JCCFI03	JFFFI03	JCCFI36	JFFFI36
ICE Dracut Interconnect - Maritimes, Tennessee, Portland	JAAFJ03	JDDFJ03	JAAFJ36	JDDFJ36	JBBFJ03	JEEFJ03	JBBFJ36	JEEFJ36	JCCFJ03	JFFFJ03	JCCFJ36	JFFFJ36
ICE Egan Interconnect (buyers' choice delivered)	JAAAZ03	JDDAZ03	JAAAZ36	JDDAZ36	JBBAZ03	JEEAZ03	JBBAZ36	JEEAZ36	JCCAZ03	JFFAZ03	JCCAZ36	JFFAZ36
ICE Egan Storage (In-ground transfer only)	JAABA03	JDDBA03	JAABA36	JDDBA36	JBBBA03	JEEBA03	JBBBA36	JEEBA36	JCCBA03	JFFBA03	JCCBA36	JFFBA36

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ICE locations monthly symbols

Name of Indices	Final Monthly Indices				Preliminary Daily Indices During Bidweek				Preliminary Bidweek To Date Indices			
Description of Symbol	Index	Deal Count	Basis	Basis Deal Count	Preliminary Fixed Price	Preliminary Fixed Price Deal Count	Preliminary Basis	Preliminary Basis Deal Count	Preliminary Cumulative Fixed Price	Preliminary Cumulative Fixed Price Deal Count	Preliminary Cumulative Basis	Preliminary Cumulative Basis Deal Count
Market Data Category	GM	GM	GM	GM	GJ	GJ	GJ	GJ	GJ	GJ	GJ	GJ
Bates Published	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u
ICE El Paso, Anadarko Pool	JAAHZ03	JDDHZ03	JAAHZ36	JDDHZ36	JBBHZ03	JEEHZ03	JBBHZ36	JEEHZ36	JCCHZ03	JFFHZ03	JCCHZ36	JFFHZ36
ICE El Paso, Keystone Pool	JAABB03	JDDBB03	JAABB36	JDDBB36	JBBBB03	JEEBB03	JBBBB36	JEEBB36	JCCBB03	JFFBB03	JCCBB36	JFFBB36
ICE El Paso, Plains Pool	JAABC03	JDDBC03	JAABC36	JDDBC36	JBBBC03	JEEBC03	JBBBC36	JEEBC36	JCCBC03	JFFBC03	JCCBC36	JFFBC36
ICE El Paso, San Juan Basin, Blanco Pool (Primary only)	JAAFK03	JDDFK03	JAAFK36	JDDFK36	JBBFK03	JEEFK03	JBBFK36	JEEFK36	JCCFK03	JFFFK03	JCCFK36	JFFFK36
ICE El Paso, San Juan Basin, Bondad Station (Primary only)	JAAFL03	JDDFL03	JAAFL36	JDDFL36	JBBFL03	JEEFL03	JBBFL36	JEEFL36	JCCFL03	JFFFL03	JCCFL36	JFFFL36
ICE El Paso, South Mainline (buyers' choice)	JAAFM03	JDDFM03	JAAFM36	JDDFM36	JBBFM03	JEEFM03	JBBFM36	JEEFM36	JCCFM03	JFFFM03	JCCFM36	JFFFM36
ICE El Paso, Waha Pool	JAABD03	JDDBD03	JAABD36	JDDBD36	JBBBD03	JEEBD03	JBBBD36	JEEBD36	JCCBD03	JFFBD03	JCCBD36	JFFBD36
ICE Enable Gas, Flex Pool only	JAABE03	JDDBE03	JAABE36	JDDBE36	JBBBE03	JEEBE03	JBBBE36	JEEBE36	JCCBE03	JFFBE03	JCCBE36	JFFBE36
ICE Enable Gas, North Pool only	JAABF03	JDDBF03	JAABF36	JDDBF36	JBBBF03	JEEBF03	JBBBF36	JEEBF36	JCCBF03	JFFBF03	JCCBF36	JFFBF36
ICE Enable Gas, Perryville Hub	JAABG03	JDDBG03	JAABG36	JDDBG36	JBBBG03	JEEBG03	JBBBG36	JEEBG36	JCCBG03	JFFBG03	JCCBG36	JFFBG36
ICE Enable Gas, South Pool only	JAABH03	JDDBH03	JAABH36	JDDBH36	JBBBH03	JEEBH03	JBBBH36	JEEBH36	JCCBH03	JFFBH03	JCCBH36	JFFBH36
ICE Enable Gas, West (W1 or W2 as mutually agreed)	JAABI03	JDDBI03	JAABI36	JDDBI36	JBBBI03	JEEBI03	JBBBI36	JEEBI36	JCCBI03	JFFBI03	JCCBI36	JFFBI36
ICE Enable Gas, West Pool	JAABJ03	JDDBJ03	JAABJ36	JDDBJ36	JBBBJ03	JEEBJ03	JBBBJ36	JEEBJ36	JCCBJ03	JFFBJ03	JCCBJ36	JFFBJ36
ICE ENT, STX Map	JAAHT03	JDDHT03	JAAHT36	JDDHT36	JBBHT03	JEEHT03	JBBHT36	JEEHT36	JCCHT03	JFFHT03	JCCHT36	JFFHT36
ICE ETC, Cleburne	JAAHH03	JDDHH03	JAAHH36	JDDHH36	JBBHH03	JEEHH03	JBBHH36	JEEHH36	JCCHH03	JFFHH03	JCCHH36	JFFHH36
ICE ETC, Maypearl	JAABK03	JDDBK03	JAABK36	JDDBK36	JBBBK03	JEEBK03	JBBBK36	JEEBK36	JCCBK03	JFFBK03	JCCBK36	JFFBK36
ICE Florida Citygate	JAAFN03	JDDFN03	JAAFN36	JDDFN36	JBBFN03	JEEFN03	JBBFN36	JEEFN36	JCCFN03	JFFFN03	JCCFN36	JFFFN36
ICE Gillis Hub	JAAJN03	JDDJN03	JAAJN36	JDDJN36	JBBJN03	JEEJN03	JBBJN36	JEEJN36	JCCJN03	JFFJN03	JCCJN36	JFFJN36
ICE GTN, Kingsgate	JAAFO03	JDDFO03	JAAFO36	JDDFO36	JBBFO03	JEEFO03	JBBFO36	JEEFO36	JCCFO03	JFFFO03	JCCFO36	JFFFO36
ICE GTN, Stanfield	JAAFP03	JDDFP03	JAAFP36	JDDFP36	JBBFP03	JEEFP03	JBBFP36	JEEFP36	JCCFP03	JFFFP03	JCCFP36	JFFFP36
ICE Golden Triangle Storage & Hub	JAABL03	JDDBL03	JAABL36	JDDBL36	JBBBL03	JEEBL03	JBBBL36	JEEBL36	JCCBL03	JFFBL03	JCCBL36	JFFBL36
ICE Great Lakes Gas, St. Clair	JAABM03	JDDBM03	JAABM36	JDDBM36	JBBBM03	JEEBM03	JBBBM36	JEEBM36	JCCBM03	JFFBM03	JCCBM36	JFFBM36
ICE Guardian, Guardian Hub	JAABN03	JDDBN03	JAABN36	JDDBN36	JBBBN03	JEEBN03	JBBBN36	JEEBN36	JCCBN03	JFFBN03	JCCBN36	JFFBN36
ICE Gulf South, Perryville Exchange Point	JAABO03	JDDBO03	JAABO36	JDDBO36	JBBBO03	JEEBO03	JBBBO36	JEEBO36	JCCBO03	JFFBO03	JCCBO36	JFFBO36
ICE Gulf South, Pool Area #16	JAABP03	JDDBP03	JAABP36	JDDBP36	JBBBP03	JEEBP03	JBBBP36	JEEBP36	JCCBP03	JFFBP03	JCCBP36	JFFBP36
ICE HPL, East Texas Pool	JAABR03	JDDBR03	JAABR36	JDDBR36	JBBBR03	JEEBR03	JBBBR36	JEEBR36	JCCBR03	JFFBR03	JCCBR36	JFFBR36
ICE HSC-Kinder Morgan	JAAIN03	JDDIN03	JAAIN36	JDDIN36	JBBIN03	JEEIN03	JBBIN36	JEEIN36	JCCIN03	JFFIN03	JCCIN36	JFFIN36
ICE Iroquois, zone 1 (delivered excl. Waddington)	JAABS03	JDDBS03	JAABS36	JDDBS36	JBBBS03	JEEBS03	JBBBS36	JEEBS36	JCCBS03	JFFBS03	JCCBS36	JFFBS36
ICE Iroquois, zone 2 (non-Hunts Point/Eastchester Lateral)	JAABT03	JDDBT03	JAABT36	JDDBT36	JBBBT03	JEEBT03	JBBBT36	JEEBT36	JCCBT03	JFFBT03	JCCBT36	JFFBT36
ICE Iroquois, zone 2 Hunts Point/Eastchester Lateral	JAABU03	JDDBU03	JAABU36	JDDBU36	JBBBU03	JEEBU03	JBBBU36	JEEBU36	JCCBU03	JFFBU03	JCCBU36	JFFBU36
ICE Jefferson Island Storage and Hub	JAABV03	JDDBV03	JAABV36	JDDBV36	JBBBV03	JEEBV03	JBBBV36	JEEBV36	JCCBV03	JFFBV03	JCCBV36	JFFBV36
ICE Katy, ENSTOR Pool (excl. Kinder Morgan Texas)	JAABW03	JDDBW03	JAABW36	JDDBW36	JBBBW03	JEEBW03	JBBBW36	JEEBW36	JCCBW03	JFFBW03	JCCBW36	JFFBW36
ICE Katy, Lonestar (Warranted as Intrastate)	JAABX03	JDDBX03	JAABX36	JDDBX36	JBBBX03	JEEBX03	JBBBX36	JEEBX36	JCCBX03	JFFBX03	JCCBX36	JFFBX36

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ICE locations monthly symbols

Name of Indices	Final Monthly Indices				Preliminary Daily Indices During Bidweek				Preliminary Bidweek To Date Indices			
Description of Symbol	Index	Deal Count	Basis	Basis Deal Count	Preliminary Fixed Price	Preliminary Fixed Price Deal Count	Preliminary Basis	Preliminary Basis Deal Count	Preliminary Cumulative Fixed Price	Preliminary Cumulative Fixed Price Deal Count	Preliminary Cumulative Basis	Preliminary Cumulative Basis Deal Count
Market Data Category	GM	GM	GM	GM	GJ	GJ	GJ	GJ	GJ	GJ	GJ	GJ
Bates Published	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u
ICE Katy, Lonestar Interstate	JAABY03	JDDBY03	JAABY36	JDDBY36	JBBBY03	JEEBY03	JBBBY36	JEEBY36	JCCBY03	JFFBY03	JCCBY36	JFFBY36
ICE Katy, Oasis Pipeline	JAABZ03	JDDBZ03	JAABZ36	JDDBZ36	JBBBZ03	JEEBZ03	JBBBZ36	JEEBZ36	JCCBZ03	JFFBZ03	JCCBZ36	JFFBZ36
ICE Kern River, on system receipt	JAACA03	JDDCA03	JAACA36	JDDCA36	JBBCA03	JEECA03	JBBCA36	JEECA36	JCCCA03	JFFCA03	JCCCA36	JFFCA36
ICE Maritimes, Hubline and Beverly Salem	JAACB03	JDDCB03	JAACB36	JDDCB36	JBBCB03	JEECB03	JBBCB36	JEECB36	JCCCB03	JFFCB03	JCCCB36	JFFCB36
ICE Maritimes and Northeast Pipeline US (buyer's choice dlvd)	JAACC03	JDDCC03	JAACC36	JDDCC36	JBBCC03	JEECC03	JBBCC36	JEECC36	JCCCC03	JFFCC03	JCCCC36	JFFCC36
ICE MEP, Lamar	JABFZ03	JDBFZ03	JABFZ36	JDBFZ36	JBCFZ03	JEBFZ03	JBCFZ36	JEBFZ36	JCBFZ03	JFBFZ03	JCBFZ36	JFBFZ36
ICE Midship, receipts	JADHZ03	JEDHZ03	JADHZ36	JEDHZ36	JCDHZ03	JEDEZ03	JCDHZ36	JEDEZ36	JLDHZ03	JFDHZ03	JLDHZ36	JFDHZ36
ICE Millennium Pipeline - buyers' choice delivered	JAAHA03	JDDHA03	JAAHA36	JDDHA36	JBBHA03	JEEHA03	JBBHA36	JEEHA36	JCCHA03	JFFHA03	JCCHA36	JFFHA36
ICE Moss Bluff Interconnect (buyers' choice dlvd)	JAACD03	JDDCD03	JAACD36	JDDCD36	JBBCD03	JEECD03	JBBCD36	JEECD36	JCCCD03	JFFCD03	JCCCD36	JFFCD36
ICE Moss Bluff Storage (In-ground transfers only)	JAACE03	JDDCE03	JAACE36	JDDCE36	JBBCE03	JEECE03	JBBCE36	JEECE36	JCCCE03	JFFCE03	JCCCE36	JFFCE36
ICE MS Hub Storage	JAACF03	JDDCF03	JAACF36	JDDCF36	JBBCF03	JEECF03	JBBCF36	JEECF36	JCCCF03	JFFCF03	JCCCF36	JFFCF36
ICE NGPL, Amarillo Pooling PIN	JAACG03	JDDCG03	JAACG36	JDDCG36	JBBCG03	JEECG03	JBBCG36	JEECG36	JCCCG03	JFFCG03	JCCCG36	JFFCG36
ICE NGPL, Amarillo Storage PIN	JAACH03	JDDCH03	JAACH36	JDDCH36	JBBCH03	JEECH03	JBBCH36	JEECH36	JCCCH03	JFFCH03	JCCCH36	JFFCH36
ICE NGPL, Gulf Coast Mainline Pool	JAACI03	JDDCI03	JAACI36	JDDCI36	JBBCI03	JEECI03	JBBCI36	JEECI36	JCCCI03	JFFCI03	JCCCI36	JFFCI36
ICE NGPL, Iowa-Illinois GC Pool	JAAHN03	JDDHN03	JAAHN36	JDDHN36	JBBHN03	JEEHN03	JBBHN36	JEEHN36	JCCHN03	JFFHN03	JCCHN36	JFFHN36
ICE NGPL, Iowa-Illinois AM Pool	JAAHO03	JDDHO03	JAAHO36	JDDHO36	JBBHO03	JEEHO03	JBBHO36	JEEHO36	JCCHO03	JFFHO03	JCCHO36	JFFHO36
ICE NGPL, Iowa-Illinois GC Storage	JAAHP03	JDDHP03	JAAHP36	JDDHP36	JBBHP03	JEEHP03	JBBHP36	JEEHP36	JCCHP03	JFFHP03	JCCHP36	JFFHP36
ICE NGPL, Iowa-Illinois AM Storage	JAAHQ03	JDDHQ03	JAAHQ36	JDDHQ36	JBBHQ03	JEEHQ03	JBBHQ36	JEEHQ36	JCCHQ03	JFFHQ03	JCCHQ36	JFFHQ36
ICE NGPL, Louisiana Pooling PIN	JAACL03	JDDCL03	JAACL36	JDDCL36	JBBCL03	JEECL03	JBBCL36	JEECL36	JCCCL03	JFFCL03	JCCCL36	JFFCL36
ICE NGPL, Louisiana Storage PIN	JAACM03	JDDCM03	JAACM36	JDDCM36	JBBCM03	JEECM03	JBBCM36	JEECM36	JCCCM03	JFFCM03	JCCCM36	JFFCM36
ICE NGPL, Mid-American Citygate	JAACN03	JDDCN03	JAACN36	JDDCN36	JBBCN03	JEECN03	JBBCN36	JEECN36	JCCCN03	JFFCN03	JCCCN36	JFFCN36
ICE NGPL, Mid-Continent Storage PIN	JAACO03	JDDCO03	JAACO36	JDDCO36	JBBCO03	JEECO03	JBBCO36	JEECO36	JCCCO03	JFFCO03	JCCCO36	JFFCO36
ICE NGPL TXOK East Storage (Gulf Coast) PIN 25658	JAAGA03	JDDGA03	JAAGA36	JDDGA36	JBBGA03	JEEGA03	JBBGA36	JEEGA36	JCCGA03	JFFGA03	JCCGA36	JFFGA36
ICE NGPL, TXOK East Pool	JAACP03	JDDCP03	JAACP36	JDDCP36	JBBCP03	JEECP03	JBBCP36	JEECP36	JCCCP03	JFFCP03	JCCCP36	JFFCP36
ICE NGPL, TXOK West Pool	JAACQ03	JDDCQ03	JAACQ36	JDDCQ36	JBBCQ03	JEECQ03	JBBCQ36	JEECQ36	JCCCQ03	JFFCQ03	JCCCQ36	JFFCQ36
ICE NorTex, Tolar Hub	JAACR03	JDDCR03	JAACR36	JDDCR36	JBBCR03	JEECR03	JBBCR36	JEECR36	JCCCR03	JFFCR03	JCCCR36	JFFCR36
ICE Northern Border, Harper Transfer Point	JAACS03	JDDCS03	JAACS36	JDDCS36	JBBCS03	JEECS03	JBBCS36	JEECS36	JCCCS03	JFFCS03	JCCCS36	JFFCS36
ICE Northern Border, Nicor Interconnect	JAACT03	JDDCT03	JAACT36	JDDCT36	JBBCT03	JEECT03	JBBCT36	JEECT36	JCCCT03	JFFCT03	JCCCT36	JFFCT36
ICE Northern Border, Vector Interconnect	JAACU03	JDDCU03	JAACU36	JDDCU36	JBBCU03	JEECU03	JBBCU36	JEECU36	JCCCU03	JFFCU03	JCCCU36	JFFCU36
ICE Northern Border, Will County	JAACV03	JDDCV03	JAACV36	JDDCV36	JBBCV03	JEECV03	JBBCV36	JEECV36	JCCCV03	JFFCV03	JCCCV36	JFFCV36
ICE Northern Natural, Mid 13 - 16A Pool	JAACW03	JDDCW03	JAACW36	JDDCW36	JBBCW03	JEECW03	JBBCW36	JEECW36	JCCCW03	JFFCW03	JCCCW36	JFFCW36
ICE Northern Natural, Mid 1-7 Pool	JAACX03	JDDCX03	JAACX36	JDDCX36	JBBCX03	JEECX03	JBBCX36	JEECX36	JCCCX03	JFFCX03	JCCCX36	JFFCX36
ICE Northern Natural, Mid 8 -12 Pool	JAACY03	JDDCY03	JAACY36	JDDCY36	JBBCY03	JEECY03	JBBCY36	JEECY36	JCCCY03	JFFCY03	JCCCY36	JFFCY36
ICE Northwest, Rocky Mountain Pool	JAAFR03	JDDFR03	JAAFR36	JDDFR36	JBBFR03	JEEFR03	JBBFR36	JEEFR36	JCCFR03	JFFFR03	JCCFR36	JFFFR36

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ICE locations monthly symbols

Name of Indices	Final Monthly Indices				Preliminary Daily Indices During Bidweek				Preliminary Bidweek To Date Indices			
Description of Symbol	Index	Deal Count	Basis	Basis Deal Count	Preliminary Fixed Price	Preliminary Fixed Price Deal Count	Preliminary Basis	Preliminary Basis Deal Count	Preliminary Cumulative Fixed Price	Preliminary Cumulative Fixed Price Deal Count	Preliminary Cumulative Basis	Preliminary Cumulative Basis Deal Count
Market Data Category	GM	GM	GM	GM	GJ	GJ	GJ	GJ	GJ	GJ	GJ	GJ
Bates Published	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u
ICE Northwest, Wyoming Pool	JAAFS03	JDDFS03	JAAFS36	JDDFS36	JBBFS03	JEEFS03	JBBFS36	JEEFS36	JCCFS03	JFFFS03	JCCFS36	JFFFS36
ICE Oasis, Waha Pool	JAACZ03	JDDCZ03	JAACZ36	JDDCZ36	JBBCZ03	JEECZ03	JBBCZ36	JEECZ36	JCCCZ03	JFFCZ03	JCCCZ36	JFFCZ36
ICE ONEOK, Westex Pool	JAADA03	JDDDA03	JAADA36	JDDDA36	JBBDA03	JEEDA03	JBBDA36	JEEDA36	JCCDA03	JFFDA03	JCCDA36	JFFDA36
ICE Opal Plant Tailgate	JAADB03	JDDDB03	JAADB36	JDDDB36	JBBDB03	JEEDB03	JBBDB36	JEEDB36	JCCDB03	JFFDB03	JCCDB36	JFFDB36
ICE PG&E, Daggett	JAADC03	JDDDC03	JAADC36	JDDDC36	JBBDC03	JEEDC03	JBBDC36	JEEDC36	JCCDC03	JFFDC03	JCCDC36	JFFDC36
ICE PG&E, Kern River Station	JAADD03	JDDDD03	JAADD36	JDDDD36	JBBDD03	JEEDD03	JBBDD36	JEEDD36	JCCDD03	JFFDD03	JCCDD36	JFFDD36
ICE PG&E-Onyx Hill	JAAHB03	JDDHB03	JAAHB36	JDDHB36	JBBHB03	JEEHB03	JBBHB36	JEEHB36	JCCHB03	JFFHB03	JCCHB36	JFFHB36
ICE PG&E, Topock	JAADE03	JDDDE03	JAADE36	JDDDE36	JBBDE03	JEEDE03	JBBDE36	JEEDE36	JCCDE03	JFFDE03	JCCDE36	JFFDE36
ICE Pioneer Plant Tailgate	JAADG03	JDDDG03	JAADG36	JDDDG36	JBBDG03	JEEDG03	JBBDG36	JEEDG36	JCCDG03	JFFDG03	JCCDG36	JFFDG36
ICE PNGTS (buyer's choice dlvd)	JAADH03	JDDDH03	JAADH36	JDDDH36	JBBDH03	JEEDH03	JBBDH36	JEEDH36	JCCDH03	JFFDH03	JCCDH36	JFFDH36
ICE Questar, North Pool	JAADI03	JDDDI03	JAADI36	JDDDI36	JBBDI03	JEEDI03	JBBDI36	JEEDI36	JCCDI03	JFFDI03	JCCDI36	JFFDI36
ICE Questar, South Pool	JAADJ03	JDDDJ03	JAADJ36	JDDDJ36	JBBDJ03	JEEDJ03	JBBDJ36	JEEDJ36	JCCDJ03	JFFDJ03	JCCDJ36	JFFDJ36
ICE REX, Cheyenne Comp Pool	JACGZ03	JDCGZ03	JACGZ36	JDCGZ36	JCCGZ03	JECGZ03	JCCGZ36	JECGZ36	JLCGZ03	JFCGZ03	JLCGZ36	JFCGZ36
ICE REX (East), delivered into ANR	JAADK03	JDDDK03	JAADK36	JDDDK36	JBBDK03	JEEDK03	JBBDK36	JEEDK36	JCCDK03	JFFDK03	JCCDK36	JFFDK36
ICE REX (East), delivered into Lebanon Hub	JAAHC03	JDDHC03	JAAHC36	JDDHC36	JBBHC03	JEEHC03	JBBHC36	JEEHC36	JCCHC03	JFFHC03	JCCHC36	JFFHC36
ICE REX (East), delivered into Midwestern Gas	JAADL03	JDDDL03	JAADL36	JDDDL36	JBBDL03	JEEDL03	JBBDL36	JEEDL36	JCCDL03	JFFDL03	JCCDL36	JFFDL36
ICE REX (East), delivered into NGPL	JAADM03	JDDDM03	JAADM36	JDDDM36	JBBDM03	JEEDM03	JBBDM36	JEEDM36	JCCDM03	JFFDM03	JCCDM36	JFFDM36
ICE REX (East), delivered into Panhandle	JAADN03	JDDDN03	JAADN36	JDDDN36	JBBDN03	JEEDN03	JBBDN36	JEEDN36	JCCDN03	JFFDN03	JCCDN36	JFFDN36
ICE REX (East), delivered into Trunkline	JAADO03	JDDDO03	JAADO36	JDDDO36	JBBDO03	JEEDO03	JBBDO36	JEEDO36	JCCDO03	JFFDO03	JCCDO36	JFFDO36
ICE REX (West), delivered into ANR	JAADP03	JDDDP03	JAADP36	JDDDP36	JBBDP03	JEEDP03	JBBDP36	JEEDP36	JCCDP03	JFFDP03	JCCDP36	JFFDP36
ICE REX (West), delivered into Natural Gas Pipeline of America	JADKZ03	JEDKZ03	JADKZ36	JEDKZ36	JCDKZ03	JEDKY03	JCDKZ36	JEDKY36	JLDKZ03	JFDKZ03	JLDKZ36	JFDKZ36
ICE REX (West), delivered into Northern Natural	JAADQ03	JDDDQ03	JAADQ36	JDDDQ36	JBBDQ03	JEEDQ03	JBBDQ36	JEEDQ36	JCCDQ03	JFFDQ03	JCCDQ36	JFFDQ36
ICE REX (West), delivered into Panhandle	JAADR03	JDDDR03	JAADR36	JDDDR36	JBBDR03	JEEDR03	JBBDR36	JEEDR36	JCCDR03	JFFDR03	JCCDR36	JFFDR36
ICE REX, zone 3 delivered Pool	JAAQR03	JDDQR03	JAAQR36	JDDQR36	JBBQR03	JEEQR03	JBBQR36	JEEQR36	JCCQR03	JFFQR03	JCCQR36	JFFQR36
ICE Rover, receipts	JAAHR03	JDDHR03	JAAHR36	JDDHR36	JBBHR03	JEEHR03	JBBHR36	JEEHR36	JCCHR03	JFFHR03	JCCHR36	JFFHR36
ICE Rover, delivered into ANR	JAAHI03	JDDHI03	JAAHI36	JDDHI36	JBBHI03	JEEHI03	JBBHI36	JEEHI36	JCCHI03	JFFHI03	JCCHI36	JFFHI36
ICE Rover, delivered into Panhandle	JAAHJ03	JDDHJ03	JAAHJ36	JDDHJ36	JBBHJ03	JEEHJ03	JBBHJ36	JEEHJ36	JCCHJ03	JFFHJ03	JCCHJ36	JFFHJ36
ICE REX, zone 3 receipts	JAAHS03	JDDHS03	JAAHS36	JDDHS36	JBBHS03	JEEHS03	JBBHS36	JEEHS36	JCCHS03	JFFHS03	JCCHS36	JFFHS36
ICE Ruby, Onyx Hill	JAADS03	JDDDS03	JAADS36	JDDDS36	JBBDS03	JEEDS03	JBBDS36	JEEDS36	JCCDS03	JFFDS03	JCCDS36	JFFDS36
ICE Ruby, Receipt Pool	JAADT03	JDDDT03	JAADT36	JDDDT36	JBBDT03	JEEDT03	JBBDT36	JEEDT36	JCCDT03	JFFDT03	JCCDT36	JFFDT36
ICE Ryckman Creek Gas Storage	JAADU03	JDDDU03	JAADU36	JDDDU36	JBBDU03	JEEDU03	JBBDU36	JEEDU36	JCCDU03	JFFDU03	JCCDU36	JFFDU36
ICE Salt Plains Storage (buyers' choice)	JAADV03	JDDDV03	JAADV36	JDDDV36	JBBDV03	JEEDV03	JBBDV36	JEEDV36	JCCDV03	JFFDV03	JCCDV36	JFFDV36
ICE Salt Plains Storage (In-ground transfer only)	JAADW03	JDDDW03	JAADW36	JDDDW36	JBBDW03	JEEDW03	JBBDW36	JEEDW36	JCCDW03	JFFDW03	JCCDW36	JFFDW36
ICE Socal, Blythe	JAADX03	JDDDX03	JAADX36	JDDDX36	JBBDX03	JEEDX03	JBBDX36	JEEDX36	JCCDX03	JFFDX03	JCCDX36	JFFDX36

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ICE locations monthly symbols

Name of Indices	Final Monthly Indices				Preliminary Daily Indices During Bidweek				Preliminary Bidweek To Date Indices			
Description of Symbol	Index	Deal Count	Basis	Basis Deal Count	Preliminary Fixed Price	Preliminary Fixed Price Deal Count	Preliminary Basis	Preliminary Basis Deal Count	Preliminary Cumulative Fixed Price	Preliminary Cumulative Fixed Price Deal Count	Preliminary Cumulative Basis	Preliminary Cumulative Basis Deal Count
Market Data Category	GM	GM	GM	GM	GJ	GJ	GJ	GJ	GJ	GJ	GJ	GJ
Bates Published	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u
ICE Socal, Ehrenberg (delivered)	JAADY03	JDDDY03	JAADY36	JDDDY36	JBBDY03	JEEDY03	JBBDY36	JEEDY36	JCCDY03	JFFDY03	JCCDY36	JFFDY36
ICE Socal, Firm Storage only (Citygate)	JAADZ03	JDDDZ03	JAADZ36	JDDDZ36	JBBDZ03	JEEDZ03	JBBDZ36	JEEDZ36	JCCDZ03	JFFDZ03	JCCDZ36	JFFDZ36
ICE Socal, In-ground transfer only (Citygate)	JAAEA03	JDDEA03	JAAEA36	JDDEA36	JBBEA03	JEEEA03	JBBEA36	JEEEA36	JCCEA03	JFFEA03	JCCEA36	JFFEA36
ICE Socal, Interruptible Storage only (Citygate)	JAAEB03	JDDEB03	JAAEB36	JDDEB36	JBBEB03	JEEEB03	JBBEB36	JEEEB36	JCCEB03	JFFEB03	JCCEB36	JFFEB36
ICE Socal, Kern River Station	JAAEC03	JDDEC03	JAAEC36	JDDEC36	JBBEC03	JEEEC03	JBBEC36	JEEEC36	JCCEC03	JFFEC03	JCCEC36	JFFEC36
ICE Socal, Kramer Junction	JAAED03	JDDED03	JAAED36	JDDED36	JBBED03	JEEED03	JBBED36	JEEED36	JCCED03	JFFED03	JCCED36	JFFED36
ICE Socal, Needles	JAAEE03	JDDEE03	JAAEE36	JDDEE36	JBBEE03	JEEEE03	JBBEE36	JEEEE36	JCCEE03	JFFEE03	JCCEE36	JFFEE36
ICE Socal, sellers' choice dlvd incl. CA production	JAAEF03	JDDEF03	JAAEF36	JDDEF36	JBBEF03	JEEEF03	JBBEF36	JEEEF36	JCCEF03	JFFEF03	JCCEF36	JFFEF36
ICE Socal - Topock	JAAHD03	JDDHD03	JAAHD36	JDDHD36	JBBHD03	JEEHD03	JBBHD36	JEEHD36	JCCHD03	JFFHD03	JCCHD36	JFFHD36
ICE Socal, Topock, El Paso	JAAEG03	JDDEG03	JAAEG36	JDDEG36	JBBEG03	JEEEG03	JBBEG36	JEEEG36	JCCEG03	JFFEG03	JCCEG36	JFFEG36
ICE Socal, Topock, Transwestern	JAAEH03	JDDEH03	JAAEH36	JDDEH36	JBBEH03	JEEEH03	JBBEH36	JEEEH36	JCCEH03	JFFEH03	JCCEH36	JFFEH36
ICE Socal, Wheeler Ridge	JAAEI03	JDDEI03	JAAEI36	JDDEI36	JBBEI03	JEEEI03	JBBEI36	JEEEI36	JCCEI03	JFFEI03	JCCEI36	JFFEI36
ICE Sonat - Zone 0	JAAHE03	JDDHE03	JAAHE36	JDDHE36	JBBHE03	JEEHE03	JBBHE36	JEEHE36	JCCHE03	JFFHE03	JCCHE36	JFFHE36
ICE Sonat, Zone 0 South Louisiana Pool	JAAEJ03	JDDEJ03	JAAEJ36	JDDEJ36	JBBEJ03	JEEEJ03	JBBEJ36	JEEEJ36	JCCEJ03	JFFEJ03	JCCEJ36	JFFEJ36
ICE Sonat, Zone 1 North Pool	JAAEK03	JDDEK03	JAAEK36	JDDEK36	JBBEK03	JEEEK03	JBBEK36	JEEEK36	JCCEK03	JFFEK03	JCCEK36	JFFEK36
ICE Southern Pines Hub	JAAEM03	JDDEM03	JAAEM36	JDDEM36	JBBEM03	JEEEM03	JBBEM36	JEEEM36	JCCEM03	JFFEM03	JCCEM36	JFFEM36
ICE Stagecoach Marcellus Hub	JAAEN03	JDDEN03	JAAEN36	JDDEN36	JBBEN03	JEEEN03	JBBEN36	JEEEN36	JCCEN03	JFFEN03	JCCEN36	JFFEN36
ICE Stingray, pool delivery	JAAEO03	JDDEO03	JAAEO36	JDDEO36	JBBEO03	JEEEO03	JBBEO36	JEEEO36	JCCEO03	JFFEO03	JCCEO36	JFFEO36
ICE Tennessee, zone 0 North	JAAEP03	JDDEP03	JAAEP36	JDDEP36	JBBEP03	JEEEP03	JBBEP36	JEEEP36	JCCEP03	JFFEP03	JCCEP36	JFFEP36
ICE Tennessee, zone 0 South	JAAEQ03	JDDEQ03	JAAEQ36	JDDEQ36	JBBEQ03	JEEEQ03	JBBEQ36	JEEEQ36	JCCEQ03	JFFEQ03	JCCEQ36	JFFEQ36
ICE Tennessee, zone 0 South Texas Border Pool	JABFY03	JDBFY03	JABFY36	JDBFY36	JBCFY03	JEBFY03	JBCFY36	JEBFY36	JCBFY03	JFBFY03	JCBFY36	JFBFY36
ICE Tennessee, zone 1 100 Leg Pool	JAAER03	JDDER03	JAAER36	JDDER36	JBBER03	JEEER03	JBBER36	JEEER36	JCCER03	JFFER03	JCCER36	JFFER36
ICE Tennessee, zone 1 800 Leg Pool	JAALN03	JDDLN03	JAALN36	JDDLN36	JBBLN03	JEELN03	JBBLN36	JEELN36	JCCLN03	JFFLN03	JCCLN36	JFFLN36
ICE Tennessee, zone 1, Station 87 Pool	JAAES03	JDDES03	JAAES36	JDDES36	JBBES03	JEEES03	JBBES36	JEEES36	JCCES03	JFFES03	JCCES36	JFFES36
ICE Tennessee, zone 4, station 219 Pool	JAAET03	JDDET03	JAAET36	JDDET36	JBBET03	JEEET03	JBBET36	JEEET36	JCCET03	JFFET03	JCCET36	JFFET36
ICE Tennessee, zone 5, 200 Line, dlvd downstream of station 245	JAAEU03	JDDEU03	JAAEU36	JDDEU36	JBBEU03	JEEEU03	JBBEU36	JEEEU36	JCCEU03	JFFEU03	JCCEU36	JFFEU36
ICE Tennessee, zone 6, 300 Line (delivered)	JAAFT03	JDDFT03	JAAFT36	JDDFT36	JBBFT03	JEEFT03	JBBFT36	JEEFT36	JCCFT03	JFFFT03	JCCFT36	JFFFT36
ICE Texas Eastern, M1 24 inch	JAAFU03	JDDFU03	JAAFU36	JDDFU36	JBBFU03	JEEFU03	JBBFU36	JEEFU36	JCCFU03	JFFFU03	JCCFU36	JFFFU36
ICE Texas Eastern, M2 Zone (delivered)	JAAEV03	JDDEV03	JAAEV36	JDDEV36	JBBEV03	JEEEV03	JBBEV36	JEEEV36	JCCEV03	JFFEV03	JCCEV36	JFFEV36
ICE Texas Eastern, Manhattan Lateral (delivered)	JAAEW03	JDDEW03	JAAEW36	JDDEW36	JBBEW03	JEEEW03	JBBEW36	JEEEW36	JCCEW03	JFFEW03	JCCEW36	JFFEW36
ICE Texas Gas, Mainline Pool	JAAEX03	JDDEX03	JAAEX36	JDDEX36	JBBEX03	JEEEX03	JBBEX36	JEEEX36	JCCEX03	JFFEX03	JCCEX36	JFFEX36
ICE Texas Gas, North Louisiana Pool	JAAEY03	JDDEY03	JAAEY36	JDDEY36	JBBEY03	JEEEY03	JBBEY36	JEEEY36	JCCEY03	JFFEY03	JCCEY36	JFFEY36

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ICE locations monthly symbols

Name of Indices	Final Monthly Indices				Preliminary Daily Indices During Bidweek				Preliminary Bidweek To Date Indices			
Description of Symbol	Index	Deal Count	Basis	Basis Deal Count	Preliminary Fixed Price	Preliminary Fixed Price Deal Count	Preliminary Basis	Preliminary Basis Deal Count	Preliminary Cumulative Fixed Price	Preliminary Cumulative Fixed Price Deal Count	Preliminary Cumulative Basis	Preliminary Cumulative Basis Deal Count
Market Data Category	GM	GM	GM	GM	GJ	GJ	GJ	GJ	GJ	GJ	GJ	GJ
Bates Published	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u	h,l,c,w	u
ICE Transco, River Road	JABGZ03	JDBGZ03	JABGZ36	JDBGZ36	JBCGZ03	JEBGZ03	JBCGZ36	JEBGZ36	JCBGZ03	JFBGZ03	JCBGZ36	JFBGZ36
ICE Transco, zone 5 delivered (north of station 165)	JAAFV03	JDDFV03	JAAFV36	JDDFV36	JBBFV03	JEEFV03	JBBFV36	JEEFV36	JCCFV03	JFFFV03	JCCFV36	JFFFV36
ICE Transco, zone 6 (non-NY north mainline)	JAAEZ03	JDDEZ03	JAAEZ36	JDDEZ36	JBBEZ03	JEEEZ03	JBBEZ36	JEEEZ36	JCCEZ03	JFFEZ03	JCCEZ36	JFFEZ36
ICE Transco, zone 6 non-NY South	JADIZ03	JEDIZ03	JADIZ36	JEDIZ36	JCDIZ03	JEDIY03	JCDIZ36	JEDIY36	JLDIZ03	JFDIZ03	JLDIZ36	JFDIZ36
ICE Transco, zone 6 station 210 Pool	JAAFA03	JDDFA03	JAAFA36	JDDFA36	JBBFA03	JEEFA03	JBBFA36	JEEFA36	JCCFA03	JFFFA03	JCCFA36	JFFFA36
ICE Transwestern, Central Pool	JAAFB03	JDDFB03	JAAFB36	JDDFB36	JBBFB03	JEEFB03	JBBFB36	JEEFB36	JCCFB03	JFFFB03	JCCFB36	JFFFB36
ICE Transwestern, Panhandle Pool	JAAFC03	JDDFC03	JAAFC36	JDDFC36	JBBFC03	JEEFC03	JBBFC36	JEEFC36	JCCFC03	JFFFC03	JCCFC36	JFFFC36
ICE Transwestern, West Texas Pool	JAAFD03	JDDFD03	JAAFD36	JDDFD36	JBBFD03	JEEFD03	JBBFD36	JEEFD36	JCCFD03	JFFFD03	JCCFD36	JFFFD36
ICE Tres Palacios Hub - Injection	JAAFE03	JDDFE03	JAAFE36	JDDFE36	JBBFE03	JEEFE03	JBBFE36	JEEFE36	JCCFE03	JFFFE03	JCCFE36	JFFFE36
ICE Tres Palacios Hub - Withdrawal	JAAFF03	JDDFF03	JAAFF36	JDDFF36	JBBFF03	JEEFF03	JBBFF36	JEEFF36	JCCFF03	JFFFF03	JCCFF36	JFFFF36
ICE Waha Hub, West Texas (buyer's choice dlvd)	JAAFG03	JDDFG03	JAAFG36	JDDFG36	JBBFG03	JEEFG03	JBBFG36	JEEFG36	JCCFG03	JFFFG03	JCCFG36	JFFFG36
ICE White River Hub (buyer's choice dlvd)	JAAFW03	JDDFW03	JAAFW36	JDDFW36	JBBFW03	JEEFW03	JBBFW36	JEEFW36	JCCFW03	JFFFW03	JCCFW36	JFFFW36
ICE WIC, Pool	JAAFH03	JDDFH03	JAAFH36	JDDFH36	JBBFH03	JEEFH03	JBBFH36	JEEFH36	JCCFH03	JFFFH03	JCCFH36	JFFFH36

Bates are defined as: high = h; Low = l; Index = u or Final Indices and c for Preliminary Indices; Volume = w

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CPSE-MDL_000035532

Daily CGPR Symbols (CAD/Gj)

Name of Indices	Final Daily Indices By Trade Date			Final Daily Indices By Flow Date			Month to Date Indices by Trade Date		
Description of Symbol	Index (CAD/GJ) and Abs Range	Deal Count	Index ($/MMBtu)	Index (CAD/GJ) and Abs Range	Deal Count	Index ($/MMBtu)	Index (CAD/GJ) and Abs Range	Deal Count	Index ($/MMBtu)
Market Data Category	GD	GD	GD	GD	GD	GD	GD	GD	GD
Bates Published	h,l,c,w	u	c	h,l,c,w	u	c	h,l,c,w	u	c
ICE NGX AB-NIT Yesterday Index	ENABA55	ENABA53	ENABA56	ENABA54	ENABA52	ENABA57	ENAHA01	ENAHA02	ENAHA03
ICE NGX AB-NIT Same Day Index	ENABN40	ENABN38	ENABN42	ENABN39	ENABN37	ENABN41			
ICE NGX AB-NIT Same Day Index Weekend	ENABN32	ENABN34	ENABN36	ENABN31	ENABN33	ENABN35			
ICE NGX AB-NIT Same Day Index (1) Daily	ENADA03	ENADA01	ENADA05	ENADA04	ENADA02	ENADA06			
ICE NGX AB-NIT Same Day Index (1A) Daily	ENADA09	ENADA07	ENADA11	ENADA10	ENADA08	ENADA12			
ICE NGX AB-NIT Same Day Index (2) Daily	ENADA15	ENADA13	ENADA17	ENADA16	ENADA14	ENADA18			
ICE NGX AB-NIT Same Day Index (2A) Daily	ENADA21	ENADA19	ENADA23	ENADA22	ENADA20	ENADA24			
ICE NGX AB-NIT Same Day Index (3) Daily	ENADA27	ENADA25	ENADA29	ENADA28	ENADA26	ENADA30			
ICE NGX AB-NIT Same Day Index (3A) Daily	ENADA33	ENADA31	ENADA35	ENADA34	ENADA32	ENADA36			
ICE NGX AB-NIT Same Day Index (4) Daily	ENADA39	ENADA37	ENADA41	ENADA40	ENADA38	ENADA42			
ICE NGX AB-NIT Same Day Index (4A) Daily	ENADA45	ENADA43	ENADA47	ENADA46	ENADA44	ENADA48			
ICE NGX AB-NIT Same Day Index (5) Daily	ENADA51	ENADA49	ENADA53	ENADA52	ENADA50	ENADA54			
ICE NGX AB-NIT Same Day Index (5A) Daily	ENADA57	ENADA55	ENADA59	ENADA58	ENADA56	ENADA60			
ICE NGX AB-NIT Same Day Index (1) MTD	ENABN02	ENABN04	ENABN06	ENABN01	ENABN03	ENABN05			
ICE NGX AB-NIT Same Day Index (1A) MTD	ENABA48	ENABA49	ENABA61	ENABA51	ENABA50	ENABA60			
ICE NGX AB-NIT Same Day Index (2) MTD	ENABN08	ENABN10	ENABN12	ENABN07	ENABN09	ENABN11			
ICE NGX AB-NIT Same Day Index (2A) MTD	ENABA08	ENABA10	ENABA12	ENABA09	ENABA11	ENABA13			
ICE NGX AB-NIT Same Day Index (3) MTD	ENABN14	ENABN16	ENABN18	ENABN13	ENABN15	ENABN17			
ICE NGX AB-NIT Same Day Index (3A) MTD	ENABA16	ENABA17	ENABA59	ENABA19	ENABA18	ENABA58			
ICE NGX AB-NIT Same Day Index (4) MTD	ENABN20	ENABN22	ENABN24	ENABN19	ENABN21	ENABN23			
ICE NGX AB-NIT Same Day Index (4A) MTD	ENABA20	ENABA22	ENABA24	ENABA21	ENABA23	ENABA25			
ICE NGX AB-NIT Same Day Index (5) MTD	ENABN26	ENABN28	ENABN30	ENABN25	ENABN27	ENABN29			
ICE NGX AB-NIT Same Day Index (5A) MTD	ENABA32	ENABA34	ENABA36	ENABA33	ENABA35	ENABA37			
ICE NGX AB-NIT Day Ahead Index	ENABA04	ENABA05	ENABA63	ENABA07	ENABA06	ENABA62			
ICE NGX AB-NIT Month Ahead Index (7A) Daily	ENABA40	ENABA41	ENABA42						
ICE NGX AB-NIT Month Ahead Index (7A) MTD	ENABA74	ENABA78	ENABA76						
ICE NGX APC-ATP 5A Day Ahead Index	ENACA00	ENACA02	ENACA04	ENACA01	ENACA03	ENACA05	ENAGA02	ENAGA27	ENAGA52
ICE NGX APC-ATP Yesterday Index	ENACA37	ENACA39	ENACA41	ENACA36	ENACA38	ENACA40			
ICE NGX APC-ATP Same Day Index	ENACA15	ENACA13	ENACA17	ENACA14	ENACA12	ENACA16	ENAHA04	ENEHA05	ENAHA06
ICE NGX APC-ATP Day Ahead Index	ENACA09	ENACA07	ENACA11	ENACA08	ENACA06	ENACA10	ENAGA03	ENAGA28	ENAGA53
ICE NGX Spectra Station #2 Same Day Index	ENWCA12	ENWCA13	ENWCA48	ENWCA15	ENWCA14	ENWCA49	ENAHA07	ENEHA08	ENAHA09
ICE NGX Spectra Station #2 Day Ahead Index	ENWCA08	ENWCA09	ENWCA17	ENWCA11	ENWCA10	ENWCA16	ENAGA04	ENAGA29	ENAGA54
ICE NGX TCPL-Empress Day Ahead Index	ENACA21	ENACA19	ENACA23	ENACA20	ENACA18	ENACA22	ENAGA05	ENAGA30	ENAGA55
ICE NGX TCPL-Suffield 2 Day Ahead Index	ENACA55	ENACA57	ENACA59	ENACA54	ENACA56	ENACA58	ENAGA06	ENAGA31	ENAGA56
ICE NGX TransGas Energy Pool Same Day Index	ENTGE00	ENTGE01	ENTGE02	ENTGE03	ENTGE04	ENTGE05	ENAHA10	ENEHA11	ENAHA12
ICE NGX TransGas Energy Pool Day Ahead Index	ENTGE09	ENTGE07	ENTGE11	ENTGE08	ENTGE06	ENTGE10	ENAGA07	ENAGA32	ENAGA57
ICE NGX AB-NIT - TCPL-Empress Transport Day Ahead Index	ENABA00	ENABA01	ENABA64	ENABA03	ENABA02	ENABA65	ENAGA01	ENAGA26	ENAGA51

Bates are defined as: High = h; Low = l; Index = c; Deal Count = u; Volume = w

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Daily CGPR Symbols ($/MMBtu)

Name of Indices	Final Daily Indices By Trade Date			Final Daily Indices By Flow Date			Month to Date Indices by Trade Date		
Description of Symbol	Index (USD/MMBtu) and Abs Range	Deal Count	Index (CAD/GJ)	Index (USD/MMBtu) and Abs Range	Deal Count	Index (CAD/GJ)	Index ($/MMBtu) and Abs Range	Deal Count	Index (CAD/GJ)
Market Data Category	GD	GD	GD	GD	GD	GD	GD	GD	GD
Bates Published	h,l,c,w	u	c	h,l,c,w	u	c	h,l,c,w	u	c
ICE NGX Spectra Huntingdon Day Ahead Index	ENACA33	ENACA31	ENACA35	ENACA32	ENACA30	ENACA34	ENAGA08	ENAGA33	ENAGA58
ICE NGX TCPL-Chippawa Day Ahead Index	ENWCA21	ENWCA19	ENWCA23	ENWCA20	ENWCA18	ENWCA22	ENAGA09	ENAGA34	ENAGA59
ICE NGX TCPL-East Hereford Day Ahead Index	ENDHA23	ENDHA19	ENDHA21	ENDHA22	ENDHA18	ENDHA20	ENAGA10	ENAGA35	ENAGA60
ICE NGX TCPL-Emerson 1 Day Ahead Index	ENWCA27	ENWCA25	ENWCA29	ENWCA26	ENWCA24	ENWCA28	ENAGA11	ENAGA36	ENAGA61
ICE NGX TCPL-Emerson 2 Day Ahead Index	ENWCA33	ENWCA31	ENWCA35	ENWCA32	ENWCA30	ENWCA34	ENAGA12	ENAGA37	ENAGA62
ICE NGX TCPL-Enbridge CDA Day Ahead Index	ENACA27	ENACA25	ENACA29	ENACA26	ENACA24	ENACA28	ENAGA13	ENAGA38	ENAGA63
ICE NGX TCPL-Enbridge EDA Day Ahead Index	ENACA47	ENACA43	ENACA45	ENACA46	ENACA42	ENACA44	ENAGA14	ENAGA39	ENAGA64
ICE NGX TCPL-Energir EDA Day Ahead Index	ENACA53	ENACA49	ENACA51	ENACA52	ENACA48	ENACA50	ENAGA15	ENAGA40	ENAGA65
ICE NGX TCPL-Iroquois Day Ahead Index	ENWCA39	ENWCA37	ENWCA41	ENWCA38	ENWCA36	ENWCA40	ENAGA16	ENAGA41	ENAGA66
ICE NGX TCPL-Niagara Day Ahead Index	ENNIA17	ENNIA15	ENNIA19	ENNIA16	ENNIA14	ENNIA18	ENAGA17	ENAGA42	ENAGA67
ICE NGX TCPL-St. Clair Day Ahead Index	ENACA65	ENACA61	ENACA63	ENACA64	ENACA60	ENACA62	ENAGA18	ENAGA43	ENAGA68
ICE NGX Union Dawn Same Day Index	ENDHA17	ENDHA13	ENDHA15	ENDHA16	ENDHA12	ENDHA14	ENAHA13	ENEHA14	ENAHA15
ICE NGX Union Dawn Day Ahead Index	ENDHA06	ENDHA04	ENDHA10	ENDHA09	ENDHA05	ENDHA11	ENAGA20	ENAGA45	ENAGA70
ICE NGX Union-Parkway Day Ahead Index	ENPKA02	ENPKA03	ENPKA06	ENPKA05	ENPKA04	ENPKA07	ENAGA25	ENAGA50	ENAGA75
ICE NGX TCPL-St.Clair-Union-Dawn Transport Day Ahead Index	ENSCA00	ENSCA01	ENSCA06	ENSCA03	ENSCA02	ENSCA07	ENAGA19	ENAGA44	ENAGA69
ICE NGX Union-Dawn-Enbridge CDA Transport Day Ahead Index	ENEBA02	ENEBA04	ENEBA07	ENEBA03	ENEBA05	ENEBA06	ENAGA21	ENAGA46	ENAGA71
ICE NGX Union-Dawn-Parkway Transport Day Ahead Index	ENPKA11	ENPKA09	ENPKA13	ENPKA10	ENPKA08	ENPKA12	ENAGA22	ENAGA47	ENAGA72
ICE NGX Union-Dawn-TCPL Chippawa Transport Day Ahead Index	ENWCA45	ENWCA43	ENWCA47	ENWCA44	ENWCA42	ENWCA46	ENAGA23	ENAGA48	ENAGA73
ICE NGX Union-Dawn-TCPL Iroquois Transport Day Ahead Index	ENIRA08	ENIRA02	ENIRA04	ENIRA09	ENIRA03	ENIRA07	ENAGA24	ENAGA49	ENAGA74

Bates are defined as: High = h; Low = l; Index = c; Deal Count = u; Volume = w

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Monthly CGPR Symbols (CAD/GJ)

Name of Indices	Final Monthly Indices		
Description of Symbol	Index (CAD/GJ) and Abs Range	Deal Count	Index (USD/Mmbtu)
Market Data Category	GM	GM	GM
Bates Published	h,l,c,w	u	c
ICE NGX AB-NIT Month Ahead (7A)	ENABA79	ENABA80	ENABA81
ICE NGX AB-NIT Month Ahead Bidweek (7A1)	ENABA44	ENABA45	ENABA46
ICE NGX Alberta Spot Price - Empress (7)	ENABA82	ENABA83	ENABA84
ICE NGX AB-NIT - TCPL-Empress Month Ahead Spread (7AA)	ENAEA00	ENAEA01	ENAEA02
ICE NGX AB-NIT Same Day Index (1)	ENCAA00	ENCAA01	ENCAA02
ICE NGX AB-NIT Same Day Index (1A)	ENCAA03	ENCAA04	ENCAA05
ICE NGX AB-NIT Same Day Index (2)	ENCAA06	ENCAA07	ENCAA08
ICE NGX AB-NIT Same Day Index (2A)	ENCAA09	ENCAA10	ENCAA11
ICE NGX AB-NIT Same Day Index (3)	ENCAA12	ENCAA13	ENCAA14
ICE NGX AB-NIT Same Day Index (3A)	ENCAA15	ENCAA16	ENCAA17
ICE NGX AB-NIT Same Day Index (4)	ENCAA18	ENCAA19	ENCAA20
ICE NGX AB-NIT Same Day Index (4A)	ENCAA21	ENCAA22	ENCAA23
ICE NGX AB-NIT Same Day Index (5)	ENCAA24	ENCAA25	ENCAA26
ICE NGX AB-NIT Same Day Index (5A)	ENCAA27	ENCAA28	ENCAA29
ICE NGX APC-ATP Month Ahead	ENALA01	ENATN24	ENBCA02
ICE NGX Spectra - Stn 2 Month Ahead (7B)	ENALA03	ENATN25	ENBCA04
ICE NGX Spectra - Stn 2 Month Ahead Bidweek (7C)	ENATN09	ENATM42	ENBCA13
ICE NGX TCPL-Suffield 2 Month Ahead	ENATN03	ENATM36	ENBCA29
ICE NGX TransGas Energy Pool Month Ahead	ENATN04	ENATM37	ENBCA24
ICE NGX Alberta Market Price	ENNGA00		ENNGA01
NYMEX Expiration Price CAD	ENALA00		
NYMEX Expiration Reuters Noon CAD Exchange Rate	ENEDM00		
Saskatchewan Provincial Gas Price	ENCGP00		
Alberta Natural Gas Reference Price	ENCGP01		
Alberta Natural Gas AB-NIT Purchase Price	ENCGP02		
Alberta Natural Gas Intra-Alberta Transport	ENCGP03		
Alberta Natural Gas Price Before Pipeline Factor	ENCGP04		
Alberta Natural Gas Pipeline Fuel/Loss Factor	ENCGP05		

Bates are defined as: High = h; Low = l; Index = c; Deal Count = u; Volume = w

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Monthly CGPR Symbols (USD/MMBtu)

Name of Indices	Final Monthly Indices		
Description of Symbol	Index (USD/MMBtu) and Abs Range	Deal Count	Index
Market Data Category	GM	GM	GM
Bates Published	h,l,c,w	u	c
ICE NGX Spectra-Huntingdon Month Ahead	ENALA02	ENATM47	ENBCA03
ICE NGX TCPL-Chippawa Month Ahead	ENALA04	ENATN26	ENBCA05
ICE NGX TCPL-East Hereford Month Ahead	ENALA05	ENATN27	ENBCA06
ICE NGX TCPL-Emerson 1 Month Ahead	ENALA06	ENATN28	ENBCA07
ICE NGX TCPL-Emerson 2 Month Ahead	ENALA07	ENATN29	ENBCA08
ICE NGX TCPL-Enbridge CDA Month Ahead	ENALA08	ENATN30	ENBCA09
ICE NGX TCPL-Enbridge EDA Month Ahead	ENALA09	ENATM31	ENBCA26
ICE NGX TCPL-Energir EDA Month Ahead	ENALA10	ENATM32	ENBCA27
ICE NGX TCPL-Iroquois Month Ahead	ENATN00	ENATM33	ENBCA22
ICE NGX TCPL-Niagara Month Ahead	ENATN01	ENATM34	ENBCA23
ICE NGX TCPL-St. Clair Month Ahead	ENATN02	ENATM35	ENBCA28
ICE NGX Union-Dawn Month Ahead	ENATN05	ENATM38	ENBCA25
ICE NGX Union-Dawn Month Ahead Bidweek	ENATN22	ENBCA00	ENBRA13
ICE NGX Union-Parkway Month Ahead	ENATN06	ENATM39	ENBCA10
NYMEX Expiration Reuters Noon USD Exchange Rate	ENEDM01		

Bates are defined as: High = h; Low = l; Index = c; Deal Count = u; Volume = w

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Canadian Gas Price Reporter (CGPR) Daily & Monthly Indices Methodology

All CGPR daily and monthly indices are volume-weighted or arithmetic average calculations of transactions on the ICE NGX Exchange. Only transactions done on ICE NGX are included in their formation.

Daily Prices and Calculations:

For more information on the calculation of AB-NIT Same Day 1A-5A, please see the ICE NGX Methodology guide at https://www.theice.com/publicdocs/NGX_Index_Methodology.pdf

Monthly Prices and Calculations:

First of the Month Canadian and US Refinitiv WM/Reuters 12 Noon EST FX Benchmark exchange rates are published on the first business day of the month.

The NYMEX Henry Hub prompt month expiration price is converted to CAD by multiplying the final NYMEX expiration price by the prevailing CAD exchange rate on the day of expiration, then dividing by the constant 1.055056.

Alberta Natural Gas Reference Price is publicly available by the Alberta Department of Energy with a two-month lag. Most recent values are calculated by subtracting the Intra-Alberta Transport from the NIT Purchase Price, then multiplying by the Pipeline Fuel/Loss Factor.

ICE NGX Alberta Market Price is publicly available on ICE NGX and is a volume-weighted average price for all physically delivered natural gas in the month at the Alberta AB-NIT market center for all traded products.

ICE NGX Alberta Spot Price – Empress (7) is calculated by adding the ICE NGX AB-NIT Month Ahead 7A end of month value to ICE NGX AB-NIT-TCPL Empress Month Ahead Spread (7AA) value. ICE NGX AB-NIT Month Ahead (7A) is a volume-weighted calculation of all ICE NGX AB-NIT Month Ahead transactions done on ICE NGX for delivery the following month. ICE NGX AB-NIT Month Ahead Bidweek (7A1) is volume-weighted calculation of all ICE NGX AB-NIT Month Ahead transactions done on ICE NGX for delivery the following month during ICE NGX bidweek, defined as the last five business days of the month. ICE NGX AB-NIT-TCPL Empress Month Ahead Spread (7AA) is a volume-weighted calculation of all ICE NGX AB-NIT-TCPL/Empress fixed price spread deals done on ICE NGX for delivery the following month.

ICE NGX Spectra – Stn 2 Month Ahead (7B) is a volume-weighted calculation of all ICE NGX Spectra – Stn 2 transactions done on ICE NGX for delivery the following month. ICE NGX AB-NIT Month Ahead Bidweek (7C) is volume-weighted calculation of all ICE NGX Spectra – Stn 2 transactions done on ICE NGX for delivery the following month during ICE NGX bidweek, defined as the last five business days of the month.

Saskatchewan Provincial Gas Price is a publicly available royalty calculation published by the Government of Saskatchewan with a two-month lag. The value is converted to cubic meters by multiplying the most recent royalty price and the constant 37.78.

All other Month Ahead values are volume-weighted calculations based on their respective ICE NGX contracts traded on ICE NGX for delivery next month.

Gas Indices Americas (GIA) Daily Indices Methodology

The GIA prices are calculated using twenty trading locations across four regions in the US and Canada. Platts publishes a daily index for North America as well as the Northeast, South, Midwest, and West regions. Prices are reported in US dollars per million Btu.

Platts collects interstate pipeline natural gas data from the Intraday 3 pipeline nomination cycle to determine locations, location weightings, and region weightings. Volumes are compiled by location according to location definitions.

A. Determine GIA Locations

- Rank Platts locations in each of the four regions by average daily nomination volume in the prior winter or summer season, where winter represents November – March and summer represents April – October.
- The top 5 locations in each region with the highest volumes are selected.
- To ensure adequate trading liquidity, each location must have an average daily deal count of at least 20 trades over the prior winter or summer season. If a location does not meet this threshold, it is excluded and the location with the next highest volume is selected.

For example, the locations for Nov 2020 – Mar 2021 represent the 5 locations in each region with the highest average daily nomination volumes that also meet the liquidity threshold during Nov 2019 – Mar 2020. The locations remain constant for the entirety of the season. Locations are reviewed twice per year at the end of the winter and summer seasons. Platts publishes the twenty locations in April for the following winter and in November for the following summer. Given the seasonal lag between traded volumes for location selection and index calculation, Platts reserves the right to exclude locations that meet these criteria should diminished trading liquidity occur or include locations that meet these criteria after the prior season.

B. Calculate GIA Region Prices

Region price = (Location1 price x location1 weighting) + (Location2 price x location2 weighting) + (Location3 price x location3 weighting) + (Location4 price x location4 weighting) + (Location5 price x location5 weighting)

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1. Location price = Platts final daily index price, published around 5 pm Central Time according to the Platts daily gas calendar.

Should Platts not assess a price for a location, the location weighting is evenly distributed over the other locations in the region in computing the region price.

2. Location weighting = the weight of each location's volume based on the 5 locations in each region over the prior winter or summer season, where for each location:

Location1 weighting = Location1 volume / (Location1 volume + location2 volume + location3 volume + location4 volume + location5 volume)

No location may have a location weighting greater than twice the size of the average of the five points, i.e., 40%. Should a location need to be capped, any allocation above 40% is divided equally over the other locations in that region.

For example, the location weightings for Nov 2020 – Mar 2021 are determined by dividing the location volume for Nov 2019 – March 2020 by the total volume for all 5 locations in the region over the same period. The location weightings remain constant for the entirety of the season. Location weightings are reviewed twice per year at the end of the winter and summer seasons. Platts publishes the location weightings in April for the following winter and in November for the following summer.

C. Calculate GIA North America Price

GIA North America price = (Region1 price x Region1 weighting) + (Region2 price x Region2 weighting) + (Region3 price x Region3 weighting) + (Region4 price x Region4 weighting)

Region price = Prices calculated per B. above

Region weighting = the weight of each region's volume based on the 5 locations in each region over the prior winter or summer season, where for each region:

Region1 weighting = Region1 volume / (Region1 volume + Region2 volume + Region3 volume + Region4 volume). No region may have a weighting greater than twice the size of the average of the four regions, i.e., 50%. Should a region need to be capped, any allocation above 50% is divided equally over the other regions.

GIA Symbols

Name of Indices	GIA Final Daily Indices By Trade Date	GIA Final Daily Indices By Flow Date
Description of Symbol	Index	Index
Market Data Category	GH	GH
Bates Published	c	c
GIA Northeast	IGKAA00	IGKAA21
GIA South	IGLAA00	IGLAA21
GIA Midwest	IGMAA00	IGMAA21
GIA West	IGNAA00	IGNAA21
GIA North America	IGOAA00	IGOAA21

Bates are defined as: Index = c

For example, the region weightings for Nov 2020 – Mar 2021 are determined by dividing the region volume for Nov 2019 – March 2020 by the total volume for all 4 regions over the same period. The region weightings remain constant for the entirety of the season. Region weightings are reviewed twice per year at the end of the winter and summer seasons. Platts publishes the region weightings in April for the following winter and in November for the following summer.

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Revision history

December 2022: Launched NYMEX Henry Hub expiration price and updated the name for Lone Star Pipeline to Atmos Pipeline.

November 2022: Platts discontinues ICE CGX, Waha Hub and ICE Midcoast Carthage Hub locations.

August 2022: Platts completed an annual review of this guide, reviewing all content, correcting typos, and making edits to language throughout.

July 2022: Platts adds new daily and monthly ICE location titled ICE NGPL TXOK East Storage (Gulf Coast) PIN 25658.

February 2022: Platts removed the word "monthly" from the titles for the monthly locations Northwest, Wyoming Pool and Northwest, S. of Green River under the "Platts Locations Monthly Symbols" section. Platts also added the sentence "Platts will accept bidweek trades transacted before 3:00 pm CT on day 3 of bidweek as this coincides with the deadline for trades done on the ICE exchange" in the "What to report" section.

January 2022: Platts launched ICE CGX Waha Hub daily and monthly index. Separately, Platts also discontinued daily and monthly ICE CGX West Pool.

December 2021: Platts adds two new monthly locations Northwest, S. of Green River and Northwest, Wyoming Pool. The titles have been changed from "daily market only" to "daily and monthly market". Platts corrects alphabetization in locations.

November 2021: Platts changes the title of the Northwest, Rocky Mountains location from"daily and monthly market" to "monthly market only" and bolds the title of Northwest, Rocky Mountain Pool (daily market only). Platts adds daily and monthly ICE Rex, zone 3 Delivered Pool locations.

October 2021: Platts shortened its bidweek trading period to three (3) days from five (5) days starting Sept. 24 for the October bidweek.

September 2021: Platts changes the title of the Northwest, Rocky Mountains location from"monthly market only" to "daily and monthly market".

August 2021: Platts launched the ICE NGX TransGas Energy Pool 5A Same Day Index.

July 2021: Platts completed an annual update to the US and Canada Natural Gas Methodology Guide. Platts launched daily and monthly liquidity tables that show average monthly volumes and deal counts by location over the past four months. Platts updated the Algonquin city-gate methodology to address divergence of trades upstream of Cromwell compressor station. Platts also changed the methodology and name of the location because of Dominion Energy changing its name to Eastern Gas Transmission and Storage.

June 2021: In June Platts added the Valley Crossing Pipeline to the Agua Dulce natural gas index and the Permian Highway and Gulf Coast Express pipelines to the Waha natural gas index. In May Platts launched ICE Midcoast Carthage Hub daily and monthly indices. In April Platts launched ICE Bay Gas Storage and ICE REX W-NGPL daily and monthly indices.

January 2021: Platts discontinued monthly Transco, Zone 6 non-NY South and ANR-ML 7 indices. Platts also launched ICE Transco, Zone 6 non-NY South indices.

December 2020: Platts discontinued daily Tennessee, zone 6 (300 leg) delivered and Transco, Zone 6 non-NY South indices. Platts also launched ICE Transco, Zone 6 non-NY South and ICE Tennessee, zone 6 300 leg indices. In addition, Platts updated submission methods to include API submission through Trade Vision launched in December.

November 2020: Platts added month to date indices for the ICE NGX AB-NIT Yesterday Index, ICE NGX APC-ATP Same Day Index, ICE NGX Spectra Station #2 Same Day Index, ICE NGX TransGas Energy Pool Same Day Index, and ICE NGX Union Dawn Same Day Index locations

September 2020: Platts launched ICE Midship, receipts daily and monthly indices.

July 2020: Platts completed an annual review of the North American Natural Gas methodology and specifications guide. Platts reviewed all content and made minor edits to language. Add daily cash basis symbols for Platts daily table, as well as symbols for ICE REX, Cheyenne Comp Pool daily & monthly indices.

July 2020: Added month to date prices for CGPR day ahead locations.

May 2020: Platts removed references to Shale Value Chain following discontinuation on May 25. Platts also added more information around CGPR Daily & Monthly indices, including data used and calculations.

May 2020: Platts updated the methodology guide to merge the Gas Indices Americas (GIA) methodology into the US and Canada methodology guide. Platts also included methodology pertaining to Canadian Enerdata Ltd. acquisition and publishing of daily & monthly Canadian ICE NGX contracts.

April 2020: Platts launched ICE Transco, River Road and ICE MEP, Lamar daily and monthly indices.

March 2020: Amended prior Revision History for November 2019 to show complete name of Platts Trade Vision

February 2020: Platts has changed the preliminary monthly indices to only include ICE transactional data. Bilateral transactions will still be included in final monthly Indices.

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December 2019: Platts has changed the mention of TransCanada to TC Energy to reflect recent name change. Platts has also changed TransCanada Mainline name to Canadian Mainline to reflect recent name change.

November 2019: Added Platts Trade Vision as a method to receive trade submissions used in the formation of its North American natural gas indices. Platts launched ICE Tennessee, zone 0 South Texas Border Pool.

October 2019: Added language about the use of market information when assessing prices and key submitter dependency.

September 2019: Platts launched Pine Prairie Hub, Rover delivered, and Northwest Rocky Mountain Pool in the daily market and discontinued the ICE Pine Prairie Hub location. In the monthly market, Platts launched Pine Prairie Hub, Rover delivered, and Kern River delivered. Platts discontinued ICE Kern River on system delivery and ICE Pine Prairie Hub in the monthly market. Platts launched the following ICE locations for the daily and monthly market : ICE Gillis Hub, ICE GCX West Pool, ICE HSC-Kinder Morgan, ICE Tennessee Zone 1, 800 Leg Pool.

August 2019: Platts completed an annual review of the North American Natural Gas methodology and specifications guide. Platts reviewed all content and made minor edits to language.

July 2019: Platts launched ICE Columbia Gas, A08 Pool daily and monthly index in June 2019. Platts also launched natural gas OTC indices for Canadian Locations. Platts adds language to Part V of Methodology & Specification guide further explaining the correction process in the daily and monthly market, additional detail on the timeframe for correcting, and interaction with price submitters.

May 2019: Platts launched ICE El Paso, Anadarko monthly index. Platts revised several symbols in the daily and monthly markets to correct errors. Tennessee Zone 1 daily absolute range flow date symbol was revised to IGBHI22, while the Preliminary Cumulative Basis Deal Count symbols for all locations in the Rockies/Northwest and Southwest regions were corrected.

April 2019: Platts added language to Part I, spelling out Canadian locations outside of FERC jurisdiction, as well as the inclusion of basis deals in the Florida city-gates daily index. In addition, Part VII was revised to include an asterisk identifying Canadian locations, and corresponding footnote, in addition to further details on basis deals in Florida city-gates. Platts launched ICE El Paso, Anadarko daily index.

January 2019: Platts added daily and monthly indices for the following Platts Location, El Paso, West Texas. Platts added daily and monthly indices for the following ICE location, ICE Banquete Hub. Due to a listing issue Platts added daily indices and symbols for the following ICE locations, ICE NGPL, Amarillo Pooling PIN and ICE NGPL, Amarillo Storage PIN and removed ICE NGPL, Iowa-Illinois Pooling PIN and ICE NGPL, Iowa-Illinois Storage PIN.

November 2018: Platts added daily and monthly indices for the following Platts Locations, Tennessee, zone 6, delivered North, and Tennessee, zone 6, delivered South. Platts added daily and monthly indices for the following ICE locations, ICE Iroquois, zone 1 (delivered excl. Waddington) and ICE Tennessee, zone 5, 200 Line, dlvd downstream of station 245, as well as monthly basis symbols for Platts locations in Rockies and Southwest. Platts discontinued daily and monthly indices for the following ICE locations, ICE TGP-Z6 200L, North and ICE TGP-Z6, 200L South.

October 2018: Platts added daily indices for the following Platts locations, Tennessee, zone 5 (200 leg) and Iroquois, zone 1. Platts discontinued daily and monthly indices for the following ICE locations, ICE Iroquois, zone 1 (delivered excl. Waddington and ICE Tennessee, zone 5, 200 Line, delivered downstream of station 245. Platts added daily and monthly indices for the following ICE locations, ICE Tennessee, Zone 6, 200L, North and ICE Tennessee, Zone 6 200L, South.

September 2018: Platts discontinued daily and monthly indices for the following Platts locations Rex Clarington, Ohio and Tennessee Zone-4 Ohio . Platts also removed daily and monthly indices for the following ICE locations, ICE NGPL Iowa-Illinois Pooling PIN and ICE NGPL Iowa-Illinois Storage PIN, and added daily and monthly indices for the following ICE locations, ICE NGPL, Iowa-Illinios GC Pool, ICE NGPL, Iowa-Illinois AM Pool, ICE NGPL, Iowa-Illinios GC Storage, ICE NGPL, Iowa-Illinois AM Storage, ICE Rover, receipts, ICE REX, zone 3 receipts, ICE ENT, STX Map, ICE Agua Blanca Pool

August 2018: Platts added Shale Value Chain methodology to the North American Natural Gas methodology guide and retired the separate Shale Value Chain methodology guide.

June 2018: Platts completed an annual update to the North American Natural Gas methodology guide. In this update, Platts reviewed all content and made minor edits throughout.

June 2018: Platts added daily and monthly indices for ICE Dominion Energy, Cove Point, on system delivery; ICE Rover, delivered into ANR; ICE Rover, delivered into Panhandle; and ICE Bennington, Oklahoma, (buyer's choice) locations, and discontinued daily and monthly indices for the following ICE locations, ICE Transco Cove Point Pleasant Valley Interconnect, and ICE Bennington Oklahoma

June 2018: Added Tennessee, Zone 1 as a daily market index in Louisiana/Southeast.

May 2018: Clarified methodology for NGPL, Texok zone.

March 2018: Clarified methodology for Agua Dulce, Tennessee, zone 0, and Waha locations.

December 2017: On December 1, Platts changed final monthly indices for Platts locations methodology to add non-Platts price

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reporter ICE trades. Corrected symbol for Platts location Rex, zone 3 delivered final daily indices by flow date absolute range symbol.

November 2017: Platts discontinued regional average preliminary fixed price monthly symbols on November 17. Only regional average final monthly index prices will be published.

October 2017: On trade date October 31, 2017, changed final daily indices for Platts locations methodology to add non-Platts price reporter ICE trades and editorial judgment to assess daily prices. Added daily and monthly indices for ICE Algonquin, Millennium-Ramapo receipts, ICE Algonquin, TGP-Mahwah receipts, and ICE ETC, Cleburne locations.

September 2017: Launched preliminary monthly indices for Platts and ICE locations on September 25, 2017 and final monthly indices for ICE locations on October 1, 2017.

August 2017: Platts amended text throughout to reflect implementation of Platts ICE natural gas agreement. Launched preliminary daily indices for Platts locations and final daily indices for ICE locations on August 31, 2017.

June 2017: Platts completed an annual update to the North American Natural Gas methodology guide. In this update, Platts reviewed all content and made minor edits throughout.

January 2017: Added ICE physical bids and offers to market information used to assess monthly indices

August 2016: Platts completed an annual update to the North American Natural Gas methodology guide in August 2016. In this update, Platts reviewed all content. In this edition, Platts made minor edits throughout.

June 2016: Added Transco, zone 5 delivered North (daily market only) and Transco, zone 5 delivered South (daily and monthly markets) sublistings. Discontinued use of backup Yahoo mailboxes and replaced them with gasprice_daily2@spglobal.com and gasprice_monthly2@spglobal.com.

April 2016: Extended reportable transaction time cutoff to 1 pm Central from 11:30 am, effective April 1, 2016. Added detail on calculations of regional and national average prices.

January 2016: Added regional average symbols for the 8 regions.

December 2015: Reorganized locations by 8 separate regions.

October 2015: Added Chicago-Nicor, Chicago-NIPSCO, Chicago-Peoples, and REX, Zone 3 delivered to daily and monthly markets.

August 2015: Added Tennesee, Zone 4-313 Pool and Transco, Zone 6 non-NY South locations to daily and monthly markets. Also edited Part I, Part II, and Part III at beginning of document.

June 2015: Section on common and absolute ranges changed to show ranges are carried out to a third decimal place and rounded to the nearest half-cent.

April 2015: Clarification of descriptions at Algonquin, city-gates; Dominion, North Point; Dominion, South Point; Texas Eastern, M-3; and Chicago city-gates.

February 2015: Clarification of Corrections and Security and Confidentiality sections.

January 2015: Added "monthly market" to Transco Zone 5 delivered point description.

December 2014: Added Transco Zone 5 delivered to monthly market. Added Transco Zone 6 non-NY North and Columbia Gas, Appalachia (Non-IPP) to the daily and monthly markets. The monthly market additions are effective December 2014 trading for January 2015 delivery. The daily market additions are effective trade date January 2, 2015 for delivery on January 3 – 5.

November 2014: Clarified description for Columbia Gas, Appalachia (daily and monthly market), confirming it reflects deliveries in Columbia Gas Transmission's Interruptible Paper Pool (IPP pool) from any source on Columbia Gas. Deliveries in the IPP pool, which is also known as the "TCO Pool" can originate from any source delivered into Columbia Gas' system.

October 2014: Updates description for Columbia Gas, Appalachia (daily market only) confirming it reflects deliveries into Columbia Gas Transmission's Interruptible Paper Pool (IPP pool) from any source on Columbia Gas. Deliveries into the IPP pool are transported using Columbia Gas Transmission's IPP Rate schedule and can originate from any source delivered into Columbia Gas' system, including unrestricted aggregation points under the pipeline's AS rate schedule.

May 2014: Discontinued Questar Gas Co. pricing location for monthly bidweek market only.

April 2014: Correction of description for Tennessee, La., 500 leg.

April 2014: Modification of description for Tennessee, zone 6 delivered, confining it to the deliveries off the 200 leg. Addition of Tennessee, zone 6 (300 leg) pricing location to the daily market.

January 2014: Platts revamped this Methodology and Specifications Guide effective January 2014. This revamp was completed to enhance the clarity and usefulness of the guide and to introduce greater consistency of layout and structure across Platts published methodology guides. Methodologies for market coverage were not changed in this version. Platts symbols for all pricing locations were added in Part VII and the order of pricing location listings was revised to group them by six geographical regions.

November 2013: Added WestCoast Energy, station 2, to monthly bidweek market effective bidweek trading November 2013 for December 2013 delivery. Changed name of CenterPoint Energy

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CPSE-MDL_000035541

Gas Transmission to Enable Gas Transmission. (In the daily price tables, the CenterPoint, East" listing was changed to "Enable Gas, East," effective trade date November 25, 2013, and in the monthly bidweek tables "CenterPoint Energy Gas Transmission Co., East" was changed to "Enable Gas Transmission, LLC., East" effective bidweek trading November 2013 for delivery December 2013.)

July 2013: Clarification of methodology for Western Canadian daily price indices Westcoast, station 2, and NW, Can. Bdr. (Sumas) for Canadian holidays that fall on Mondays.

April 2013: Additions of Transcontinental Gas Pipe Line, Leidy Line receipts and Tennessee Gas Pipeline, Zone 4-200 leg pricing locations to the daily and monthly bidweek markets.

January 2013: Modification of description for Niagara pricing location to reflect US exports to Canada as well as US imports from Canada.

October 2012: Additions of Texas Eastern M-2, receipts and Millennium Pipeline, East receipts to the daily and monthly bidweek markets.

January 2012: (second update in January 2012): Addition of Tennessee, zone 4-300 leg to the daily market and the monthly bidweek market.

January 2012: Discontinuation of three pricing locations: Natural Gas Pipeline Co. of America, Louisana, in the daily and monthly bidweek markets; Stingray Pool in the daily market; and Stanfield, Ore., in the monthly bidweek market only. (The Stanfield, Ore., location continues in the daily market.) The changes became effective January 1, 2012. Additionally, language was added to the PG&E, Malin location description to make explicit that the location includes deliveries from Gas Transmission Northwest and Ruby Pipeline.

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Exhibit A-39

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GAS DAILY

Friday, February 5, 2021

NEWS HEADLINES

US working natural gas volumes in underground storage declines 192 Bcf: EIA

- Platts survey estimated 195 Bcf draw
- End-of-season could slip below 1.5 Tcf

Permian end-users bid up basis prices as shifting market dynamic stokes rivalry

- El Paso San Juan basis up 25 cents since Jan 2020
- Houston Ship Channel basis rises 7 cents on year

Utilization at Elba Liquefaction facility on US Atlantic Coast jumps to 30-day high

- Maintenance ongoing on two units, third down since 2020 fire
- Late-March, April premiums point cargoes to Europe

Shell upbeat on second half recovery, as reserve replacement takes hit

- Reserves replacement expected to be minus 53% in 2020
- US curbs on federal drilling risk driving up imports, emissions

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GIA

PLATTS ICE GAS INDICES AMERICAS ($/MMBtu)

Trade Date: Feb 04
Flow Date(s): Feb 05

		Average	Daily Change
GIA Northeast	IGKAA00	2.794	0.000
GIA South	IGLAA00	2.828	+0.005
GIA Midwest	IGMAA00	2.946	+0.111
GIA West	IGNAA00	3.177	+0.039
GIA North America	IGOAA00	2.914	+0.025

Assessment rationale: The GIA daily natural gas indices comprise 20 locations across 4 regions in the US and Canada and are based upon trade data reported to Platts by market participants and the Intercontinental Exchange. Details on GIA methodology can be found at https://www.spglobal.com/platts/en/our-methodology/methodology-specifications/natural-gas. Details on historical prices and locations, location weightings, and region weightings can be found at http://plattsinfo.platts.com/GIA.

This rationale applies to symbols found in market category GH listed at http://plts.co/uwHX30kvPG0

FINAL DAILY PRICE SURVEY - PLATTS LOCATIONS ($/MMBtu)

NATIONAL AVERAGE PRICE: 3.220
Trade date: 04-Feb
Flow date(s): 05-Feb

Powered by ICE

		Midpoint	+/-	Absolute	Common	Vol.	Deals
Northeast							
Algonquin, city-gates	IGBEE21	7.420	-3.415	6.000-10.000	6.420-8.420	221	37
Algonquin, receipts	IGBDK21	3.105	-0.045	3.000-3.300	3.030-3.180	125	23
Dracut, Mass.	IGBDW21	7.000	-3.250	7.000-7.000	7.000-7.000	2	1
Iroquois, receipts	IGBCR21	3.145	-0.035	3.050-3.290	3.085-3.205	105	22
Iroquois, zone 1	IGBRP21	3.265	+0.015	3.160-3.270	3.240-3.270	15	6
Iroquois, zone 2	IGBEJ21	6.980	-1.745	6.200-8.500	6.405-7.555	74	15
Niagara	IGBCS21	2.805**	-0.010	2.805-2.805	2.805-2.805	0	0
Tennessee, z5 (200 leg)	IGBRQ21	4.675	+0.210	3.500-5.500	4.175-5.175	117	14
Tennessee, zone 6 del.	IGBEI21	8.310	-4.285	6.000-10.500	7.185-9.435	74	10
Tennessee, zone 6, del. North	IGBRR21	9.105	-5.895	8.750-10.500	8.750-9.545	53	7
Tennessee, zone 6, del. South	IGBRS21	6.300	-6.260	6.000-7.250	6.000-6.615	21	3
Tx. Eastern, M-3	IGBEK21	2.985	-0.135	2.900-3.150	2.925-3.050	278	63
Transco, zone 5 del.	IGBEN21	3.070	-0.080	3.010-3.120	3.045-3.100	280	74
Transco, zone 5 del. North	IGCGL21	3.060	-0.080	3.010-3.100	3.040-3.085	27	12
Transco, zone 5 del. South	IGCHL21	3.070	-0.080	3.035-3.120	3.050-3.090	253	62
Transco, zone 6 N.Y.	IGBEM21	3.035	-0.135	3.000-3.050	3.025-3.050	37	14
Transco, zone 6 non-N.Y.	IGBEL21	3.000	-0.120	2.900-3.150	2.940-3.065	397	99
Transco, zone 6 non-N.Y. North	IGBJS21	3.000	-0.120	2.900-3.150	2.940-3.065	397	99
Northeast regional average	IGCAA00	**4.525**					
Appalachia							
Columbia Gas, App.	IGBDE21	2.800	+0.025	2.760-2.835	2.780-2.820	437	82
Columbia Gas, App. non-IPP	IGBJU21	--	--	-----	-----	--	--
Dominion, North Point	IGBDB21	2.730	+0.005	2.710-2.760	2.720-2.745	191	32
Dominion, South Point	IGBDC21	2.710	-0.005	2.695-2.750	2.695-2.725	615	126
Lebanon Hub	IGBFJ21	2.850	+0.035	2.840-2.870	2.845-2.860	152	20
Leidy Hub	IGBDD21	--	--	-----	-----	--	--
Millennium, East receipts	IGBIW21	2.890	-0.125	2.850-2.910	2.875-2.905	20	8
Tennessee, zone 4-200 leg	IGBJN21	2.795	+0.035	2.765-2.850	2.775-2.815	338	55
Tennessee, zone 4-300 leg	IGBFL21	2.685	+0.040	2.675-2.690	2.680-2.690	70	16
Tennessee, zone 4-313 pool	IGCFL21	2.705	+0.060	2.695-2.740	2.695-2.715	32	14
Texas Eastern, M-2 receipts	IGBJE21	2.785	+0.030	2.730-2.830	2.760-2.810	570	108
Transco, Leidy Line receipts	IGBIS21	2.695	+0.015	2.640-2.720	2.675-2.715	166	45
Appalachia regional average	IGDAA00	**2.765**					
Midcontinent							
ANR, Okla.	IGBBY21	2.860	+0.060	2.835-2.890	2.845-2.875	200	39
Enable Gas, East	IGBCA21	2.815	+0.050	2.800-2.820	2.810-2.820	41	10
NGPL, Amarillo receipt	IGBDR21	2.895	+0.075	2.855-2.915	2.880-2.910	65	16
NGPL, Midcontinent	IGBBZ21	2.870	+0.095	2.810-2.940	2.840-2.905	205	37
Oneok, Okla.	IGBCD21	2.920	+0.175	2.890-2.940	2.910-2.935	128	24
Panhandle, Tx.-Okla.	IGBCE21	2.905	+0.145	2.825-2.960	2.870-2.940	540	113
Southern Star	IGBCF21	2.850	+0.060	2.840-2.860	2.845-2.855	51	11
Tx. Eastern, M-1 24-in.	IGBET21	2.810	+0.020	2.810-2.810	2.810-2.810	2	1
Midcontinent regional average	IGEAA00	**2.865**					
Upper Midwest							
Alliance, into interstates	IGBDP21	2.950	+0.115	2.870-3.060	2.905-3.000	947	135
ANR, ML 7	IGBDQ21	--	--	-----	-----	--	--
Chicago city-gates	IGBDX21	2.945	+0.100	2.880-3.100	2.890-3.000	662	110
Chicago-Nicor	IGBEX21	2.925	+0.085	2.890-2.970	2.905-2.945	281	47
Chicago-NIPSCO	IGBFX21	2.955	+0.100	2.880-3.000	2.925-2.985	111	27
Chicago-Peoples	IGBGX21	2.960	+0.120	2.890-3.100	2.910-3.015	270	36
Consumers city-gate	IGBDY21	2.845	+0.050	2.800-2.880	2.825-2.865	190	45
Dawn, Ontario	IGBCX21	2.840	+0.040	2.810-2.910	2.815-2.865	358	50
Emerson, Viking GL	IGBCW21	2.890	+0.080	2.850-2.960	2.865-2.920	184	39
Mich Con city-gate	IGBDZ21	2.835	+0.050	2.815-2.850	2.825-2.845	690	93
Northern Bdr., Ventura TP	IGBGH21	3.135	+0.255	2.890-3.500	2.985-3.290	329	56
Northern, demarc	IGBDV21	3.015	+0.155	2.890-3.250	2.925-3.105	428	65
Northern, Ventura	IGBDU21	3.215	+0.350	2.890-3.500	3.065-3.370	576	91
REX, Zone 3 delivered	IGBRO21	2.865	+0.050	2.840-2.900	2.850-2.880	698	93
Rover, delivered	IGBRV21	2.820	+0.045	2.810-2.850	2.810-2.830	78	18
Upper Midwest regional average	IGFAA00	**2.940**					

CPSE Response in Opp to ET MSJ
Exhibit A-39
MDL-2022-CI-02879
exhibitsticker.com

US working natural gas volumes in underground storage declines 192 Bcf: EIA

- **Platts survey estimated 195 Bcf draw**
- **End-of-season could slip below 1.5 Tcf**

A string of massive weekly US natural gas storage withdrawals, starting with the 192 Bcf pull reported Feb. 4, have the potential to unravel recent forecasts, and prompt stocks to enter next year's heating season more than 600 Bcf below the five-year average, marking a dramatic year over year reversal.

Natural gas storage inventories fell 192 Bcf to 2.689 Tcf for the week ended Jan. 29, according to the US Energy Information Administration.

The withdrawal was below the 195 Bcf pull an S&P Global Platts' survey of analysts expected, but it proved to be the largest weekly draw of the heating season. Storage volumes now stand 41 Bcf, or

EIA WEEKLY STORAGE ESTIMATES vs PLATTS SURVEY



Source: S&P Global Platts, US Energy Information Administration

PLATTS LOCATIONS NATURAL GAS DAILY FINAL ASSESSMENT RATIONALE

Platts Gas Daily indices are based upon trade data reported to Platts by market participants and the Intercontinental Exchange.

The indices are calculated using detailed transaction level data from these providers. Platts editors screen the data for outliers that may be further examined and potentially removed. A volume weighted average is then calculated from the remaining set of data.

These locations were assessed by Platts and deviated from the standard volume weighted average methodology in the following ways:

1. Niagara: Price of $2.805/MMBtu was assessed at a 9.5-cent premium to Dominion South Point, based on recent daily gas trading and verified by ICE bid/offer activity.
2. NGPL, STX: Price of $2.86/MMBtu was assessed at a 5-cent premium to NGPL, Texok Zone based on recent daily gas trading and verified by ICE bid/offer activity.
3. Transco, zone 2: Price of $2.915/MMBtu was assessed flat to Transco, zone 3 based on recent daily gas trading and verified by ICE bid/offer activity.
4. Texas Gas, Zone SL: Price of $2.905/MMBtu was assessed at a 4.5-cent premium to Texas Gas, Zone 1 based on recent daily gas trading and verified by ICE bid/offer activity.

This rationale applies to symbols found in the Market Data category GD listed at http://plts.co/3z3y30qw7qH

FINAL DAILY PRICE SURVEY - PLATTS LOCATIONS ($/MMBtu)

Trade date: 04-Feb
Flow date(s): 05-Feb

		Midpoint	+/-	Absolute	Common	Vol.	Deals
East Texas							
Agua Dulce Hub	IGBAV21	2.875	+0.070	2.870-2.880	2.875-2.880	30	6
Carthage Hub	IGBAF21	2.850	+0.075	2.840-2.855	2.845-2.855	56	11
Florida Gas, zone 1	IGBAW21	2.900	+0.055	2.900-2.900	2.900-2.900	30	2
Houston Ship Channel	IGBAP21	2.860	+0.035	2.850-2.870	2.855-2.865	69	14
Katy	IGBAQ21	2.865	+0.065	2.830-2.900	2.850-2.885	572	79
NGPL, STX	IGBAZ21	2.860**	+0.055	2.860-2.860	2.860-2.860	0	0
NGPL, Texok zone	IGBAL21	2.810	+0.020	2.790-2.900	2.790-2.840	1284	153
Tennessee, zone 0	IGBBA21	2.855	+0.055	2.840-2.880	2.845-2.865	500	77
Tx. Eastern, ETX	IGBAN21	2.750	+0.050	2.750-2.750	2.750-2.750	3	2
Tx. Eastern, STX	IGBBB21	2.890	+0.080	2.830-2.910	2.870-2.910	200	28
Transco, zone 1	IGBBC21	2.880	+0.070	2.880-2.890	2.880-2.885	86	18
Transco, zone 2	IGBBU21	2.915**	+0.055	2.915-2.915	2.915-2.915	0	0
East Texas regional average	IGGAA00	**2.860**					
Louisiana/Southeast							
ANR, La.	IGBBF21	2.900	+0.070	2.870-2.915	2.890-2.910	126	29
Columbia Gulf, La.	IGBBG21	2.900	+0.015	2.900-2.910	2.900-2.905	162	18
Columbia Gulf, mainline	IGBBH21	2.855	+0.050	2.835-2.870	2.845-2.865	312	60
Florida city-gates	IGBED21	3.115	-0.080	3.080-3.160	3.095-3.135	128	17
Florida Gas, zone 2	IGBBJ21	2.855	-0.050	2.830-2.900	2.840-2.875	76	3
Florida Gas, zone 3	IGBBK21	2.950	-0.040	2.925-2.970	2.940-2.960	263	39
Henry Hub	IGBBL21	2.915	+0.010	2.880-2.940	2.900-2.930	94	16
Pine Prairie Hub	IGBRU21	2.900	+0.055	2.870-2.920	2.890-2.915	174	22
Southern Natural, La.	IGBBO21	2.920	+0.025	2.900-2.930	2.915-2.930	605	96
Tennessee, zone 1	IGBHI21	2.875	+0.060	2.850-2.890	2.865-2.885	396	64
Tennessee, 500 Leg	IGBBP21	2.910	+0.035	2.880-2.925	2.900-2.920	347	66
Tennessee, 800 Leg	IGBBQ21	2.865	+0.025	2.840-2.905	2.850-2.880	353	47
Tx. Eastern, ELA	IGBBS21	2.845	+0.020	2.840-2.850	2.845-2.850	54	12
Tx. Eastern, M-1 30-in.	IGBDI21	2.900	+0.090	2.880-2.910	2.895-2.910	64	12
Tx. Eastern, WLA	IGBBR21	2.860	+0.040	2.830-2.880	2.850-2.875	282	36
Tx. Gas, zone 1	IGBAO21	2.860	+0.050	2.840-2.885	2.850-2.870	505	84
Tx. Gas, zone SL	IGBBT21	2.905**	-0.155	2.905-2.905	2.905-2.905	0	0
Transco, zone 3	IGBBV21	2.915	+0.035	2.885-2.960	2.895-2.935	260	46
Transco, zone 4	IGBDJ21	2.940	-0.015	2.915-3.000	2.920-2.960	1247	197
Trunkline, ELA	IGBBX21	2.780	-0.020	2.780-2.780	2.780-2.780	0.2	2
Trunkline, WLA	IGBBW21	--	--	-----	-----	--	--
Trunkline, zone 1A	IGBGF21	2.865	+0.060	2.850-2.875	2.860-2.870	143	34
Louisian/Southeast regional average	IGHAA00	**2.895**					
Rockies/Northwest							
Cheyenne Hub	IGBCO21	2.875	+0.070	2.815-2.915	2.850-2.900	587	88
CIG, Rockies	IGBCK21	2.835	+0.075	2.800-2.900	2.810-2.860	40	10
GTN, Kingsgate	IGBCY21	2.760	+0.080	2.750-2.780	2.755-2.770	19	6
Kern River, Opal	IGBCL21	2.830	+0.015	2.760-2.875	2.800-2.860	572	122
NW, Can. bdr. (Sumas)	IGBCT21	2.765	+0.000	2.700-2.840	2.730-2.800	166	38
NW, Rocky Mtn. Pool	IGBRW21	2.785	+0.030	2.750-2.800	2.775-2.800	86	14
NW, s. of Green River	IGBCQ21	2.785	+0.030	2.750-2.800	2.775-2.800	86	14
NW, Wyo. Pool	IGBCP21	2.825	+0.025	2.760-2.870	2.800-2.855	241	48
PG&E, Malin	IGBDO21	2.845	+0.060	2.805-2.870	2.830-2.860	389	92
Questar, Rockies	IGBCN21	2.825	+0.045	2.720-2.840	2.795-2.840	54	16
Stanfield, Ore.	IGBCM21	2.805	+0.040	2.750-2.820	2.790-2.820	76	16
TCPL Alberta, AECO-C*	IGBCU21	3.250	+0.090	3.100-3.300	3.200-3.300	668	110
Westcoast, station 2*	IGBCZ21	3.045	-0.060	3.020-3.150	3.020-3.080	64	23
White River Hub	IGBGL21	2.830	+0.035	2.790-2.900	2.805-2.860	445	72
Rockies/Northwest regional average	IGIAA00	**2.815**					
Southwest							
El Paso, Bondad	IGBCG21	2.785	+0.005	2.770-2.810	2.775-2.795	371	49
El Paso, Permian	IGBAB21	2.755	-0.010	2.740-2.800	2.740-2.770	1359	215
El Paso, San Juan	IGBCH21	2.795	+0.000	2.770-2.810	2.785-2.805	192	38
El Paso, South Mainline	IGBFR21	2.960	+0.000	2.950-3.000	2.950-2.975	13	4
El Paso, West Texas	IGBRT21	2.755	-0.010	2.740-2.800	2.740-2.770	1331	211
Kern River, delivered	IGBES21	2.950	-0.035	2.950-2.960	2.950-2.955	147	48
PG&E city-gate	IGBEB21	3.635	+0.085	3.600-3.690	3.615-3.660	898	110
PG&E, South	IGBDM21	2.865	+0.020	2.850-2.880	2.860-2.875	116	16
SoCal Gas	IGBDL21	2.940	-0.020	2.800-3.000	2.890-2.990	394	86
SoCal Gas, city-gate	IGBGG21	3.070	-0.105	3.050-3.200	3.050-3.110	179	34
Transwestern, Permian	IGBAE21	2.755	+0.035	2.750-2.780	2.750-2.765	101	18
Transwestern, San Juan	IGBGK21	2.800	+0.005	2.790-2.810	2.795-2.805	50	14
Waha	IGBAD21	2.755	-0.005	2.700-2.800	2.730-2.780	967	148
Southwest regional average	IGJAA00	**2.920**					

*Price in C$ per gj; C$1=US$0.7795;**Assessed price; Volume in 000 MMBtu/day. Symbols represent gas flow date.

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1.5%, more than the year-ago level of 2.648 Tcf and 198 Bcf, or 7.9%, more than the five-year average of 2.491 Tcf.

The NYMEX Henry Hub March contract added 11 cents to $2.90/MMBtu in afternoon trading on Feb. 4. The upcoming summer strip, April through October, added 7 cents to average $2.93/MMBtu.

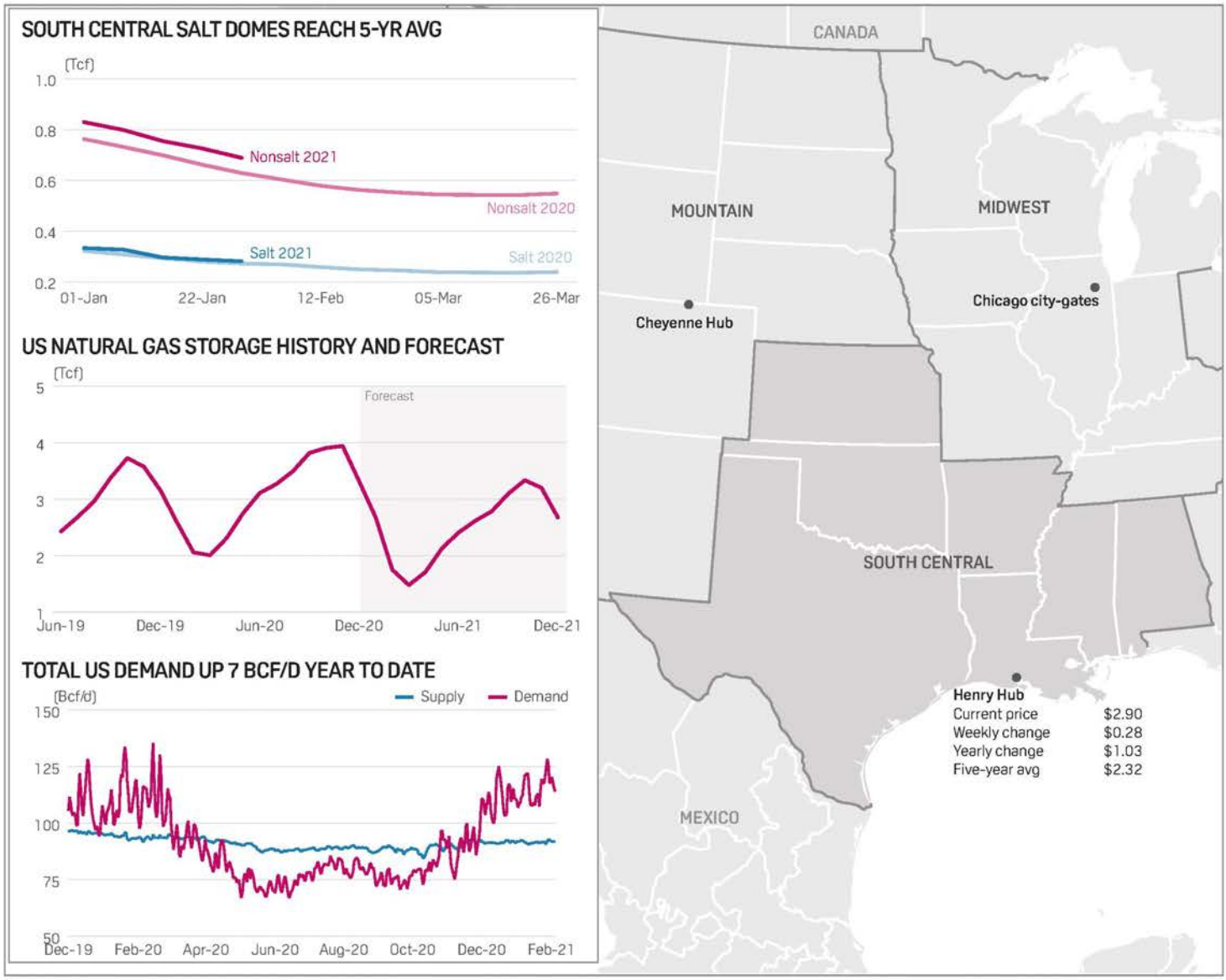
S&P Global Platts Analytics' supply and demand model currently forecasts a 181 Bcf withdrawal for the week ending Feb. 5, which would shrink the storage surplus to the five-year average by 56 Bcf. Milder temperatures reduced demand by nearly 2.5 Bcf/d. Unsurprisingly, residential and commercial demand paced the losses, averaging about 2.2 Bcf/d below the prior week. Moreover, gas-fired power generation fell about 600 MMcf/d as wind generation ramped up.

A draw of at least 230 Bcf looks probable for the week ending Feb. 12 as artic temperatures are forecast to blanket much of the country. It would measure nearly 100 Bcf stronger than the five-year average.

A recent cold snap in both the Midwest and Northeast regions has pulled hard on storage inventories. Heavy withdrawals are expected to continue with the 14-day weather forecast calling for US temperatures

US NATURAL GAS STORAGE: DEMAND FOR WEEK IN PROGRESS DECLINES IN EVERY REGION EXCEPT SOUTH CENTRAL

Demand for the week ending Feb. 5 has declined in every EIA storage region beside the South Central. South Central supply and demand balances tightened week over week by a wide margin as sample withdrawals jumped 14 Bcf. Most of the movement coming from the salt-dome storage facilities. Regional temperatures averaged 51 degrees Fahrenheit for the week ended Feb. 5, but higher gas-fired power demand, combined with a 1 Bcf/d increase in net flows exiting the US Gulf Coast, resulted in a greater call on storage. LNG exports for the week in progress have increased 400 MMcf/d.



Source: S&P Global Platts Analytics, US Energy Information Administration

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to average 2 degrees below normal.

While the main impact of the colder temperatures is being felt in the Northeast, prices across the Southeast and Texas have also strengthened considerably this week due to stronger Henry Hub prices, which rallied 19 cents on Feb. 1. The trickle-down impacts of the prolonged heavy withdrawals pushed the March Henry Hub contract higher as well, gaining 25 cents on Feb. 1.

Prior to the cold snap, Platts Analytics was forecasting total inventories to end the winter at 1.79 Tcf. However, with the recent pull, inventories could trend closer to 1.5 Tcf. This poses issues for the Summer 2021 build, which Platts Analytics is forecasting to total 1.6 Tcf over the season.

ESTIMATED WORKING GAS IN STORAGE (in Bcf)

(week ending January 29)

	This Week	Last Week	Change
East	582	641	-59
Midwest	719	780	-61
Mountain	158	170	-12
Pacific	261	275	-14
South Central	970	1,014	-44
Total Lower 48 US	2,689	2,881	-192
	This Week Last Yr.	**Prior 5-Year Average**	
East	609	562	
Midwest	735	670	
Mountain	138	140	
Pacific	210	218	
South Central	956	901	
Total Lower 48 US	2,648	2,491	

Source: Energy Information Administration

The projected lighter-than-normal injection season has the potential to send total US inventories into winter 2021-22 at 3.1 Tcf. This would be 600 Bcf less than the five-year average and 800 Bcf below volumes entering the 2020-21 heating season, likely leading to higher year-over-year prices at hubs located in the East, South Central and Midwest storage regions.

— *Brandon Evans*

Permian end-users bid up basis prices as shifting market dynamic stokes rivalry

- **El Paso San Juan basis up 25 cents since Jan 2020**
- **Houston Ship Channel basis rises 7 cents on year**
- **Southwest prices rise as Permian Highway starts**

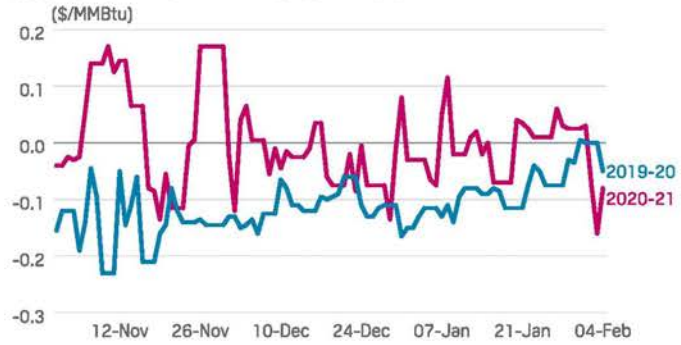
Mounting competition for Permian gas has put upward pressure on cash basis at hubs in the Southwest and East Texas recently as limited West Texas supply gets pulled in opposing directions.

Year to date, cash prices at El Paso San Juan have averaged just 1.5 cents/MMBtu below the benchmark Henry Hub – almost 25 cents higher compared with year-ago levels, data from S&P Global Platts shows.

At Houston Ship Channel, the spot market has traded only a penny below Henry Hub in 2021 and is up about 7 cents compared with year-to-date levels in 2020.

Higher basis prices at both locations this year come following the recent startup of Kinder Morgan's Permian Highway Pipeline. In early January, the initiation of commercial service on the new 2.1 Bcf/d eastbound transmission corridor began upping the ante for West Texas gas.

HOUSTON SHIP CHANNEL CASH BASIS



Source: S&P Global Platts

Transmissions

Over the past eight weeks, total receipts and deliveries from Permian Highway to interconnecting interstate pipelines have doubled to about 500 MMcf/d – up from levels closer to 250 MMcf/d in early December, data compiled by S&P Global Platts Analytics shows.

Flows on Permian Highway itself are not directly observable since the intrastate pipeline is not required to publicly report.

The impact that Permian Highway has had on regional flow dynamics, though, is clear enough. With new, incremental access to premium end-user markets in East Texas, Permian producers have increasingly opted to divert supply away from more discounted legacy markets.

In January, interstate pipeline flows westbound from the Permian Basin averaged about 3.72 Bcf/d, or about 210 MMcf/d below year-ago transmission levels. Northbound flows from the Permian have also suffered, averaging about 375 MMcf/d last month, compared with levels at over 1 Bcf/d in January 2020, Platts Analytics data shows.

INTERSTATE INTERCONNECTS TO/FROM PERMIAN HIGHWAY PIPELINE



Source: S&P Global Platts Analytics

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Production

Over the past 12 months, a sharp drop in Permian gas production has also raised the stakes for the basin's supply, driving up prices at once discounted West Texas locations like Waha.

In January, gas production from the Permian averaged about 11.9 Bcf/d, remaining almost 1 Bcf/d below its record-high monthly average recorded in March 2020. Assuming rig counts remain mired around current levels, production growth in the Permian isn't likely to resume until late this year, or early 2022, according to a recent forecast from Platts Analytics.

On Feb. 4, total rig count in the Permian Basin was estimated at 205, or its highest since May. In early March, drilling activity in West Texas began its steep decline as the nearly 430 rigs deployed there were rapidly pulled from the basin as oil prices traded into negative territory.

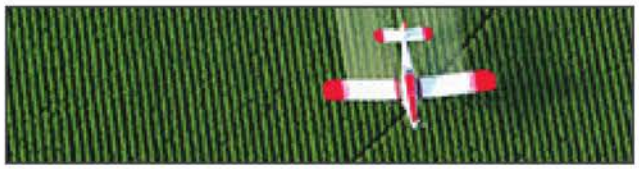
Forward-market outlook

Over the balance of 2021, forwards markets are actually anticipating some weakening of basis prices in key end-user markets near the Permian.

In East Texas, the balance-2021 forward basis curve at Houston Ship Channel is priced at minus 5 cents/MMBtu. At El Paso San Juan, the bal-year curve is priced at 20 cents below the benchmark, S&P Global Platts' most recently published M2MS data shows.

With Permian Basin production continuing to flounder below year-ago levels, and more midstream capacity expansions from West Texas already in development, it's possible that basis markets in East Texas and the Southwest could be underpriced currently.

— *J. Robinson*

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Utilization at Elba Liquefaction facility on US Atlantic Coast jumps to 30-day high

- **Maintenance ongoing on two units, third down since 2020 fire**
- **Late-March, April premiums point cargoes to Europe**

Kinder Morgan's Elba Liquefaction facility appeared to be operating at its highest utilization in a month Feb. 4, with feedgas deliveries jumping about 41% from the average over the previous 30 days, S&P Global Platts Analytics data showed.

The smallest of the six major LNG export facilities in the US ramped up as winter demand and Asian prices, while having moderated sharply, continued to provide incentive for deliveries. The ramp-up also came even as the terminal was conducting planned maintenance activities on two units.

The 10-train Georgia terminal has yet to reach full capacity of 2.5 million mt/year since shipping its first cargo in December 2019. One of the trains has been offline since a fire in May 2020. The operator continues to coordinate a repair schedule to allow it to resume service on Unit 2, according to spokeswoman Katherine Hill. She did not say how long the routine maintenance on other units would last.

Gas deliveries to Elba totaled 230 MMcf/d on Feb. 4, up from 150 MMcf/d the day before and an average 163 MMcf/d over the previous 30 days, Platts Analytics data showed. The last time Elba feedgas demand was higher was on Jan. 5, at 240 MMcf/d.

Total gas deliveries to US LNG export terminals were just shy of 11 Bcf/d on Feb. 4, after ending a run Feb. 1 of five consecutive days above that threshold. Feedgas demand remains below the record deliveries of 11.58 Bcf/d set on Dec. 13, Platts Analytics data showed.

After hitting a record $32.50/MMBtu on Jan. 13, less than nine months after plunging to a record low of $1.825/MMBtu, the Platts JKM, the benchmark price for spot-delivered LNG to Northeast Asia, has moderated substantially as the market rolled to March. Platts assessed the JKM at $7.83/MMBtu on Feb. 4.

GAS DELIVERIES TO ELBA LIQUEFACTION FACILITY



Source: S&P Global Platts Analytics

A new monthly record was set in January for LNG tanker transits of the Panama Canal, as US shipments to Asia surged, according to the operator of the Canal. Wait times for LNG tankers passing through without a reservation, meanwhile, have eased so far in February. The Canal is the shortest passageway from the US Gulf Coast to East Asia, the world's biggest import market for LNG.

The forward European netback is now strongly pointed to a premium in late-March and April, suggesting that many US cargoes may remain in the Atlantic Basin this spring. That would be a reversal from January, when imports of LNG into Europe's liquid trading hubs

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slumped to their lowest level in nearly three years, according to Platts Analytics data.

The fire at Elba occurred in a mixed refrigerant compressor of Unit 2. Two adjacent units that were shut as a precaution were later brought back online, while Unit 2 has remained down since the fire nine months ago.

The terminal -- originally built to import LNG and later converted to handle exports after the US shale revolution -- utilizes Shell's Movable Modular Liquefaction System design. Shell is the sole offtaker under a 20-year agreement.

— Harry Weber, Ross Wyeno

Shell upbeat on second half recovery, as reserve replacement takes hit

- **Reserves replacement expected to be minus 53% in 2020**
- **US curbs on federal drilling risk driving up imports, emissions**
- **LNG, chemicals, marketing provide resilience in downturn**

Shell expects a much more "fulsome" recovery in the second half of 2021, and its upstream oil and gas business to remain "foundational" despite losses and a plunge in reserves last year, chief executive Ben van Beurden said Feb. 4.

Fourth-quarter results showed Shell suffered its fifth successive quarter of financial losses in its upstream segment. And it estimated its 2020 reserves replacement ratio would be minus 53%, reflecting lower prices, postponed investment decisions and asset sales.

Its upstream production dropped by 14% from a year earlier to 2.37 million b/d of oil equivalent, under the influence of OPEC+ cuts and hurricanes in the Gulf of Mexico.

Unlike European rival BP, Shell has made no pledge to reduce upstream production as part of energy transition efforts.

Van Beurden told journalists he was now much more optimistic for the business as a whole, and a likely recovery meant "more room for us therefore to spend," following a $6 billion reduction in capital expenditures last year.

The failure to replace reserves, he suggested, could be seen as a "one-off."

"We look into 2021 with a lot more confidence," he said, adding that upstream oil and gas, including exploration, would remain "a very important, foundational business."

"We have every intention to look after our upstream business so that it will remain a very strong cash generative business, not just for this decade, but well into the next decade," he said.

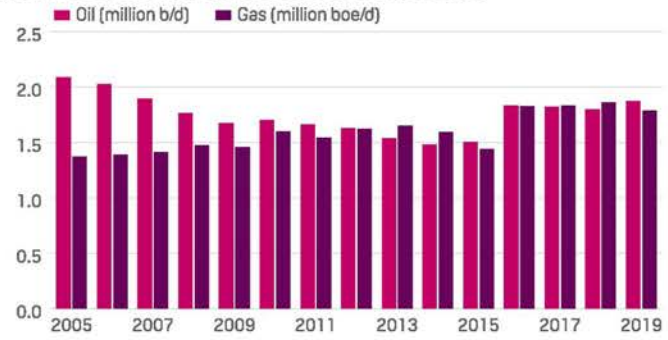
Van Beurden raised doubts about the Biden administration's decision in the US to block the issuing of leases on federal lands and in federal waters, for the time being. He said Shell itself had plenty of leases in federal waters -- more than 300 lease positions -- but the effect would be to drive up US oil imports, with consequences for emissions.

Shell has "the same goal" as the US administration in terms of supporting the Paris Agreement and achieving net zero emissions by 2050, he said. However, on the question of US drilling, "curtailing the supply of oil and gas is not necessarily the solution for climate change," he said.

"What will happen if we just don't produce these barrels in the Gulf of Mexico -- they will be imported from elsewhere, and guess what, the barrels in the Gulf of Mexico are the most carbon-advantaged barrels that the US currently consumes, so it will not necessarily be an improvement," he said.

In the upstream Shell's adjusted loss in the fourth quarter was smaller than in the third quarter, at $748 million. Adjustments included a $1.3 billion impairment relating to the Appomattox field in the US Gulf of Mexico following a downgrading of productivity expectations there.

SHELL'S EVOLVING OIL/GAS PRODUCTION MIX



Source: Company filings

Demand recovery

On the prospects for a demand recovery as pandemic lockdowns and travel bans start to lift, van Beurden said aviation remained key.

On demand, "we are at the moment still a ways off from where we were, particularly on oil, we're about 5%-7% off from where we were in 2019. That will start to come back more in the course of this year and it will probably be back to where we were in 2022," he said. "Aviation will be a very significant contributor to that remaining recovery that we need to see."

"I am optimistic that in the second half of the year we see a much more fulsome recovery in many parts of our business, we see already in chemicals and already in marketing a significant recovery and I would imagine also in upstream."

In terms of refining, van Beurden said the market collapse last year reinforced long-term trends, noting Shell had cut its refining footprint from 64 refineries at the start of the century to 15 at present and aimed to "high-grade" that to six "energy and chemical parks."

Shell will focus on facilities able to provide a foundation for more innovative fuel types such as biofuels and hydrogen, he said.

"We are repurposing the refineries in places like Singapore and also looking at our refinery configurations in places like Pernis" in the Netherlands, he said. "It will be a high-quality footprint, and importantly we will use that footprint increasingly as a platform to also integrate these facilities of the future."

"We still believe that there is a strong future for these assets in our company, but that will be smaller, that will not be refining for fuels' sake per se."

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Q1 outlook

For the current quarter, Shell said its upstream output would be in a range of 2.40 million-2.60 million b/d of oil equivalent, up from fourth quarter levels of 2.37 million boe/d, but well below the Q4 2019 level of 2.76 million boe/d.

Similarly, Shell expects an improvement in refinery utilization in the current quarter, to a range of 73%-81%, compared with 72% in the fourth quarter 2020.

Shell's fourth quarter refinery intake was down 20% on the year, and oil product sales were down 26%, at 1.94 million b/d and 4.78 million b/d respectively, although it reported an adjusted profit of $540 million in the segment, with marketing activities contributing $828 million.

Shell's LNG-focused 'integrated gas' division performed relatively well, making an adjusted profit of $1.1 billion, down from $1.99 billion a year earlier, even though liquefaction volumes were down 11% at 8.21 million mt.

It also benefited from higher prices in its chemicals division, reporting a $381 million adjusted profit in the fourth quarter, compared with a $65 million adjusted loss a year earlier, likely reflecting pandemic-related demand.

Shell reported adjusted profit of $393 million in Q4, down 87% on the year, and a return on average capital employed of 2.9%, down from 6.9% a year earlier.

It reduced its net debt by $3.7 billion to $75.39 billion, but its gearing ratio increased to 32.2%, compared with 29.3% a year earlier.

— Nick Coleman

LNG buyers mull tactical changes to procurement plans after winter disruptions

- **Asian importers lack sufficient legal protection to deal with supply shocks**
- **Buyers may rethink procurement strategies, mix of short and long-term supply**
- **Renewed interest in term contracting discussions, renegotiations**

This winter's LNG supply constraints and the associated surge in Asian spot LNG prices in mid-January have prompted buyers to rethink their procurement strategies, given sellers' opportunity to market long-term deals with renewed vigor, and may trigger some lasting changes in contracting behavior.

The supply disruptions seen in recent weeks exposed vulnerabilities in the procurement system for many importers, with countries like Japan focusing on energy security implications, while end-users in China attempt to put together a more robust forecasting, coordination and emergency demand-response mechanism.

Other countries with more demand elasticity like India, Pakistan and Bangladesh responded by simply deferring imports, but this flexibility is enabled by lesser dependency on gas-fired power generation, and could hinder the growth of the sector in the longer term.

In Southeast Asia, the possibility of $30/MMBtu JKM has reignited interest from new buyers in the Philippines and Vietnam for long-term deals, and as buyers go back to the drawing board, term suppliers like Qatar have renewed cause to promote their contracted volumes, despite low summer prices looming on the horizon.

Spot price movements can be a relevant factor in contract negotiations and influence an ongoing contractual relationship, Agnieszka Ason, visiting research fellow at Oxford Institute for Energy Studies, said.

"The record-high spot prices naturally increase the attractiveness of oil-linked LNG SPAs [sale and purchase agreements] and, following a period of the all-time low spot prices and related multiple price review requests from the buyers last year, should generally have a positive impact on long-term contractual relationships," Ason said.

She said buyers with term contracts can discuss options for additional volume under SPAs that may allow additional LNG subject to specified circumstances or 'at any time' during the life of the contract, and such requests can be expedited or discussed in a broader context of a long-term business relationship.

"A situation, where a buyer heavily, or exclusively, relies on spot transactions to satisfy domestic demand (especially in Asia), is more difficult and could force some buyers to enter into unfavorable deals in the short-term," Ason said.

"In the long run, recent price movements could incentivize buyers to restructure the pool of their contractual commitments in favor of new-generation term contracts with robust contract adjustment mechanisms," she added.

Defaults and cancellations

Pakistan was an interesting example, as low summer prices had prompted state importer Pakistan LNG to boost spot procurement, but it was caught off guard by unforeseen supply conditions.

The lowest bidder for one of its spot tenders for end-February delivery, Emirates National Oil Company Group, was unable to follow-up on its bid, while the remaining bidders backed out due to cargo shortages.

While Pakistan LNG maintained in an official statement that this was a "default" by ENOC, market sources with knowledge of the matter said ENOC has maintained that it withdrew its bid within a stipulated period before the final contract was signed, allowing it to pay a $300,000 fine for breaking the bid bond as opposed to a wider penalty in the event of a full legal default.

The case underscores how market anomalies can cause disputes and how Asian buyers, especially state-owned entities, may lack sufficient legal protection, or simply not be as sophisticated as larger players to deal with such issues.

An LNG buyer is unlikely to receive adequate compensation for a delivery failure from a bid bond or capped liability provision; LNG sellers generally seek to cap their liability for a failure to deliver based on a percentage of the agreed cargo price, James E. Atkin, partner at law firm Reed Smith said.

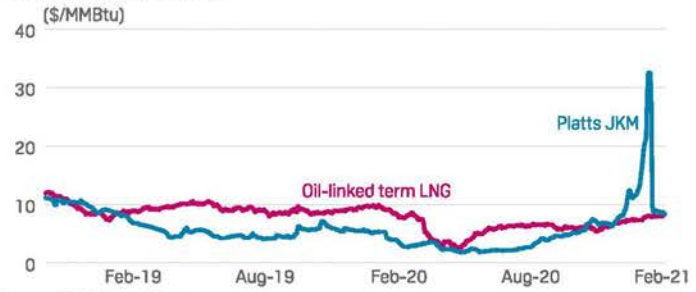
"As a result, LNG buyers should consider including a "wilful default" exception to LNG sellers' liability cap for a failure to deliver; that is, a LNG seller's liability will be uncapped if the LNG buyer can demonstrate that a scheduled cargo has been diverted or sold to a third party for profit," Atkin added.

He said LNG buyers need to tailor their procurement strategy to reflect market demand and flexibility to use alternative fuels, while securing a degree of price certainty. "As a result, we may see certain LNG

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WINTER LNG PRICE RALLY MADE SPOT PROCUREMENT EXPENSIVE FOR A SHORT PERIOD



Source: S&P Global Platts

buyers varying their LNG procurement strategy and adopting a mixed portfolio of mid- to long-term supply, complemented by spot purchases."

Anecdotally, term contractual discussions have already picked up in the market.

Woodside Energy chief executive Peter Coleman said in January that Chinese customers were coming back to the company and wanting to start negotiations for supply again.

Texas LNG chief executive Vivek Chandra said in an interview last month that the ability to cancel US LNG cargoes in summer was a feature and not a bug, as it promoted seasonal flexibility.

Prices at the top of the commodity price cycle tend to incentivize new investment. While $30/MMbtu JKM may not necessarily trigger new liquefaction final investment decisions, investors in LNG vessel newbuilds and gas storage infrastructure, and physical and financial traders, have undoubtedly taken notice.

— *Eric Yep, Srijan Kanoi*

European LNG imports at near 3-year low in month before JKM spike

- **Less than 10% of Qatari, US shipments dispatched to Europe in Jan**
- **Leader Russia still using Arctic Sea route despite winter ice**
- **Spain's restock after cold snap makes it most popular destination**

Imports of LNG into Europe's liquid trading hubs slumped to their lowest level in nearly three years during January, even before record-high prices in Asian spot JKM prices took hold in February, analysis of S&P Global Platts Analytics data showed.

With assessed values for the Platts JKM benchmark already on an upward trajectory in the January trading window, a clear separation between Asian prices and Europe put Nigerian shipments, European reloads, and even US exports via the Cape of Good Hope into the money for Asia export.

Across Europe's key trading locations, namely France, Spain, Italy, Belgium, the UK and the Netherlands, a total of 2.643 million mt of global LNG supply was imported, translating into 3.648 billion cu m of natural gas equivalent.

This was the lowest quantity received by these markets since February 2018, when just 2.069 million mt was imported. It also represented a 35.7% drop in imports on the month and the largest year-on-year fall on record at 59.1%.

Moreover, reloads from European LNG terminals to Asia were extended into January delivery, with the net import diminished by seven exports carrying 0.666 Bcm away from Europe. Back in February 2018, 1.036 Bcm of similar reloads were performed.

During the January trading window, JKM averaged $8.173/MMBtu, but experienced a sharp uptick in H1 December, with assessments ranging between $7.857/MMBtu on Dec. 1 and $12.404/MMBtu Dec. 15. No assessment in H2 November entered this price range.

Likewise, month-ahead prices for January delivery on the British NBP hub did not enter this range either, and averaged $6.369/MMBtu during its tenure as the front month.

With Europe providing little in the way of challenge to the Asian market, most LNG exports from the biggest global players headed toward the more lucrative Asia-Pacific region.

Indeed, less than 10% of global exports from Qatar and the US found their way to Europe's trading markets in January. Just 6.7% of Qatar's 9.217 Bcm production was dispatched to the continent, while only 7.3% of the 6.367 Bcm of US exports were shipped there.

Even Russia's Yamal wanted to get in on the action, and was either undeterred or unimpeded by ice formation on the shorter Arctic Sea route to Asia; two shipments originating from the facility found their way to China and South Korea in just over 20 days.

Russia also held on to European market leadership in January, with its 1.315 Bcm export constituting over a third of all monthly supply to the continent.

Dissecting Europe's imports by destination, Spain was comfortably Europe's most popular market for exports, capturing over a third of all shipments to the area.

Extreme and unseasonably cold temperatures in early January meant that Spanish terminals needed to restock, and this was reflected in an increase of Algerian shipments to the country, seemingly at the expense of France.

As it sought to replenish inventory, Spain was the only country to source supply from countries outside the top five exporters, receiving 365 million cu m from Egypt, Equatorial Guinea, and Trinidad and Tobago.

With Nigerian exports now firmly in favor of Asian delivery, production shipped to Spain and Europe more generally from this source dropped on the month.

On the shores of the UK, US shipments all but disappeared in January, receiving only one cargo compared to the 12 welcomed in December. Russia filled the supply vacuum, sending six of its 13 European shipments to the UK.

This was also seemingly at the expense of France, which, like Italy, imported their lowest volume of LNG since February 2018.

February activity

Despite the record JKM prices falling within February delivery, market sources are reporting that LNG imports could increase this month.

"They are higher month on month: you can see it on the water as well as in French nominations, South Hook, it is pretty busy at Isle of Grain," a UK gas trader said.

"Part of the logic is falling JKM March and February loadings in the Atlantic still make Europe in February, and do so because of the weak

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EUROPEAN LNG SOURCING

(no. of shipments)

Delivery: UK	Nov-20	Dec-20	Jan-21	Total
United States	10	12	1	23
Russia	4	6	6	16
Qatar	1	0	0	1
Trinidad and Tobago	1	1	0	2
Eygpt	1	0	0	1
Total	**17**	**19**	**7**	

Delivery: France	Nov-20	Dec-20	Jan-21	Total
United States	1	0	1	2
Russia	5	4	0	9
Qatar	1	1	0	2
Nigeria	4	3	2	9
Algeria	7	6	2	15
Trinidad and Tabago	1	0	0	1
Total	**19**	**14**	**5**	

Delivery: Belgium	Nov-20	Dec-20	Jan-21	Total
United States	2	0	0	2
Russia	7	4	4	15
Qatar	0	0	0	0
Total	**9**	**4**	**4**	

Delivery: Netherlands	Nov-20	Dec-20	Jan-21	Total
United States	2	0	1	3
Russia	2	3	2	7
Qatar	1	0	0	1
Trinidad and Tobago	1	0	0	1
Total	**6**	**3**	**3**	

Delivery: Spain	Nov-20	Dec-20	Jan-21	Total
United States	3	4	2	9
Russia	4	1	1	6
Qatar	1	1	2	4
Trinidad and Tobago	2	0	2	4
Nigeria	3	8	3	14
Algeria	2	1	5	8
Equatorial Guinea	1	1	1	3
Egypt	0	0	1	1
Total	**16**	**16**	**17**	

Delivery: Italy	Nov-20	Dec-20	Jan-21	Total
United States	1	0	0	1
Qatar	8	7	5	20
Algeria	3	2	1	6
Total	**12**	**9**	**6**	

Note: Algerian shipment, Greek reload volumes vary.

Source: S&P Global Platts Analytics

JKM March," he added.

The spike in demand which drove JKM deliveries due to cold weather and tightness in supply was largely confined to the H2 January, H1 February delivery period with a strong intramonth drop off for H2 February, resulting in sellers looking optimize cargoes back into the Atlantic basin for cargoes in the latter part of the month.

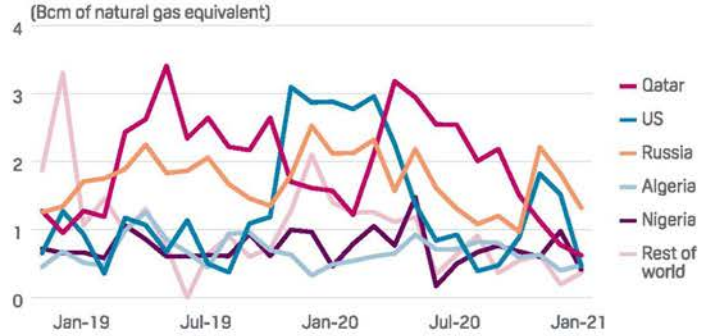
This was reflected in the steep backwardation seen in the half month assessments for JKM. On January 13 when the JKM was at it's highest of $32.500/MMBtu, H1 February was assessed at $39.335. MMBtu, but H2 February was assessed at $25.775/MMBtu.

Other market sources have also reported that continued European arrivals may be due to spot vessel unavailability in Q4, whereby leadtimes for chartering extended up to 45 days.

On Feb. 4, the Platts JKM for March delivery was assessed at $7.83/MMBtu.

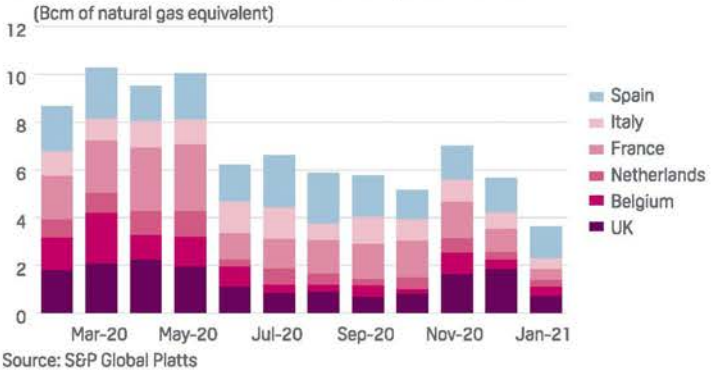
— *Neil Hunter, Desmond Wong*

GLOBAL LNG EXPORTS TO EUROPE



Note: Global exports to France, Spain, Italy, Belgium, The United Kingdom and Netherlands.
Source: S&P Global Platts

EUROPEAN LNG IMPORTS BY MONTH, DESTINATION



Source: S&P Global Platts

US oil, rig count jumps 14 to 456, as oil fundamental outlooks buoy expectations

- **Permian rigs up 29, or 16.5%, in the last 4 weeks**
- **Oil price level may stoke interest in Bakken, Eagle Ford**
- **E&Ps may be near H1 20 maintenance activity level**

The US oil and gas rig count jumped 14 in the week ending Feb. 3 to 456, rig data provider Enverus said, as oil market fundamentals continued to improve beyond Wall Street expectations.

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The biggest weekly change came in the Permian Basin of West Texas/New Mexico, which was up four rigs to 205. The rig count in the US' largest oil-producing basin, with output just shy of 4.3 million b/d, has leaped 16.5%, or 29, over the past four weeks.

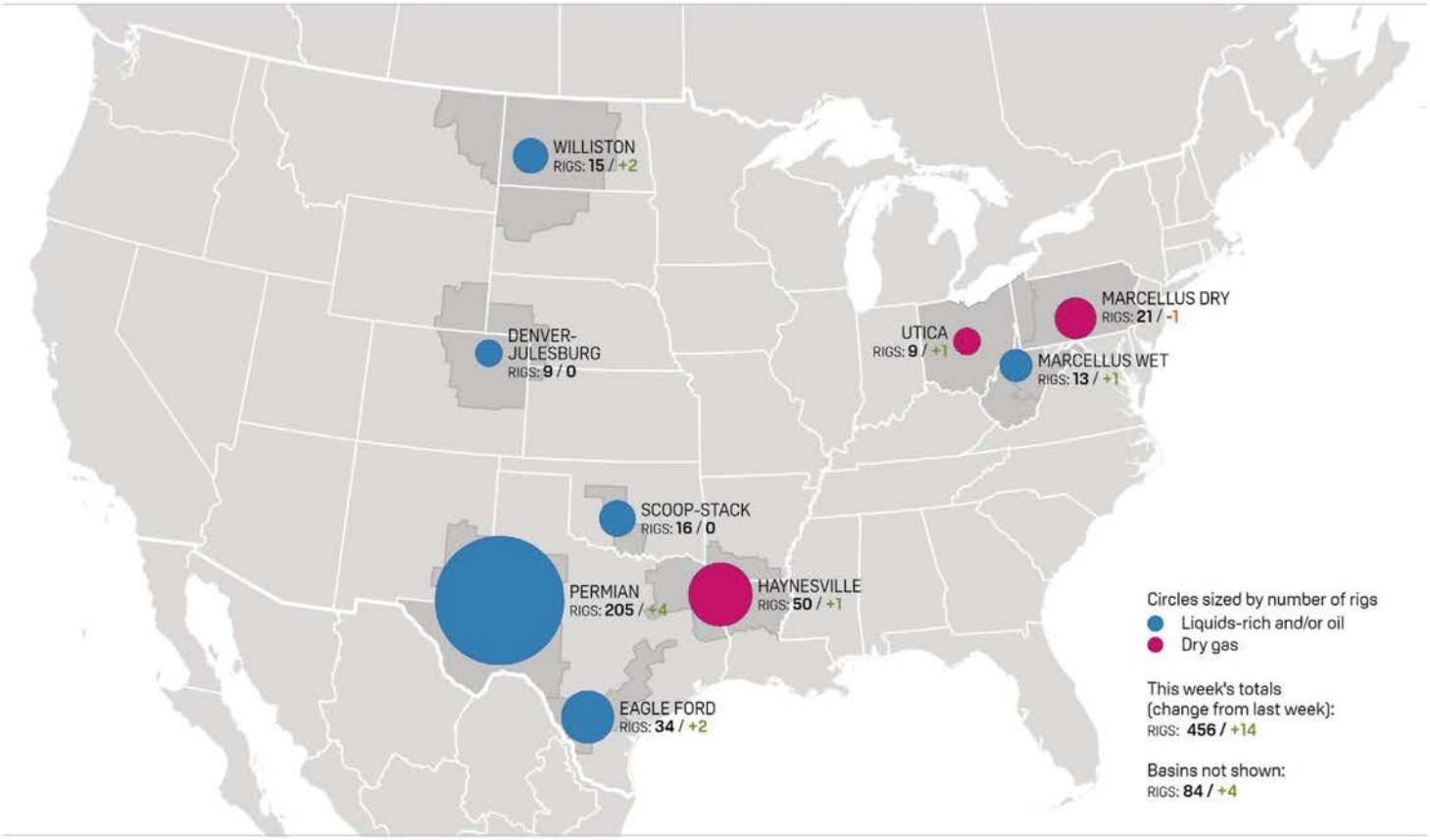
For the total US fleet, oil rigs were up nine on week to 335, while gas rigs rose five to 121.

"Strong WTI prices and the recent Henry Hub rally are both setting operators up to profit on new wells being actively drilled through week-on-week growing rig inventory," said Andrew Cooper, a quantitative analyst with the global supply team at S&P Global Platts Analytics. "The Permian continued leading the charge in the rig recovery, with $55/b WTI giving operators some solid cash flow from new wells coming online."

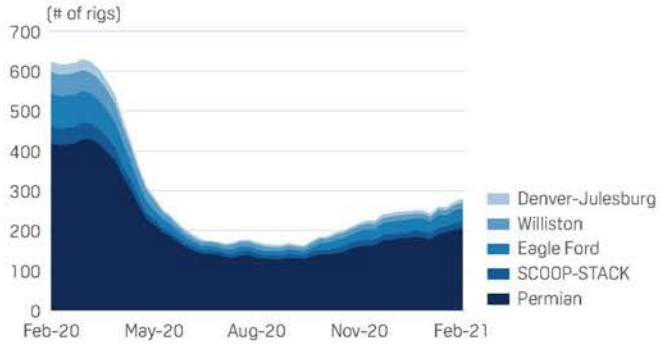
In addition, the Bakken Shale, of North Dakota and Montana, and

RIG COUNTS OF THE TOP PRODUCING BASINS, AS OF FEBRUARY 3, 2021

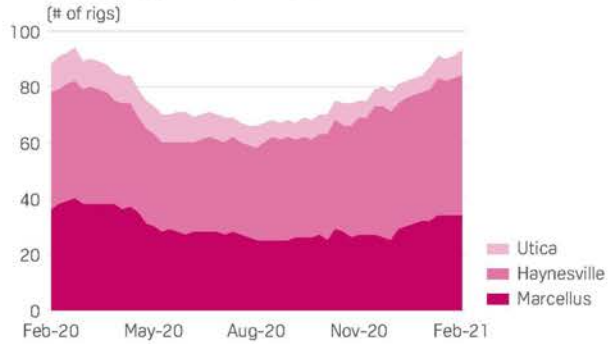
Number of rigs / Week-on-week +Increase or -Decrease



WEEKLY RIG COUNT: TOP OIL PLAY



WEEKLY RIG COUNT: TOP GAS PLAY



Methodology: The S&P Global Platts Rig Count is an independent benchmark that assesses US onshore and offshore drilling activity on a weekly basis. Data sources include drilling contractors, state filings and proprietary production data. The process behind developing the rig count is unbiased and standardized. The key determinant is identifying whether a rig is active during the seven-day window preceding the publication deadline. Only the rigs on location and working during the past seven days are included in the count. For more details on methodology please visit http://plattsinfo.platts.com/Upstream.

Source: Enverus Drillinginfo

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PERMIAN RIG COUNT CONTINUES TO GROW



Source:Enverus

the Eagle Ford Shale, in South Texas, each added two rigs for totals of 15 and 34, respectively.

"This hinted that some secondary crude plays are entering into a price environment that could generate some drilling interest," Cooper said.

'Back from the dead'

Two operators "came back from the dead," Cooper noted. Apache Corp. and Whiting Petroleum each added one rig during the week, Apache in the Permian and Whiting in the Bakken, Cooper said. Both companies have had zero rigs for most of the past 10 months since the pandemic struck and caused oil prices and the rig count to plunge.

But now in 2021, tighter market fundamentals, including higher demand and lower non-OPEC-plus supplies, "reinforce our convictions in a fast rebalancing oil market," Goldman Sachs said in a Jan. 31 investor note.

"This incoming oil tightness will ... help oil weather financial market uncertainty, and we expect Brent prices to reach $65/bbl by July," the investment bank said. "Growing evidence of supply under-investment in turn leave risks to this price forecast skewed to the upside in 2022."

WTI oil prices, which began last March just shy of $50/b, fell to the low $20s/b by the end of that month and even dipped into the teens in April before heading up again. Prices in afternoon trading Feb. 4 pushed past $56/b.

For the week ended Feb. 3, WTI averaged $53.71/b, up $1 on week; while WTI Midland averaged $54.58/b, up 95 cents; and Bakken Composite averaged $51/b, up $1.32.

Natural gas prices also rose on the week, with Henry Hub averaging $2.84/MMBtu, up 30 cents, and Dominion South $2.59/MMBtu, up 34 cents.

In gas plays, the Marcellus Shale, mostly in Pennsylvania, stayed at 34 rigs for a fourth week, while the Haynesville was up by one rig to 50, a level not seen since December 2019.

Operators drilling for gas were likely hurt in the past few months by a selloff Henry Hub forwards, Cooper said. But, he noted, "Recent cold weather has bumped the prompt month back above $2.80/MMBtu, which should encourage some dry gas drilling in the near term, however, with the price showing significant volatility to weather patterns, some operators are likely staying with their drilling programs for 2021."

The total US rig count, which fell nearly 70% in 2020 from early March to early July, has now recovered nearly a third of the 559 rigs it lost over that period, according to Enverus figures.

Rig count rebound

For January, the domestic rig count averaged 426, up from 407 in December, 379 in November and 339 in October.

Analysts have said the rig count grew rapidly in the months leading up to the end-of-year holiday season in late 2020 to replace or maintain production that was shut-in because of low prices earlier in the year.

But the weekly double-digit increase in rigs seen recently could diminish in the weeks ahead, at least for larger operators, as they stick to pledges of capital discipline despite higher oil prices, Tudor Pickering Holt said this week.

"While we suspect that the collective universe of public E&P operators may now be getting fairly close to their planned first-half 2021 maintenance activity levels, continued momentum on the private side does provide some further near-term horizontal activity upside potential," the boutique energy investment bank said in a Feb. 1 investor note.

— *Starr Spencer*

Mexico top court permanently blocks parts of federal rule on power market

- **Court finds SENER regulation unconstitutional**
- **Rules hurt competition in favor of state utility, court says**
- **Court decision pivotal after presidential initiative**

Mexico's Supreme Court of Justice on Feb. 3 permanently suspended parts of a regulation issued by the federal government that gave benefits to the state utility CFE over private energy producers, as it found it to be unconstitutional and hurting competition.

The move could create hurdles for a recent initiative of the president.

The regulation, issued by the energy secretariat, or SENER, in May in order to guarantee stability and reliability in the national electric grid during the pandemic, had been temporarily suspended by the Supreme Court in June 2020, after the country's anti-trust watchdog presented a legal complaint. The complaint was backed by companies, associations and non-profit groups like Greenpeace.

The Supreme Court's Feb. 3 ruling, which passed with four votes in favor and one against, is definite and states that some aspects of the SENER regulation are contrary to the constitution as modified by a 2013 reform that opened the sector to competition.

The court determined that SENER does indeed have authority to make regulations in the electricity sector.

However, SENER's regulation "eliminates elements that must exist for free economic competition in the markets of power generation and power supply, mainly related to clean energies," the ruling said.

It also gave CFE advantage over other market participants to have a role in the design and operation of the national grid, the Supreme Court said.

The ruling also said that the national electric grid operator Cenace had no authority to reject interconnection permits or to block a generation permit for any private player.

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President's initiative

The ruling comes days after the Mexican president presented an initiative to modify the regulation for the electric sector which in many ways has similar intentions -- to give priority to CFE over private producers in the supply of electricity.

"Certainly, some aspects of the regulation, which have been declared unconstitutional by the Supreme Court, will not be able to pass under a new format, even if it is presented by the president," said Julia Gonzalez, a senior associate specialized in Mexico's energy industry at Mexico-based law firm Gonzalez Calvillo.

Institutions, chambers or other organizations, can present a constitutional controversy against the president's initiative, Gonzalez said, adding that law firms will have to analyze which parts of the ruling apply to the president's initiative.

The government seems to be aware of this and is prepared to tone down. Senator Ricardo Monreal, from the president's Morena party, told local media on Feb. 3 that the initiative presented by the president could be modified to avoid legal confrontations and that he would personally seek dialog with the companies involved.

According to data from SENER, investments worth at least $9 billion would be compromised if the president's initiative was passed.

Roberto Velazco Alvarez, who oversees North American relations at the foreign affairs Secretariat, said Feb. 3 during a webinar organized by the Wilson Center that he is aware of the concerns among market participants and that his office will follow the legislative process closely.

"If we get to a point where there is a legal issue that has not been observed by the Mexican government, we always try to find a friendly solution before we get to arbitration," Velazco Alvarez said.

— *Sheky Espejo*

India's Reliance sells Pennsylvania shale asset to Northern Oil and Gas

Indian conglomerate Reliance Industries Ltd has sold its stake in a US shale gas asset to Northern Oil and Gas Inc, the company said Feb. 4.

RIL subsidiary Reliance Marcellus is to sell its interest in certain upstream assets in the Marcellus shale play of southwestern Pennsylvania. The assets are operated by various affiliates of EQT Corporation.

The assets have been agreed to be sold to Northern Oil and Gas for $250 million cash and warrants to buy 3.25 million NOG shares at $14 apiece in the next seven years.

Reliance had been bullish on shale gas until 2014 when a sharp drop in crude prices hit valuations.

Shale gas blocks suffered more than conventional oil and gas blocks as shale gas blocks are economically viable only when prices are above a certain threshold.

Between 2010 and 2013, RIL invested in the US shale gas assets and bought stakes in three upstream oil exploration joint ventures with Chevron, Pioneer Natural Resource, and Carrizo Oil and Gas; and a midstream joint venture with Pioneer.

Processing, storing, transporting, and marketing of hydrocarbons come under the purview of midstream.

In 2017, Reliance sold the first of its shale gas ventures - Marcellus shale gas assets in north-eastern and central Pennsylvania.

— *Staff, Ratnajyoti Dutta*

HYDROGEN

BP, Rosneft strike deal to work on energy transition projects

- **Both companies aim to become net zero by 2050**
- **Deal adds to new low-carbon strategies revealed in past year**

BP and Russian energy giant Rosneft signed a cooperation agreement Feb. 4 to work on joint energy transition projects, including low-carbon technologies and hydrogen, the companies said in a joint press release.

Both companies have been undergoing changes in their long-term strategies with a focus on cutting emissions and developing renewable energy.

Within 10 years, BP aims to cut hydrocarbon output by up to 40% and achieve net carbon neutrality by 2050.

Meanwhile, Rosneft unveiled in December new objectives under its low-carbon agenda until 2035, which will prevent greenhouse gas emissions of 20 million mt in CO2 equivalent and help achieve net carbon neutrality in the same timeframe as BP.

The new deal intends to help BP and Rosneft "deliver more energy with less carbon" through new low-carbon technologies, methane reduction and energy efficiency.

"Rosneft and BP will also jointly evaluate new projects envisaging the use of renewables, opportunities for carbon capture, utilization and storage (CCUS), as well as developments for hydrogen," the joint press release said.

The strategic cooperation will touch not only upstream, but also downstream businesses, including the development of advanced fuels.

Rosneft itself is already considering production of greener and cleaner fuels, such as hydrogen, bio-diesel and sustainable aviation fuel.

BP and Rosneft will also study the issue of natural forest sinks, biodiversity and trading of carbon credits amid the looming EU carbon border tax.

"Joint efforts of our two companies, as the world energy industry leaders...will also provide a significant contribution to overcoming the challenges the industry and the society face in the climate action and the satisfaction of growing global economy demand for energy resources," Rosneft CEO Igor Sechin said in the release.

— *Anastasia Dmitrieva*

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SUBSCRIBER NOTES

North American gas marketers survey

S&P Global Platts is compiling data for the Q4 2020 ranking of North American natural gas marketers by daily physical wholesale volumes sold.

Platts intends to compile the rankings from information appearing in reports filed with the US Securities and Exchange Commission. For companies not publicly traded or that do not provide such data to the SEC, Platts requests quarterly gas sales data be reported and verified by executive personnel no later than Friday, Feb. 26, 2021.

Sales must average 1 Bcf/d or more during the quarter in order for them to be included.

Please submit data by email, listing volumes of gas the company marketed, in Bcf/d, for Q4 2020 as well as Q4 2019, with the subject line "Q4 Marketer Volumes," to Brandon Evans at bevans@spglobal.com. For more information, contact by email, or phone at 940-577-9482.

Platts proposes shortening bidweek to three trading days from five

Due to historically illiquid trading levels during the fourth and fifth trading days of bidweek, S&P Global Platts proposes to shorten bidweek from five trading days to three trading days for both the preliminary and final Platts and ICE monthly indices beginning June 2021 bidweek, which commences trading on May 24.

The proposed final trading day of bidweek will mirror the expiration of the NYMEX natural gas futures contract on the third to last business day of the month, outside of holiday exceptions.

Price submitters would send, or upload completed trade reports into Trade Vision at the conclusion of trading on the third business day. Platts natural gas editors would assess values and attempt to contact price submitters for trade verification the following business day.

The fixed price and basis transactions currently reported would not change, only the date range would change.

Final Platts and ICE monthly indices would be published by 5:00 pm CST the following business day.

The proposal would impact symbols under the GM and GJ market data categories.

Please send any comments to americasgaspricing@spglobal.com and pricegroup@spglobal.com by April 30. For written comments, please provide a clear indication if comments are not intended for publication by Platts for public viewing. Platts will consider all comments received and will make comments not marked as confidential available upon request.

Platts proposes several changes to its hydrogen methodology

S&P Global Platts is proposing several changes to its hydrogen assessments that would refine its treatment of capital expenses, as well as adjust some operational parameters of the various production pathways.

These proposed changes stem from Platts quarterly methodology review of its hydrogen assessments, as well as industry feedback and a review of the assessment methodology by an independent energy consultant.

Chief among these proposed changes is the adoption of a fixed charge rate for the calculation of capital expenses, which is the product of a capital recovery factor and a project finance factor. This change will more accurately incorporate inflation, depreciation, return on equity, debt service, insurance as well as income and property taxes.

In addition, the capital costs ($/KW) for the electrolysis production pathways -- proton exchange membrane (PEM) electrolysis and alkaline electrolysis -- would be increased, from $900/KW for PEM electrolysis to $1,382/KW; and from $702/KW for alkaline electrolysis to $891/KW. These changes would more closely align with the technology-specific capital costs listed in the International Energy Agency's 2019 Future of Hydrogen report (IEA FoH).

This proposed change would directly affect the Netherlands and US Gulf Coast electrolysis assessments, and indirectly affect the Japan and the remainder of the North American electrolysis assessments, whose capital costs would change as follows:

Alberta Hydrogen PEM Electrolysis Capital Cost, from $1,367 to $1,589;
Appalachia Hydrogen PEM Electrolysis Capital Cost, from $951 to $1,460;
Midcontinent Hydrogen PEM Electrolysis Capital Cost, from $923 to $1,417;
Northeast Hydrogen PEM Electrolysis Capital Cost, from $978 to $1,502;
Northern California Hydrogen PEM Electrolysis Capital Cost, from $1,066 to $1,637;
Northwest Hydrogen PEM Electrolysis Capital Cost, from $969 to $1,488;
Rockies Hydrogen PEM Electrolysis Capital Cost. from $937 to $1,439;
Southeast Hydrogen PEM Electrolysis Capital Cost, from $924 to $1,419;
Southern California Hydrogen PEM Electrolysis Capital Cost, from $1,044 to $1,603;
Upper Midwest Hydrogen PEM Electrolysis Capital Cost, from $980 to $1,505;
Japan Hydrogen PEM Electrolysis Capital Cost, from $1,800 to $2,073;
Alberta Hydrogen Alkaline Electrolysis Capital Cost, from $1,066 to $1,025;
Appalachia Hydrogen Alkaline Electrolysis Capital Cost, from $742 to $941;
Midcontinent Hydrogen Alkaline Electrolysis Capital Cost, from $720 to $914;
Northeast Hydrogen Alkaline Electrolysis Capital Cost, from $763 to $968;
Northern California Hydrogen Alkaline Electrolysis Capital Cost, from $832 to $1,056;
Northwest Hydrogen Alkaline Electrolysis Capital Cost, from $756 to $959;
Rockies Hydrogen Alkaline Electrolysis Capital Cost, from $731 to $928;
Southeast Hydrogen Alkaline Electrolysis Capital Cost, from $721 to $915;
Southern California Hydrogen Alkaline Electrolysis Capital Cost, from $815 to $1,034;
Upper Midwest Hydrogen Alkaline Electrolysis Capital Cost, from $764 to $970;
Japan Hydrogen Alkaline Electrolysis Capital Cost, from $1,404 to $1,336.

Other proposed changes include an adjustment for plant efficiencies, based on technology specific assumptions listed in the IEA FoH report, as follows: steam methane reforming (SMR), from 70% to 76%; SMR with carbon capture (CCS), from 63% to 69%; and alkaline electrolysis, from 65% to 66.5%.

The cost of stack refurbishment as a percent of capital cost is also proposed to be increased from 15% to 35% for PEM electrolysis, and from 15% to 45% for alkaline electrolysis, based on technology-specific production costs cited in the IEA FoH report.

Platts is also proposing to adjust the percentage of Dutch peak and base electricity prices used in the Netherlands hydrogen assessments from the current 80% base and 20% peak, to 50% peak and 50% base.

In addition, Platts is proposing to change its method for calculating carbon dioxide emissions, with relevance to the Netherlands (SMR, and SMR w CCS) and California (SMR) assessments, by using the emission factor of 8.9 kg CO2/kg H2, as listed in the IEA FoH report.

Finally, Platts is also proposing to adjust the cadence of its methodology review from quarterly to annual, to accommodate the annual release of the US National Renewable Energy Laboratory's Annual Technology Baseline report, which contains a number of the financial assumptions used in the revised hydrogen methodology as proposed.

The proposed changes would take effect April 1, 2021.

Please send any comments to hydrogenassessments@spglobal.com and pricegroup@spglobal.com.

For written comments, please provide a clear indication if comments are not intended for publication by Platts for public viewing. Platts will consider all comments received and will make comments not marked as confidential available upon request.

Platts to launch UK hydrogen assessments

S&P Global Platts is proposing to assess the cost of hydrogen production in the UK.

Platts would consider the daily cost of hydrogen production via three pathways: Autothermal reforming with carbon capture (ATR w CCS), proton exchange membrane (PEM) electrolysis and alkaline electrolysis.

The proposed UK hydrogen assessments would consider the feedstock costs alone, as well as a second set of assessments that would include assumptions for capital expenses (capex).

Assessments would be made in GBP/kg and GBP/KWh.

The assumptions for ATR w CCS costs would be based on industry research, including an H-Vision reported titled "Blue hydrogen as accelerator and pioneer

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SUBSCRIBER NOTES (continued)

for energy transition in the industry", published in 2019.
Electrolysis assumptions would be based on the existing Platts methodology, and would incorporate the same changes as currently proposed in a separate methodology update.
Daily inputs would include the month-ahead National Balancing Point assessment; the month-ahead UK GTMA base and peak power assessments, a UK water price, and the quarterly EC carbon auction spot average as a proxy for UK carbon costs.
The assessments and unit of measurements would be as follows:
Hydrogen UK ATR w CCS (GBP/Kg)
Hydrogen UK ATR w CCS (Incl. capex) (GBP/Kg)
Hydrogen UK ATR w CCS (GBP/KWh)
Hydrogen UK ATR w CCS (Incl. capex) (GBP/KWh)
Hydrogen UK PEM Electrolysis (GBP/Kg)
Hydrogen UK PEM Electrolysis (incl capex) (GBP/Kg)
Hydrogen UK PEM Electrolysis (GBP/KWh)
Hydrogen UK PEM Electrolysis (incl capex) (GBP/KWh)
Hydrogen UK Alkaline Electrolysis (GBP/Kg)
Hydrogen UK Alkaline Electrolysis (incl capex) (GBP/Kg)
Hydrogen UK Alkaline Electrolysis (GBP/KWh)
Hydrogen UK Alkaline Electrolysis (incl capex) (GBP/KWh)
The proposed changes would take effect April 1, 2021.
Please send any comments by March 12 to hydrogenassessments@spglobal.com and pricegroup@spglobal.com.
For written comments, please provide a clear indication if comments are not intended for publication by Platts for public viewing.
Platts will consider all comments received and will make comments not marked as confidential available upon request.

PLATTS DAILY CANADIAN OTC INDICES

Trade Date: Feb 04
Flow Date(s): Feb 05

		Average	Daily change	Low	High	Vol	Deals
Dawn, Ontario OTC	PVBCX93	2.820	+0.020	2.820	2.820	3	1
Emerson, Viking GL OTC	PVBCW93	2.960	+0.155	2.960	2.960	4	2
Northwest, Canadian Brd. (Sumas) OTC	PVBCT93	2.705	-0.045	2.705	2.705	5	1
TCPL Alberta, AECO-C OTC*	PVBCU93	3.255	+0.085	3.200	3.270	33	4
Westcoast, station 2 OTC*	PVBCZ93	3.050	-0.035	3.050	3.050	0.7	1

*Price in C$ per Gj

Canadian OTC indices assessment rationale: The Canadian OTC indices are a volume weighted average of bilateral trade data reported to Platts by market participants. ICE NGX trades are not included in the indices. Platts editors screen the data for outliers and do not assess prices if there are no transactions. Questions may be directed to Ryan Ouwerkerk at 713-655-2202 or ryan.ouwerkerk@spglobal.com.

This rationale applies to symbols found in market category GD listed at http://plts.co/uwHX30kvPG0

NORTH AMERICAN FEEDGAS ($/MMBtu), FEB 3

Daily average US LNG feedgas cost	ALNFG00	2.871
30-day moving average US LNG feedgas cost	ALNUS00	2.616
Daily average USGC LNG feedgas cost	ALNFH00	2.853
30-day moving average USGC LNG feedgas cost	ALNUG00	2.608

Export facility		Estimated feedgas cost
Sabine Pass	ALNFA00	2.852
Corpus Christi	ALNFB00	2.866
Cove Point	ALNFC00	2.990
Cameron	ALNFD00	2.872
Freeport	ALNFE00	2.818
Elba Island	ALNFF00	3.019

Facility feedgas costs represent a calculation derived from S&P Global Platts' North American gas spot price indices at the hub(s) from which feedgas would be procured most economically for the export facility. The average summary costs are an average of the relevant export facilities' feedgas costs weighted by Platts Analytics' daily estimated volume delivered to each facility.

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HYDROGEN

NORTH AMERICA HYDROGEN ASSESSMENTS, FEBRUARY 3*

Production Pathway	Excluding Capex $/kg	Change	Including Capex $/kg	Change
Alberta (C$/kg)				
SMR w/o CCS	0.56	-0.01	1.80	-0.01
Alkaline Electrolysis	1.84	+0.05	3.24	+0.05
PEM Electrolysis	2.06	+0.05	4.08	+0.05
Appalachia				
SMR w/o CCS	0.50	-0.16	1.49	-0.16
Alkaline Electrolysis	1.86	+0.31	2.87	+0.31
PEM Electrolysis	2.09	+0.35	3.54	+0.35
Gulf Coast				
SMR w/o CCS	0.48	-0.04	1.32	-0.04
Alkaline Electrolysis	1.21	-0.21	2.17	-0.21
PEM Electrolysis	1.35	-0.25	2.72	-0.25
Midcontinent				
SMR w/o CCS	0.46	-0.01	1.35	-0.01
Alkaline Electrolysis	0.94	-0.08	1.92	-0.08
PEM Electrolysis	1.06	-0.09	2.46	-0.09
Northeast				
SMR w/o CCS	1.32	-0.15	2.38	-0.15
Alkaline Electrolysis	3.96	+1.20	4.99	+1.20
PEM Electrolysis	4.44	+1.34	5.93	+1.34
Northern California				
SMR w/o CCS	0.78	-0.03	2.00	-0.03
Alkaline Electrolysis	1.69	-0.03	2.82	-0.03
PEM Electrolysis	1.90	-0.02	3.52	-0.02
Northwest				
SMR w/o CCS	0.46	-0.01	3.02	-0.20
Alkaline Electrolysis	1.23	+0.02	2.26	+0.02
PEM Electrolysis	1.38	+0.03	2.85	+0.03
Rockies				
SMR w/o CCS	0.47	-0.01	1.40	-0.01
Alkaline Electrolysis	1.25	-0.02	2.24	-0.02
PEM Electrolysis	1.40	-0.02	2.83	-0.02
Southeast				
SMR w/o CCS	0.53	-0.37	1.40	-0.37
Alkaline Electrolysis	1.68	+0.12	2.66	+0.12
PEM Electrolysis	1.89	+0.15	3.29	+0.15
Southern California				
SMR w/o CCS	0.72	-0.01	1.89	-0.01
Alkaline Electrolysis	1.48	-0.12	2.58	-0.12
PEM Electrolysis	1.65	-0.15	3.24	-0.15
Upper Midwest				
SMR w/o CCS	0.48	-0.02	1.43	-0.02
Alkaline Electrolysis	1.53	+0.01	2.57	+0.01
PEM Electrolysis	1.72	+0.01	3.22	+0.01

*Assessed previous day

NETHERLANDS HYDROGEN ASSESSMENTS, FEBRUARY 3

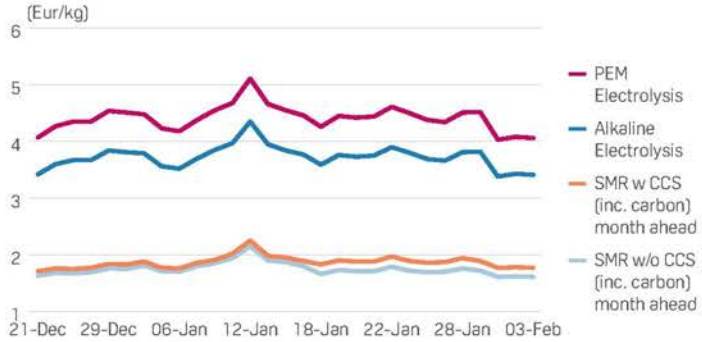
Production Pathway	Eur/kg	Change	Eur/KWh	Change
SMR w/o CCS	0.9340	-0.0135	0.0280	-0.0004
SMR w/o CCS (inc. Capex)	1.3729	-0.0133	0.0412	-0.0004
SMR w/o CCS (inc. Carbon)	1.1683	-0.0136	0.0351	-0.0004
SMR w/o CCS (inc. Capex & Carbon)	1.6072	-0.0133	0.0482	-0.0004
SMR w CCS	1.0283	-0.0149	0.0309	-0.0004
SMR w CCS (inc. Capex)	1.7433	-0.0147	0.0523	-0.0004
SMR w CCS (inc. Carbon)	1.0542	-0.0149	0.0316	-0.0005
SMR w CCS (inc. Capex & Carbon)	1.7693	-0.0146	0.0531	-0.0004
Alkaline Electrolysis	2.6362	-0.0203	0.0791	-0.0006
Alkaline Electrolysis (inc. Capex)	3.4095	-0.0199	0.1023	-0.0006
PEM Electrolysis	2.9509	-0.0227	0.0885	-0.0007
PEM Electrolysis (inc. Capex)	4.0620	-0.0222	0.1219	-0.0006

JAPAN HYDROGEN ASSESSMENTS, FEBRUARY 3*

Production Pathway	Excluding Capex Yen/kg	Change	Including Capex Yen/kg	Change
SMR w/o CCS	160.03	-1.29	323.38	-1.29
Alkaline Electrolysis	425.13	+30.26	609.32	+30.26
PEM Electrolysis	476.44	+33.90	741.09	+33.90

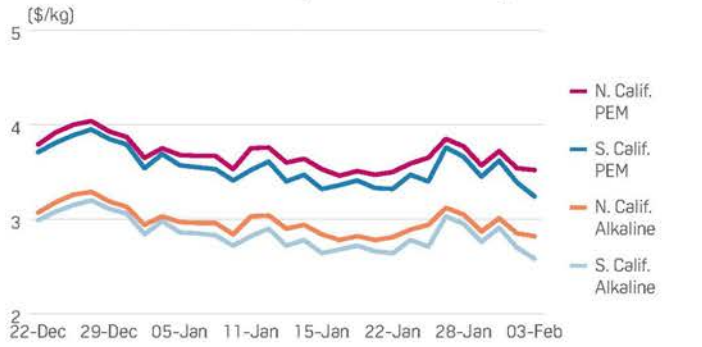
*Assessed previous day

NETHERLANDS HYDROGEN (INCLUDING CAPEX)



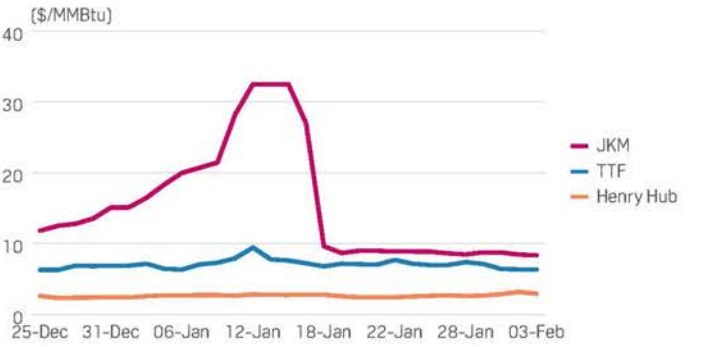
Source: S&P Global Platts

CALIFORNIA ELECTROLYSIS (INCLUDING CAPEX)



Source: S&P Global Platts

NATURAL GAS/LNG



Source: S&P Global Platts

ASSESSMENT RATIONALE

The daily and month ahead hydrogen assessments are valuations that incorporate fixed capital and operating costs and variable natural gas, electricity, and carbon prices. Details on hydrogen methodology can be found at https://www.spglobal.com/platts/en/our-methodology/methodology-specifications/electric-power/hydrogen-methodology

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CPSE-MDL_000020031

PLATTS GAS DAILY MEXICO PRICES ($/MMBtu)

Trade Date: 04-Feb
Flow Date(s): 05-Feb

Location	Region		Net Forward Location	Net Forward Price	Fixed Transport	Variable Transport	Variable Price	Full Transport Price
Rosarito	Baja	AAZMC21	Socal Border	2.940	0.179	0.039	2.979	3.158
Aguascalientes	Central	AAZMO21	El Encino	3.374	0.415	0.043	3.417	3.832
Tula	Central	AAZMN21	Tuxpan	3.892	0.572	0.065	3.957	4.529
Valtierrilla	Central	AAZMH21	Los Ramones - Monterrey	3.435	0.479	0.065	3.500	3.979
Villa de Reyes	Central	AAZMI21	Los Ramones - Monterrey	3.435	0.493	0.054	3.488	3.981
El Encino	North	AAZME21	Waha	2.755	0.545	0.073	2.828	3.374
Juarez	North	AAZMA21	Waha	2.755	0.412	0.073	2.828	3.240
Los Ramones - Monterrey	Northeast	AAZMF21	Tennessee, zone 0	2.855	0.510	0.070	2.925	3.435
Reynosa	Northeast	AAZMB21	TETCO STX	2.890	0.376	0.061	2.951	3.327
Sierrita	Northwest	AAZMD21	Waha	2.755	0.878	0.078	2.833	3.711
Topolobampo	Northwest	AAZMP21	El Encino	3.374	0.500	0.004	3.377	3.877
Merida	Peninsula	AAZMK21	Ciudad Pemex	4.084	0.555	0.050	4.134	4.688
Ciudad Pemex	South	AAZMJ21	Tuxpan	3.892	0.144	0.048	3.940	4.084
Puente Moreno	South	AAZMG21	Los Ramones - Monterrey	3.435	0.359	0.059	3.494	3.853
Tuxpan	South	AAZML21	Reynosa	3.327	0.497	0.068	3.395	3.892
Guadalajara	West	AAZMM21	Aguascalientes	3.832	0.453	0.061	3.893	4.345

Prices are a netforward calculation using selected Platts Gas Daily indices plus fully loaded transportation costs and are published in USD per MMBtu.

PLATTS GAS DAILY MEXICO



Location	Proxy hub + Transport cost
1 Rosarito	SoCal Gas
2 Sierrita	Waha
3 Juarez	Waha
4 El Encino	Waha
5 Topolobampo	El Encino
6 Los Ramones - Monterrey	Texas Eastern, STX
7 Reynosa	Texas Eastern, STX
8 Aguascalientes	El Encino
9 Villa de Reyes	Los Ramones - Monterrey
10 Valtierrilla	Los Ramones - Monterrey
11 Guadalajara	Aguascalientes
12 Tula	Tuxpan
13 Tuxpan	Reynosa
14 Cuidad Pemex	Tuxpan
15 Merida	Cuidad Pemex
16 Punete Moreno	Los Ramones - Monterrey

Source: S&P Global Platts

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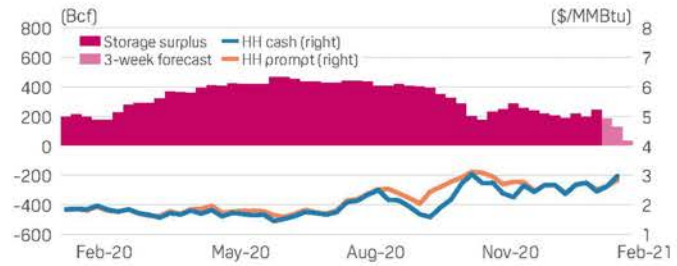
NATURAL GAS FUTURES

NYMEX PROMPT MONTH FUTURES CONTINUATION

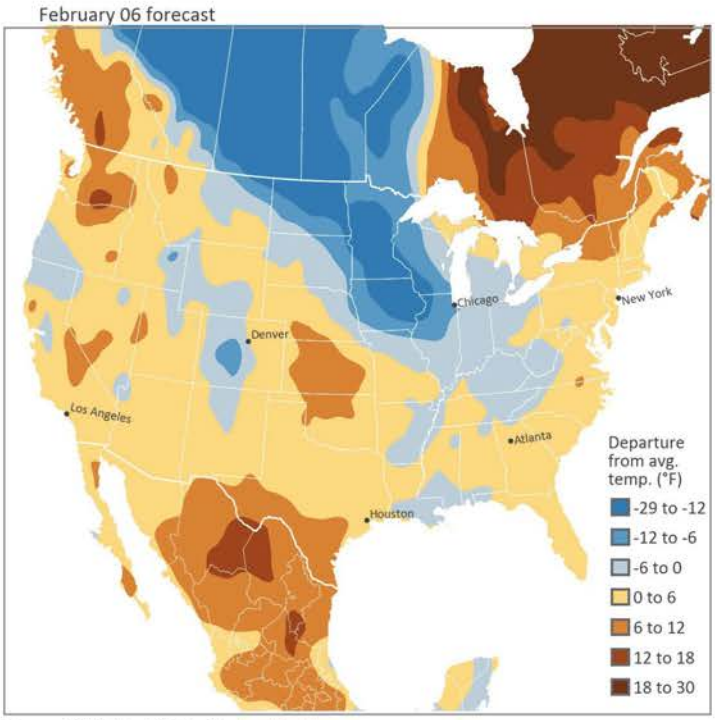


Note: The entire wick of the candlestick depicts the high and low daily front-month Henry Hub futures price range. The body of the candlestick depicts the price range between the open and close, with a red candlestick indicating a close on the downside and a green candlestick indicating a close on the high end.
Source: S&P Global Platts

US GAS STORAGE SURPLUS vs ROLLING 5-YEAR AVERAGE



2-DAY-AHEAD TEMPERATURE DEVIATION FORECAST

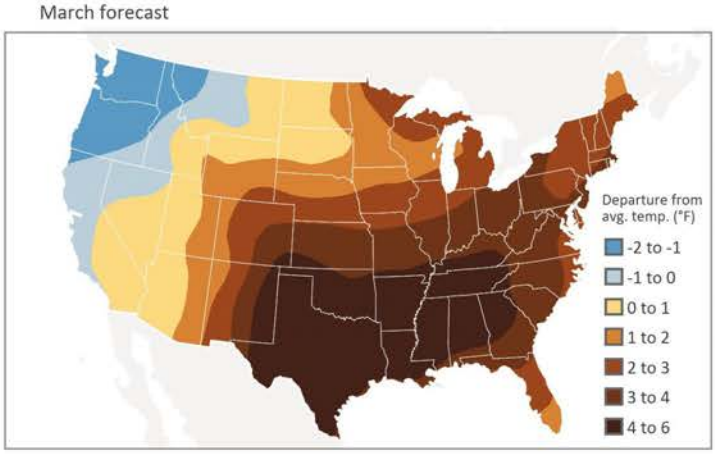


Source: S&P Global Platts, Custom Weather

NYMEX HENRY HUB GAS FUTURES CONTRACT CLOSINGS, FEB 4

	Platts Symbol	High	Low	Close	Change	Previous Day's Volume	Previous Day's Open Interest
Mar 2021	MNNG001	2.977	2.734	2.935	0.146	83440	293,452
Apr 2021	MNNG002	2.920	2.727	2.889	0.117	23779	106,514
May 2021	MNNG003	2.922	2.760	2.904	0.105	10129	91,820
Jun 2021	MNNG004	2.957	2.808	2.942	0.099	2933	53,001
Jul 2021	MNNG005	3.006	2.864	2.991	0.094	4354	52,139
Aug 2021	MNNG006	3.015	2.879	3.002	0.091	1492	33,518
Sep 2021	MNNG007	3.001	2.870	2.987	0.088	1533	58,165
Oct 2021	MNNG008	3.022	2.889	3.006	0.086	5090	120,488
Nov 2021	MNNG009	3.066	2.947	3.060	0.083	790	43,756
Dec 2021	MNNG010	3.183	3.070	3.174	0.081	998	43,818
Jan 2022	MNNG011	3.266	3.153	3.256	0.080	1894	44,016
Feb 2022	MNNG012	3.191	3.104	3.191	0.074	149	23,109
Mar 2022	MNNG013	3.006	2.920	2.995	0.058	1202	33,566
Apr 2022	MNNG014	2.551	2.516	2.544	0.024	1181	34,199
May 2022	MNNG015	2.488	2.467	2.480	0.017	104	14,437
Jun 2022	MNNG016	2.508	2.490	2.502	0.016	34	9,770
Jul 2022	MNNG017	2.536	2.518	2.532	0.017	50	6,768
Aug 2022	MNNG018	2.537	2.521	2.537	0.017	33	6,067
Sep 2022	MNNG019	2.524	2.507	2.523	0.018	83	6,170
Oct 2022	MNNG020	2.551	2.536	2.550	0.017	130	14,619
Nov 2022	MNNG021	2.601	2.590	2.601	0.013	81	6,877
Dec 2022	MNNG022	2.741	2.730	2.741	0.012	18	7,736
Jan 2023	MNNG023	2.846	2.834	2.846	0.010	2	5,178
Feb 2023	MNNG024	2.809	2.805	2.805	0.007	2	1,766
Mar 2023	MNNG025	2.661	2.658	2.661	0.003	0	2,861
Apr 2023	MNNG026	2.360	2.350	2.358	0.005	0	4,310
May 2023	MNNG027	2.326	2.326	2.326	0.003	0	2,724
Jun 2023	MNNG028	2.368	2.355	2.355	0.002	0	823
Jul 2023	MNNG029	2.445	2.399	2.399	0.001	0	918
Aug 2023	MNNG030	2.425	2.409	2.409	0.000	1	673
Sep 2023	MNNG031	2.410	2.394	2.394	-0.001	0	500
Oct 2023	MNNG032	2.445	2.423	2.423	-0.002	0	1,507
Nov 2023	MNNG033	2.514	2.505	2.505	-0.002	0	541
Dec 2023	MNNG034	2.709	2.699	2.699	-0.003	1	855
Jan 2024	MNNG035	2.425	2.409	2.808	-0.004	0	738
Feb 2024	MNNG036	2.770	2.765	2.765	-0.005	20	220
Total	MNNG000					383,014	1,134,240

MONTH-AHEAD TEMPERATURE DEVIATION FORECAST



Source: S&P Global Platts, Custom Weather

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NORTHEAST GAS MARKETS

Northeast cash gas prices slide with lower demand

- US Northeast spot gas prices fell during Feb. 4 trading as temperatures begin to rise with a recent winter storm rolling off.
- Algonquin city-gates slid $3.42 to settle to $7.42/MMBtu, while Iroquois Zone 2 fell $1.75 to settle to 6.98/MMBtu for next-day flows.

Demand falls before rising

- Total Northeast demand was forecast by S&P Global Platts Analytics to fall by 1 Bcf to 30.2 Bcf/d on Feb. 5, with the bulk of the demand decline stemming from residential-commercial demand.
- Temperatures are expected to drop to below 30 F again on Feb. 6 and stay there until Feb. 15, which is expected to support demand once again.

Production falls below 33 Bcf/d

- Northeast has fallen below the 33 Bcf/d threshold since the start of February and finished January at 33.6 Bcf/d, down 200 MMcf/d from December, according to Platts Analytics.
- With res-comm demand recently higher, cash basis at Algonquin and Transco Zone 6 has seen a modest lift.

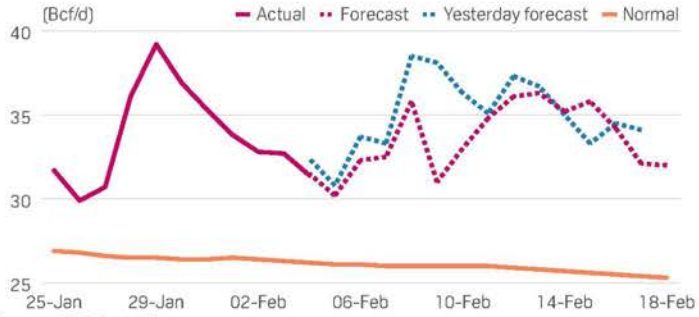
— *Courtney Love*

NORTHEAST SPOT AND FORWARD BASIS ($/MMBtu)

	Spot basis						Prompt forward basis		
	04-Feb	03-Feb	Chg	MTD Avg.	MTD last year	Chg	04-Feb	03-Feb	Chg
Henry Hub	2.92	2.91	0.01	2.96	1.84	+1.12	2.94	2.79	0.15
Northeast region									
Algonquin CG	4.51	7.93	-3.43	6.58	0.02	+6.56	1.88	1.95	-0.07
Iroquois Zn2	4.07	5.82	-1.76	4.79	-0.06	+4.85	1.70	1.70	0.00
Tenn Zn6 Dlvd	5.40	9.69	-4.30	7.55	0.04	+7.52	1.95	2.01	-0.07
Transco Zn 6 NY	0.12	0.27	-0.15	1.24	-0.13	+1.37	0.20	0.18	0.02
Transco Zn5 Dlvd	0.16	0.25	-0.09	1.14	0.00	+1.14	0.28	0.26	0.02
Transco Zn6 Non-NY	0.09	0.22	-0.13	1.06	-0.13	+1.19	0.03	0.01	0.02
TX Eastern M-3	0.07	0.22	-0.15	1.01	-0.20	+1.21	0.09	0.06	0.03
Appalachia									
Col Gas Appal	-0.12	-0.13	0.02	-0.15	-0.26	+0.11	-0.27	-0.28	0.01
Dominion N Pt	-0.19	-0.18	-0.01	-0.19	-0.31	+0.12	-0.57	-0.54	-0.03
Dominion S Pt	-0.21	-0.19	-0.02	-0.22	-0.32	+0.10	-0.42	-0.39	-0.03
Lebanon Hub	-0.07	-0.09	0.03	-0.11	--	--	-0.10	-0.12	0.02
Millennium East Receipts	-0.03	0.11	-0.14	-0.02	-0.28	+0.26	-0.55	-0.53	-0.03
Tenn Zn4-200 Leg	-0.12	-0.15	0.03	-0.13	-0.17	+0.05	-0.19	-0.17	-0.02
Tennessee zone 4-300 leg	-0.23	-0.26	0.03	-0.25	-0.31	+0.06	-0.53	-0.50	-0.03
Texas Eastern M-2 receipts	-0.13	-0.15	0.02	-0.16	-0.33	+0.17	-0.39	-0.36	-0.03
Transco Leidy Line receipts	-0.22	-0.23	0.01	-0.23	-0.32	+0.09	-0.45	-0.42	-0.03
Other locations									
Dracut MA	4.09	7.35	-3.26	5.72	--	--	2.35	2.42	-0.07
Iroquois Receipts	0.23	0.28	-0.05	0.26	-0.08	+0.34	0.20	0.20	0.00
Niagara	-0.11	-0.09	-0.02	-0.10	-0.17	+0.08	0.05	-0.02	0.07

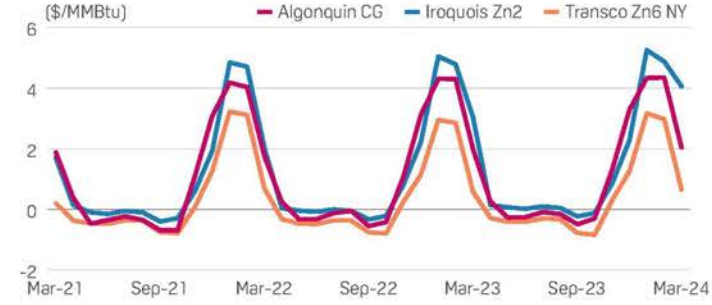
Source: Platts M2M data

NORTHEAST DEMAND FORECAST



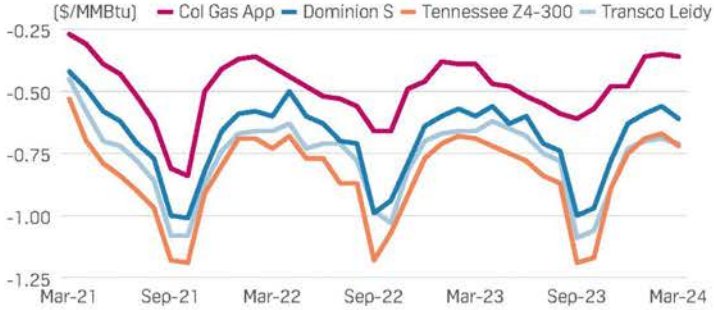
Source: S&P Global Platts

NORTHEAST FORWARD BASIS



Source: S&P Global Platts

APPALACHIA FORWARD BASIS



Source: S&P Global Platts

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SOUTHEAST GAS MARKETS

Southeast cash gas prices rangebound as demand retreats

- US Southeast and Texas spot gas prices were rangebound in trading Feb. 4, likely as demand came off from recent highs.
- Henry Hub inched up 1 cent on the day to trade at $2.92/MMBtu while Houston Ship Channel added 4 cents to change hands at $2.86/MMBtu for next-day flows. Prices at most locations continued to pace about 15-20 cents higher than the past 30-day average despite the absence of sharp spikes observed at the start of the month.
- Total Southeast residential-commercial demand started the month on a high note at 8.7 Bcf, driven by a sustained period of below-average temperatures, but dwindled to 6.8 Bcf Feb. 4 as temperatures started moving up toward seasonal norms.

Demand dips but may rebound

- Res-comm demand in the first four days of February averaged about 7.8 Bcf/d, 2 Bcf stronger than the year-ago levels.
- The National Weather Service temperature forecasts calls for the likelihood of below-average temperatures across much of the region over the next eight to 14 days, which may push up demand again.
- The balance-of-the month contract was trading at $3.06/MMBtu, up 6 cents from the prior day's settle.

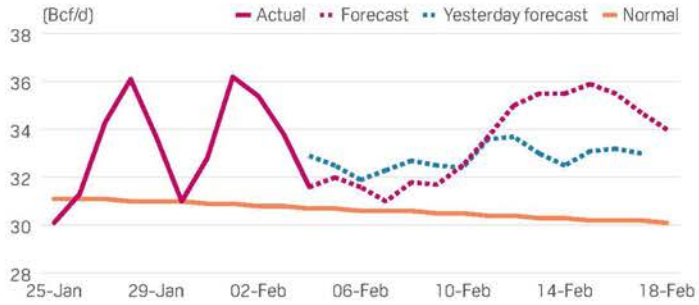
— *Veda Chowdhury*

SOUTHEAST SPOT AND FORWARD BASIS ($/MMBtu)

	Spot basis						Prompt forward basis		
	04-Feb	03-Feb	Chg	MTD Avg.	MTD last year	Chg	04-Feb	03-Feb	Chg
Henry Hub	2.92	2.91	0.01	2.96	1.84	+1.12	2.94	2.79	0.15
Southeast									
ANR LA	-0.02	-0.08	0.06	-0.08	-0.07	-0.01	-0.06	-0.06	0.00
Col Gulf LA	-0.02	-0.02	0.01	-0.04	-0.06	+0.02	-0.10	-0.10	0.00
Col Gulf-Mainline	-0.06	-0.10	0.04	-0.11	-0.13	+0.02	-0.14	-0.14	0.00
FL Gas Zn1	-0.02	-0.06	0.05	-0.06	-0.07	+0.01	-0.01	-0.01	0.00
FL Gas Zn2	-0.06	--	-0.06	-0.04	-0.08	+0.04	0.00	0.00	0.00
FL Gas Zn3	0.04	0.09	-0.05	0.08	-0.04	+0.12	0.04	0.03	0.00
Florida CG	0.20	0.29	-0.09	0.27	0.11	+0.16	0.33	0.32	0.00
SoNat LA	0.01	-0.01	0.02	-0.02	-0.08	+0.06	-0.06	-0.06	0.00
Tenn LA 500 Leg	-0.01	-0.03	0.03	-0.04	-0.09	+0.04	-0.06	-0.07	0.00
Tenn LA 800 Leg	-0.05	-0.07	0.02	-0.08	-0.11	+0.03	-0.04	-0.02	-0.02
TETCO-M1	-0.02	-0.10	0.08	-0.09	-0.11	+0.01	-0.06	-0.06	0.00
Texas Gas Zn SL	-0.01	-0.12	0.11	-0.06	--	--	-0.14	-0.15	0.01
Texas Gas Zn1	-0.06	-0.10	0.04	-0.10	-0.12	+0.02	-0.14	-0.15	0.01
Transco Zn2	0.00	-0.05	--	-0.03	-0.06	+0.03	-0.01	-0.01	0.00
Transco Zn3	0.00	-0.03	--	-0.01	-0.05	+0.05	-0.02	-0.02	0.00
Transco Zn4	0.03	0.05	-0.03	0.06	-0.04	+0.10	0.01	0.00	0.00
Trunkline E LA	-0.14	-0.11	-0.03	-0.12	-0.10	-0.02	-0.03	-0.03	0.00
Trunkline WLA	--	--	--	--	--	--	-0.06	-0.06	0.00
Tx Eastern E LA	-0.07	-0.08	0.01	-0.10	-0.09	-0.01	-0.10	-0.11	0.00
TX Eastern W LA	-0.06	-0.09	0.03	-0.10	-0.05	-0.04	-0.07	-0.07	0.00
East & South Texas									
Agua Dulce	-0.04	-0.10	0.06	-0.11	--	--	0.00	0.00	0.00
Carthage Hub	-0.07	-0.13	0.07	-0.14	-0.11	-0.03	-0.14	-0.15	0.01
Houston Ship Channel	-0.06	-0.08	0.03	-0.09	-0.02	-0.08	-0.05	-0.05	0.01
Katy	-0.05	-0.11	0.06	-0.11	-0.05	-0.06	-0.05	-0.05	0.01
NGPL S TX	-0.06	-0.10	0.05	-0.11	-0.08	-0.03	-0.04	-0.05	0.01
NGPL Texok Zn	-0.11	-0.12	0.01	-0.18	-0.15	-0.03	-0.13	-0.14	0.01
Tenn Zn0	-0.06	-0.11	0.05	-0.12	-0.13	+0.01	-0.09	-0.09	0.01
Transco Zn1	-0.04	-0.10	0.06	-0.10	-0.08	-0.03	-0.03	-0.03	0.00
TX Eastern E Tx	-0.17	-0.21	0.04	-0.20	-0.13	-0.07	-0.10	-0.11	0.00
TX Eastern S TX	-0.03	-0.10	0.07	-0.09	-0.07	-0.03	-0.05	-0.06	0.00

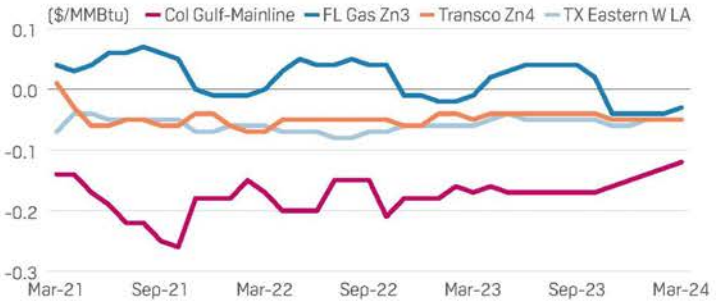
Source: Platts M2M data

SOUTHEAST & TEXAS DEMAND FORECAST



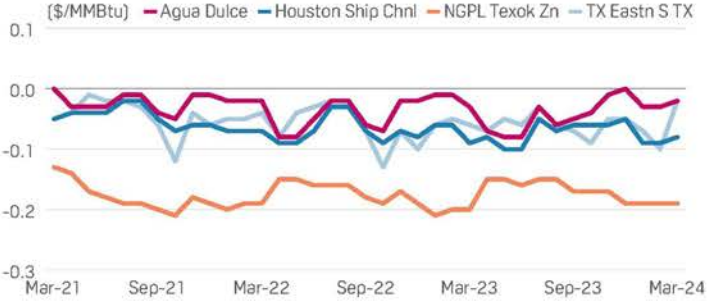
Source: S&P Global Platts

SOUTHEAST FORWARD BASIS



Source: S&P Global Platts

EAST AND SOUTH TEXAS FORWARD BASIS



Source: S&P Global Platts

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CENTRAL GAS MARKETS

Upper Midwest, Midcontinent gas inches higher on lifted demand

- Natural gas spot prices in the US Midcontinent lifted Feb. 4 as demand increased and storage withdrawals in the Midwest lowered inventories.
- Natural Gas Pipeline-Nicor was trading 9 cents higher on the day at $2.93/MMBtu. Similarly, the cash price for Carthage increased 8 cents on the day to $2.85/MMBtu for next-day flows.

Demand climbs on the day as withdrawals lower inventories

- Demand in the Midcontinent rose about 2% on the day to 24.13 Bcf/d, with both heating demand and power demand lifting 250 MMcf and 166 MMcf , respectively, according to S&P Global Platts Analytics.
- Midwest storage withdrawals for the week ending Jan. 29 were reported at 61 Bcf, bringing total storage levels to 719 Bcf, 2.2% below levels last year and 670 Bcf above the five-year average, according to the US Energy Information Administration.

Chicago city-gates forwards rise over the week

- The Chicago city-gates March contract lifted 25 cents from levels a week ago to $2.77/MMBtu Feb. 3, as colder temperature outlooks and falling storage bought upside risk to prices, according to Platts Analytics data.
- The Chicago city-gates summer strip average (April 2021-October 2021) also saw upward pressure, rising 13 cents over the week to $2.67/MMBtu, about 33% higher than levels at this time last year, according to Platts Analytics data.

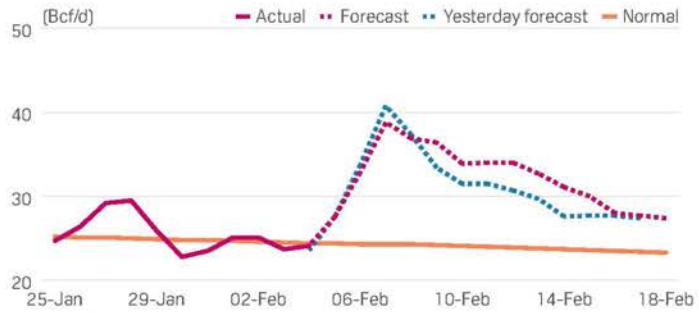
— *Amy Debayle*

CENTRAL SPOT AND FORWARD BASIS ($/MMBtu)

	Spot basis						Prompt forward basis		
	04-Feb	03-Feb	Chg	MTD Avg.	MTD last year	Chg	04-Feb	03-Feb	Chg
Henry Hub	2.92	2.91	0.01	2.96	1.84	+1.12	2.94	2.79	0.15
Midwest/East Canada									
ANR ML 7	--	--	--	--	--	--	0.03	-0.03	0.06
Chicago CG	0.03	-0.06	0.09	-0.09	-0.16	+0.08	0.03	-0.02	0.05
Consumers Energy CG	-0.07	-0.11	0.04	-0.12	-0.14	+0.02	-0.04	-0.06	0.02
Dawn Ontario	-0.08	-0.11	0.03	-0.11	-0.15	+0.04	0.01	0.01	0.00
Mich Con CG	-0.08	-0.12	0.04	-0.13	-0.14	+0.01	-0.06	-0.08	0.02
Northern Ventura	0.30	-0.04	0.34	-0.04	-0.20	+0.16	0.09	0.05	0.04
Viking-Emerson	-0.03	-0.10	0.07	-0.12	-0.18	+0.05	-0.04	-0.09	0.05
Midcontinent									
ANR OK	-0.06	-0.11	0.05	-0.18	-0.26	+0.08	-0.12	-0.13	0.01
Enable Gas East	-0.10	-0.14	0.04	-0.18	-0.23	+0.05	-0.17	-0.17	0.01
NGPL Midcontinent	-0.05	-0.13	0.09	-0.18	-0.43	+0.25	-0.15	-0.16	0.01
Northern NG Demarc	0.10	-0.05	0.15	-0.09	-0.22	+0.13	0.05	--	--
Oneok OK	0.01	-0.16	0.17	-0.18	-0.52	+0.34	-0.09	-0.11	0.03
Panhandle TX-OK	-0.01	-0.15	0.14	-0.18	-0.43	+0.26	-0.17	-0.20	0.03
Southern Star TxOkKs	-0.07	-0.12	0.05	-0.18	-0.32	+0.14	-0.11	-0.14	0.03

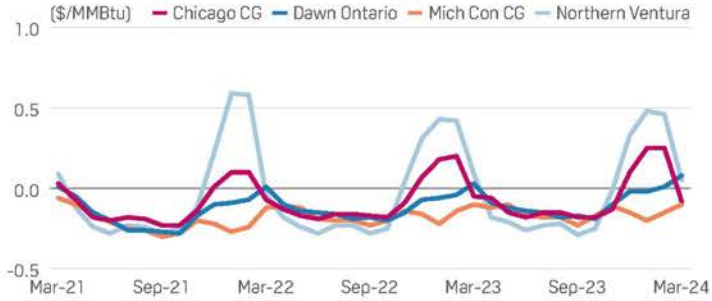
Source: Platts M2M data

MIDWEST & MIDCONTINENT DEMAND FORECAST



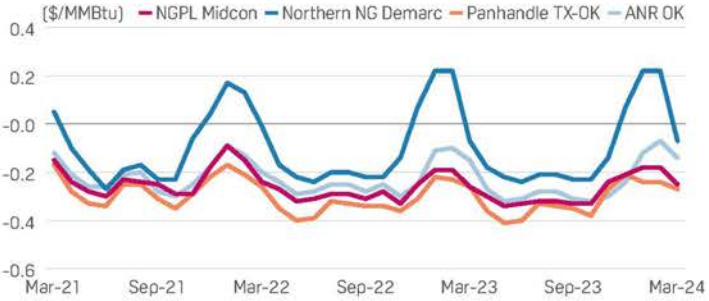
Source: S&P Global Platts

MIDWEST FORWARD BASIS



Source: S&P Global Platts

MIDCONTINENT FORWARD BASIS



Source: S&P Global Platts

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WEST GAS MARKETS

US Rockies spot gas prices rise on lower temperatures, higher demand

- Cash prices for next-day flows of gas in the US Rockies largely settled higher on Feb. 4, as regional temperatures are forecast to remain near seasonally normal levels after a weeklong stretch of above-average temperatures.
- CIG, Rockies gained 7.50 cents to settle at $2.835/MMBtu, which was the the location's highest price since late-October.

Rockies temperatures

- The average temperature in the Rockies was forecast at 31 degrees F for Feb. 5, just 1 degree higher than Feb. 4, according to S&P Global Platts Analytics and CustomWeather.
- The temperatures for Feb. 4-5 mark a departure from recent above-average temperatures, which reached into the mid-30s to mid-40s F for Jan. 29-Feb. 3.
- Platts Analytics data shows that gas demand in the Rockies surged 1.33 Bcf on Feb. 4 from prior-day levels to 9.47 Bcf. With similar temperatures forecast for Feb. 5, the elevated demand will likely continue.

Pacific Northwest dynamics

- Spot gas prices in the Pacific Northwest also traded slightly higher on Feb. 3., amid a winter storm in central Washington and lower hydropower generation.
- The National Weather Service issued a Winter Weather Advisory for the Cascade mountains and valleys of Whatcom, Skagit, Snohomish, and King counties in Washington state for Feb. 4-5.
- Hydropower in the Bonneville Power Administration's footprint has recently fallen to average 216 MWh/d for Feb. 1-2 from averaging around 250 MWh/d for the last week of January (Jan. 25-31), according to the most recently available data from the federal agency.

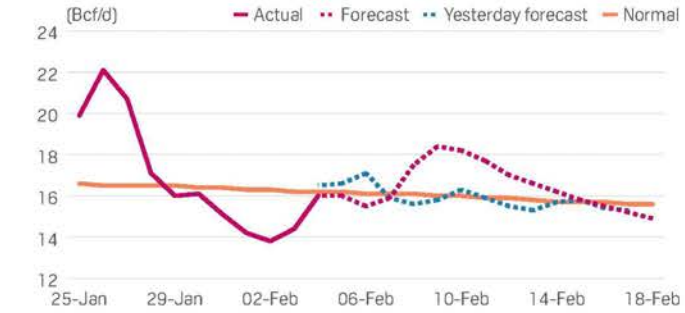
— *Kelsey Hallahan*

WEST SPOT AND FORWARD BASIS ($/MMBtu)

	Spot basis						Prompt forward basis		
	04-Feb	03-Feb	Chg	MTD Avg.	MTD last year	Chg	04-Feb	03-Feb	Chg
Henry Hub	2.92	2.91	0.01	2.96	1.84	+1.12	2.94	2.79	0.15
Northwest									
GTN Kingsgate	-0.16	-0.23	0.07	-0.30	-0.13	-0.17	-0.31	-0.33	0.01
Northwest Sumas	-0.15	-0.14	-0.01	-0.23	-0.07	-0.16	-0.14	-0.14	0.00
Northwest Stanfield	-0.11	-0.14	0.03	-0.20	-0.07	-0.14	-0.12	-0.14	0.01
Rockies									
Cheyenne Hub	-0.04	-0.10	0.06	-0.17	-0.34	+0.16	-0.20	-0.22	0.02
CIG Rockies	-0.08	-0.15	0.07	-0.20	-0.38	+0.18	-0.20	-0.22	0.02
Kern River Opal	-0.09	-0.09	0.01	-0.17	-0.06	-0.11	-0.15	-0.15	0.00
NW WY Pool	-0.09	-0.11	0.02	-0.18	-0.07	-0.11	-0.15	-0.15	0.00
Questar Rky	-0.09	-0.13	0.04	-0.19	-0.16	-0.03	-0.17	-0.17	0.00
Southwest									
El Paso Permian	-0.16	-0.14	-0.02	-0.21	-1.60	+1.39	-0.22	-0.23	0.01
El Paso San Juan	-0.12	-0.11	-0.01	-0.18	-0.31	+0.13	-0.21	-0.22	0.01
Kern River Dlvd	0.04	0.08	-0.05	0.00	0.22	-0.22	-0.06	-0.07	0.01
PG&E CG	0.72	0.65	0.08	0.67	0.78	-0.11	0.76	0.76	0.01
PG&E Malin	-0.07	-0.12	0.05	-0.17	-0.05	-0.12	-0.10	-0.11	0.01
PG&E South	-0.05	-0.06	0.01	-0.12	-0.29	+0.16	-0.12	-0.13	0.01
SoCal Gas	0.03	0.06	-0.03	-0.03	0.10	-0.13	-0.07	-0.08	0.01
SoCal Gas Citygate	0.16	0.27	-0.12	0.19	1.38	-1.19	0.34	0.38	-0.04
Transwestern Permian	-0.16	-0.19	0.03	-0.26	-1.70	+1.44	-0.22	-0.23	0.01
Waha	-0.16	-0.15	-0.02	-0.21	-1.67	+1.46	-0.22	-0.23	0.01
West Canada									
AECO-C	0.34	0.26	0.08	0.17	-0.11	+0.28	-0.41	-0.38	-0.03

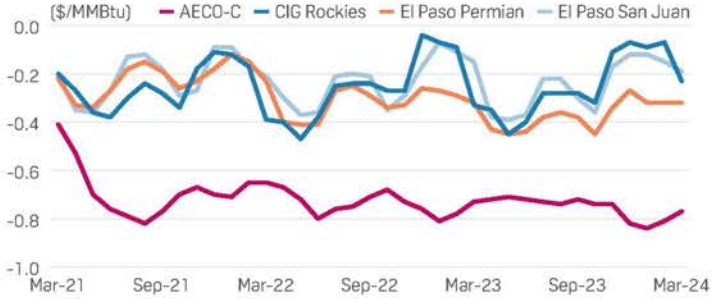
Source: Platts M2M data

SOUTHWEST, NORTHWEST, ROCKIES DEMAND FORECAST



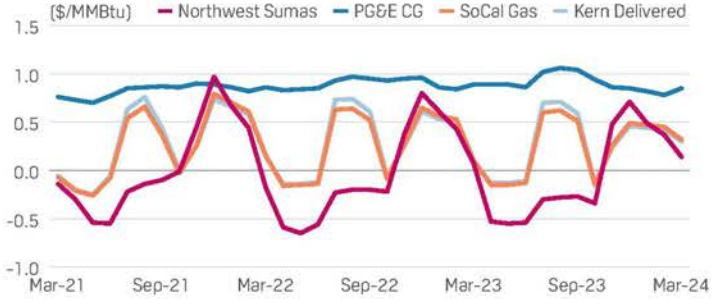
Source: S&P Global Platts

WEST SUPPLY LOCATIONS FORWARD BASIS



Source: S&P Global Platts

WEST DEMAND LOCATIONS FORWARD BASIS



Source: S&P Global Platts

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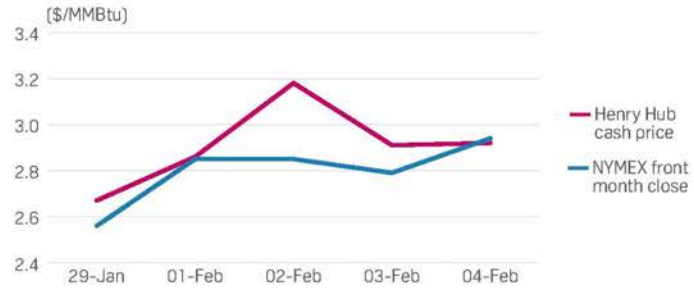
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TOTAL NET PIPELINE FLOWS BY REGION (MMcf/d*)

	03-Feb	04-Feb	Change	MTD avg.	MTD last year	Change
Supply regions – net pipeline outflows						
Texas	12,479	13,331	-852	12,218	12,017	201
West Canada	8,710	8,323	387	8,741	8,198	543
Rockies	5,017	4,905	112	4,921	4,150	771
Midcontinent	3,412	2,975	437	3,147	3,696	-549
Northeast	8,850	9,315	-465	9,757	11,662	-1,905
Demand regions – net pipeline inflows						
Southwest	4,129	4,427	298	4,650	4,076	574
Southeast	11,994	11,844	-150	11,805	13,102	-1,297
Northwest	2,566	2,359	-207	2,511	1,738	773
Midwest	10,667	11,202	535	11,077	11,930	-853
East Canada	3,693	3,308	-385	3,335	3,807	-472

* Net pipeline flows by region are the aggregated total interstate pipeline flows across the regional border. Net supply regions are those that historically have had more supply than demand within the region and have been net suppliers of gas to other regions. Net demand regions historically have had more demand than supply and have been net receivers of pipeline gas from other regions.

HENRY HUB/NYMEX SPREAD



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To access the latest issue of the Gas Daily supplements, click below.
Gas Daily Market Fundamentals (pdf)
Gas Daily Market Fundamentals Data (xls)
Gas Daily Monthly Price Guide (pdf)
*Links require PMC login. For login help, contact support@platts.com.

PLATTS OIL PRICES, FEB 4

	($/b)	($/MMBtu)
Gulf Coast spot		
1% Resid (1)	61.50-61.52	9.84
HSFO (1)	51.47-51.49	8.24
Crude spot		
WTI (Mar) (2)	56.22-56.24	9.69
New York spot		
No.2 (1)	63.95-63.99	10.23
0.3% Resid LP (3)	72.50-72.52	11.60
0.3% Resid HP (3)	72.50-72.52	11.60
0.7% Resid (3)	63.34-63.36	10.14
1% Resid (3)	60.95-60.97	9.75

1= barge delivery; 2= pipeline delivery; 3= cargo delivery

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FINAL DAILY GAS INDICES – ICE LOCATIONS ($/MMBtu)

Powered by ICE

Trade date: 04-Feb
Flow date(s): 05-Feb

Location	Symbol	Index	Daily Change	Absolute Low	Absolute High	Common Low	Common High	Volume	Deals
Northeast									
ICE Algonquin CG (Excl. J and G Lateral deliveries)	JAAAA21	8.325	-3.845	7.000	10.000	7.575	9.075	74	20
ICE Algonquin Citygates (Excl. J Lateral deliveries)	JAAAB21	--	--	--	--	--	--	--	--
ICE Algonquin, Millennium-Ramapo receipts	JAAHF00	3.140	-1.660	3.100	3.300	3.100	3.190	50	10
ICE Algonquin, TGP-Mahwah receipts	JAAHG00	3.050	-0.100	3.050	3.050	3.050	3.050	50	10
ICE Dominion Energy, Cove Point, on system delivery	JAAHM21	3.060	0.290	3.060	3.060	3.060	3.060	130	8
ICE Iroquois, zone 2 (non-Hunts Point/Eastchester Lateral)	JAABT21	7.450	-1.290	6.250	8.500	6.890	8.015	36	10
ICE Iroquois, zone 2 Hunts Point/Eastchester Lateral	JAABU21	--	--	--	--	--	--	--	--
ICE Maritimes, Hubline and Beverly Salem	JAACB21	--	--	--	--	--	--	--	--
ICE Maritimes and Northeast Pipeline US (buyer's choice delivered)	JAACC21	--	--	--	--	--	--	--	--
ICE PNGTS (buyer's choice delivered)	JAADH21	8.655	-4.345	7.500	9.500	8.155	9.155	49	24
ICE Stagecoach Marcellus Hub	JAAEN21	--	--	--	--	--	--	--	--
ICE Tennessee, zone 6 300 leg	JADPZ21	--	--	--	--	--	--	--	--
ICE Texas Eastern, Manhattan Lateral (delivered)	JAAEW21	--	--	--	--	--	--	--	--
ICE Transco-River Road	JABFZ21	--	--	--	--	--	--	--	--
ICE Transco, zone 6 (non-NY north mainline)	JAAEZ21	--	--	--	--	--	--	--	--
ICE Transco, zone 6 non-NY South	JADSZ21	--	--	--	--	--	--	--	--
ICE Transco, zone 6 station 210 Pool	JAAFA21	3.010	-0.110	2.900	3.150	2.950	3.075	303	92
Appalachia									
ICE Clarington Tennessee	JAAFI21	--	--	--	--	--	--	--	--
ICE Columbia Gas, A04 Pool	JAAAU21	--	--	--	--	--	--	--	--
ICE Columbia Gas, A06 Pool	JAAAV21	--	--	--	--	--	--	--	--
ICE Columbia Gas, A08 Pool	JABBY21	--	--	--	--	--	--	--	--
ICE Columbia Gas, Segmentation Pool	JAAAW21	--	--	--	--	--	--	--	--
ICE Millennium Pipeline (buyers' choice delivered)	JAAHA21	--	--	--	--	--	--	--	--
ICE Tennessee, zone 4, station 219 Pool	JAAET21	2.795	+0.035	2.765	2.850	2.775	2.815	338	54
ICE Texas Eastern, M2 Zone (delivered)	JAAEV21	--	--	--	--	--	--	--	--
Midcontinent									
ICE Bennington, Oklahoma (buyers' choice)	JAAHK21	--	--	--	--	--	--	--	--
ICE Enable Gas, Flex Pool only	JAABE21	2.815	+0.050	2.800	2.820	2.810	2.820	41	10
ICE Enable Gas, North Pool only	JAABF21	--	--	--	--	--	--	--	--
ICE Enable Gas, West (W1 or W2 as mutually agreed)	JAABI21	--	--	--	--	--	--	--	--
ICE Enable Gas, West Pool	JAABJ21	--	--	--	--	--	--	--	--
ICE MEP-Lamar	JABFW21	--	--	--	--	--	--	--	--
ICE Midship, receipts	JADGZ21	--	--	--	--	--	--	--	--
ICE NGPL, Gulf Coast Mainline Pool	JAACI21	--	--	--	--	--	--	--	--
ICE NGPL, Mid-Continent Storage PIN	JAACO21	--	--	--	--	--	--	--	--
ICE Northern Natural, Mid 13 - 16A Pool	JAACW21	--	--	--	--	--	--	--	--
ICE Northern Natural, Mid 1-7 Pool	JAACX21	--	--	--	--	--	--	--	--
ICE Northern Natural, Mid 8 -12 Pool	JAACY21	--	--	--	--	--	--	--	--
ICE Salt Plains Storage (buyers' choice)	JAADV21	--	--	--	--	--	--	--	--
ICE Salt Plains Storage (in-ground transfer only)	JAADW21	--	--	--	--	--	--	--	--
Upper Midwest									
ICE Alliance, Chicago Exchange Hub	JAAAC21	2.950	+0.115	2.870	3.060	2.905	3.000	936	134
ICE Alliance, ANR Interconnect	JAAAD21	--	--	--	--	--	--	--	--
ICE Alliance, Midwestern Interconnect	JAAFX21	--	--	--	--	--	--	--	--
ICE Alliance, NGPL Interconnect	JAAAF21	--	--	--	--	--	--	--	--
ICE Alliance, Nicor Interconnect	JAAAG21	--	--	--	--	--	--	--	--
ICE Alliance, Vector Interconnect	JAAAH21	--	--	--	--	--	--	--	--
ICE ANR, Joliet Hub CDP	JAAAK21	--	--	--	--	--	--	--	--
ICE Bluewater Gas Storage	JAAAN21	--	--	--	--	--	--	--	--
ICE Great Lakes Gas, St. Clair	JAABM21	--	--	--	--	--	--	--	--
ICE Guardian, Guardian Hub	JAABN21	--	--	--	--	--	--	--	--
ICE NGPL, Amarillo Pooling PIN	JAACG21	2.895	+0.075	2.855	2.915	2.880	2.910	56	14
ICE NGPL, Amarillo Storage PIN	JAACH21	--	--	--	--	--	--	--	--
ICE NGPL, Iowa-Illinois GC Pool	JAAHN21	--	--	--	--	--	--	--	--
ICE NGPL, Iowa-Illinois AM Pool	JAAHO21	--	--	--	--	--	--	--	--
ICE NGPL, Iowa-Illinois GC Storage	JAAHP21	2.810	+0.040	2.800	2.820	2.805	2.815	223	26
ICE NGPL, Iowa-Illinois AM Storage	JAAHQ21	--	--	--	--	--	--	--	--
ICE NGPL, Mid-American Citygate	JAACN21	2.920	+0.070	2.920	2.920	2.920	2.920	60	6

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FINAL DAILY GAS INDICES – ICE LOCATIONS ($/MMBtu)

Trade date: 04-Feb
Flow date(s): 05-Feb

Location	Symbol	Index	Daily Change	Absolute Low	Absolute High	Common Low	Common High	Volume	Deals
Upper Midwest									
ICE Northern Border, Harper Transfer Point	JAACS21	--	--	--	--	--	--	--	--
ICE Northern Border, Nicor Interconnect	JAACT21	--	--	--	--	--	--	--	--
ICE Northern Border, Vector Interconnect	JAACU21	--	--	--	--	--	--	--	--
ICE Northern Border, Will County	JAACV21	--	--	--	--	--	--	--	--
ICE REX (East), delivered into ANR	JAADK21	2.875	+0.055	2.850	2.880	2.870	2.880	202	20
ICE REX (East), delivered into Lebanon Hub	JAAHC21	--	--	--	--	--	--	--	--
ICE REX (East), delivered into Midwestern Gas	JAADL21	2.870	+0.050	2.850	2.885	2.860	2.880	82	10
ICE REX (East), delivered into NGPL	JAADM21	2.860	+0.050	2.840	2.900	2.845	2.875	250	34
ICE REX (East), delivered into Panhandle	JAADN21	2.855	+0.035	2.845	2.880	2.845	2.865	134	24
ICE REX (East), delivered into Trunkline	JAADO21	2.875	+0.065	2.865	2.880	2.870	2.880	30	4
ICE REX (West), delivered into ANR	JAADP21	--	--	--	--	--	--	--	--
ICE REX (West), delivered into Northern Natural	JAADQ21	--	--	--	--	--	--	--	--
ICE REX (West), delivered into Panhandle	JAADR21	--	--	--	--	--	--	--	--
ICE REX, zone 3 receipts	JAAHS21	2.765	-0.100	2.750	2.770	2.760	2.770	56	12
ICE Rover, delivered into ANR	JAAHI21	2.820	+0.045	2.810	2.830	2.815	2.825	54	6
ICE Rover, delivered into Panhandle	JAAHJ21	2.825	+0.050	2.815	2.850	2.815	2.835	24	12
ICE Rover, receipts	JAAHR21	--	--	--	--	--	--	--	--
East Texas									
ICE Agua Dulce Hub	JAAGI21	2.875	+0.070	2.870	2.880	2.875	2.880	30	6
ICE Atmos, zone 3, receipts	JAAAL21	2.710	+0.010	2.700	2.745	2.700	2.720	48	8
ICE Banquete Hub	JAAHX21	--	--	--	--	--	--	--	--
ICE Carthage Hub Tailgate	JAAAQ21	2.850	+0.075	2.840	2.855	2.845	2.855	56	12
ICE ENT, STX Map	JAAHT21	2.860	+0.050	2.840	2.875	2.850	2.870	40	10
ICE ETC, Cleburne	JAAHH00	--	--	--	--	--	--	--	--
ICE ETC, Maypearl	JAABK21	--	--	--	--	--	--	--	--
ICE Golden Triangle Storage & Hub	JAABL21	2.860	+0.050	2.860	2.860	2.860	2.860	57	4
ICE Gulf South, Pool Area #16	JAABP21	2.800	+0.030	2.790	2.810	2.795	2.805	39	10
ICE HPL, East Texas Pool	JAABR21	--	--	--	--	--	--	--	--
ICE HSC-Kinder Morgan	JAAWM21	--	--	--	--	--	--	--	--
ICE Katy, ENSTOR Pool (excl. Kinder Morgan Texas)	JAABW21	2.845	+0.050	2.830	2.865	2.835	2.855	212	24
ICE Katy, Lonestar (warranted as Intrastate)	JAABX21	--	--	--	--	--	--	--	--
ICE Katy, Lonestar Interstate	JAABY21	2.885	+0.065	2.880	2.900	2.880	2.890	138	18
ICE Katy, Oasis Pipeline	JAABZ21	2.870	+0.070	2.850	2.900	2.860	2.885	183	34
ICE Moss Bluff Interconnect (buyers' choice delivered)	JAACD21	2.855	+0.050	2.840	2.900	2.840	2.870	74	14
ICE Moss Bluff Storage (in-ground transfers only)	JAACE21	--	--	--	--	--	--	--	--
ICE NGPL, TXOK East Pool	JAACP21	2.810	+0.020	2.790	2.900	2.790	2.840	1279	152
ICE NGPL, TXOK West Pool	JAACQ21	--	--	--	--	--	--	--	--
ICE NorTex, Tolar Hub	JAACR21	2.700	+0.050	2.700	2.700	2.700	2.700	57	10
ICE Tennessee, zone 0 North	JAAEP21	2.850	+0.050	2.840	2.880	2.840	2.860	220	28
ICE Tennessee, zone 0 South	JAAEQ21	2.855	+0.055	2.840	2.875	2.845	2.865	279	54
ICE Tennessee, zone 0 STX Border	JABFY21	--	--	--	--	--	--	--	--
ICE Tres Palacios Hub - Injection	JAAFE21	2.855	+0.065	2.855	2.860	2.855	2.855	12	4
ICE Tres Palacios Hub - Withdrawal	JAAFF21	2.880	+0.065	2.860	2.900	2.870	2.890	466	56
Louisiana/Southeast									
ICE ANR, SE Transmission Pool	JAAAI21	2.900	+0.070	2.880	2.915	2.890	2.910	124	28
ICE ANR, SE Gathering Pool	JAAAJ21	--	--	--	--	--	--	--	--
ICE Bobcat Interconnect (buyers' choice delivered)	JAAAO21	--	--	--	--	--	--	--	--
ICE Bobcat Storage (in-ground transfer only)	JAAAP21	--	--	--	--	--	--	--	--
ICE Egan Interconnect (buyers' choice delivered)	JAAAZ21	--	--	--	--	--	--	--	--
ICE Egan Storage (in-ground transfer only)	JAABA21	--	--	--	--	--	--	--	--
ICE Enable Gas, Perryville Hub	JAABG21	--	--	--	--	--	--	--	--
ICE Enable Gas, South Pool only	JAABH21	--	--	--	--	--	--	--	--
ICE Gillis Hub	JAAWL21	--	--	--	--	--	--	--	--
ICE Gulf South, Perryville Exchange Point	JAABO21	--	--	--	--	--	--	--	--
ICE Jefferson Island Storage and Hub	JAABV21	--	--	--	--	--	--	--	--
ICE MS Hub Storage	JAACF21	--	--	--	--	--	--	--	--
ICE NGPL, Louisiana Pooling PIN	JAACL21	--	--	--	--	--	--	--	--
ICE NGPL, Louisiana Storage PIN	JAACM21	--	--	--	--	--	--	--	--
ICE Sonat, Zone 0	JAAHE21	--	--	--	--	--	--	--	--

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FINAL DAILY GAS INDICES – ICE LOCATIONS ($/MMBtu)

Trade date: 04-Feb
Flow date(s): 05-Feb

Location	Symbol	Index	Daily Change	Absolute Low	Absolute High	Common Low	Common High	Volume	Deals
Louisiana/Southeast									
ICE Sonat, Zone 0 South Louisiana Pool	JAAEJ21	2.920	+0.025	2.900	2.930	2.915	2.930	588	94
ICE Sonat, Zone 1 North Pool	JAAEK21	--	--	--	--	--	--	--	--
ICE Southern Pines Hub	JAAEM21	--	--	--	--	--	--	--	--
ICE Stingray, pool delivery	JAAEO21	--	--	--	--	--	--	--	--
ICE Tennessee, zone 1 100 Leg Pool	JAAER21	2.870	+0.065	2.860	2.875	2.865	2.875	77	10
ICE Tennessee, zone 1 800 Leg Pool	JAAXM21	2.860	+0.050	2.850	2.890	2.850	2.870	39	4
ICE Tennessee, zone 1, Station 87 Pool	JAAES21	2.875	+0.050	2.850	2.890	2.865	2.885	318	54
ICE Texas Gas, Mainline Pool	JAAEX21	2.860	+0.055	2.840	2.880	2.850	2.870	487	82
ICE Texas Gas, North Louisiana Pool	JAAEY21	--	--	--	--	--	--	--	--
Rockies/Northwest									
ICE CIG, Mainline (sellers' choice, non-lateral)	JAAFY21	2.835	+0.075	2.800	2.900	2.810	2.860	40	10
ICE CIG, Mainline Pool	JAAFZ21	--	--	--	--	--	--	--	--
ICE CIG, Mainline South (sellers' choice)	JAAAT21	--	--	--	--	--	--	--	--
ICE Kern River, on system receipt	JAACA21	2.825	-0.005	2.760	2.875	2.795	2.855	396	80
ICE Opal Plant Tailgate	JAADB21	2.840	+0.035	2.800	2.870	2.825	2.860	123	26
ICE PG&E, Onyx Hill	JAAHB21	--	--	--	--	--	--	--	--
ICE Pioneer Plant Tailgate	JAADG21	--	--	--	--	--	--	--	--
ICE Questar, North Pool	JAADI21	2.825	+0.045	2.720	2.840	2.795	2.840	54	16
ICE Questar, South Pool	JAADJ21	--	--	--	--	--	--	--	--
ICE REX, Cheyenne Comp Pool	JACFZ21	2.850	+0.045	2.815	2.885	2.835	2.870	205	30
ICE Ruby, Onyx Hill	JAADS21	--	--	--	--	--	--	--	--
ICE Ruby, Receipt Pool	JAADT21	2.835	+0.065	2.820	2.850	2.830	2.845	53	16
ICE Ryckman Creek Gas Storage	JAADU21	--	--	--	--	--	--	--	--
ICE WIC, Pool	JAAFH21	--	--	--	--	--	--	--	--
Southwest									
ICE Agua Blanca Pool	JAAHU21	--	--	--	--	--	--	--	--
ICE El Paso, Anadarko Pool	JAAHZ21	2.880	+0.020	2.850	2.900	2.870	2.895	48	10
ICE El Paso, Keystone Pool	JAABB21	2.755	-0.015	2.740	2.800	2.740	2.770	715	126
ICE El Paso, Plains Pool	JAABC21	2.800	+0.035	2.800	2.800	2.800	2.800	27	4
ICE El Paso, Waha Pool	JAABD21	2.755	-0.010	2.750	2.780	2.750	2.765	614	84
ICE GCX West Pool	JAAWK21	--	--	--	--	--	--	--	--
ICE Oasis, Waha Pool	JAACZ21	2.745	+0.015	2.700	2.760	2.730	2.760	105	16
ICE ONEOK, Westex Pool	JAADA21	2.765	+0.065	2.755	2.780	2.760	2.770	89	16
ICE PG&E, Daggett	JAADC21	--	--	--	--	--	--	--	--
ICE PG&E, Kern River Station	JAADD21	--	--	--	--	--	--	--	--
ICE PG&E, Topock	JAADE21	2.865	+0.020	2.850	2.880	2.860	2.875	116	16
ICE Socal, Blythe	JAADX21	--	--	--	--	--	--	--	--
ICE Socal, Ehrenberg (delivered)	JAADY21	2.950	-0.045	2.900	3.000	2.925	2.975	130	28
ICE Socal, Firm Storage only (Citygate)	JAADZ21	--	--	--	--	--	--	--	--
ICE Socal, In-ground transfer only (Citygate)	JAAEA21	--	--	--	--	--	--	--	--
ICE Socal, Interruptible Storage only (Citygate)	JAAEB21	--	--	--	--	--	--	--	--
ICE Socal, Kern River Station	JAAEC21	2.930	+0.060	2.915	2.980	2.915	2.945	94	24
ICE Socal, Kramer Junction	JAAED21	2.960	-0.065	2.930	2.980	2.950	2.975	99	16
ICE Socal, Needles	JAAEE21	2.800	-0.025	2.800	2.800	2.800	2.800	16	10
ICE Socal, sellers' choice delivered incl. CA production	JAAEF21	--	--	--	--	--	--	--	--
ICE Socal, Topock	JAAHD21	--	--	--	--	--	--	--	--
ICE Socal, Topock, El Paso	JAAEG21	--	--	--	--	--	--	--	--
ICE Socal, Topock, Transwestern	JAAEH21	--	--	--	--	--	--	--	--
ICE Socal, Wheeler Ridge	JAAEI21	2.950	+0.020	2.950	2.950	2.950	2.950	10	2
ICE Transwestern, Central Pool	JAAFB21	--	--	--	--	--	--	--	--
ICE Transwestern, Panhandle Pool	JAAFC21	--	--	--	--	--	--	--	--
ICE Transwestern, West Texas Pool	JAAFD21	2.755	+0.035	2.750	2.780	2.750	2.765	101	18
ICE Waha Hub, West Texas (buyer's choice delivered)	JAAFG21	2.770	+0.010	2.755	2.800	2.760	2.780	143	30

ICE GAS DAILY ASSESSMENT RATIONALE

The daily indices for ICE locations are a volume weighted average of ICE Exchange trades submitted to Platts by ICE. No other sources of data are used. Platts editors do not screen the data for outliers or assess prices if there are no transactions. Questions may be directed to Ryan Ouwerkerk at 713-655-2202 or ryan.ouwerkerk@spglobal.com

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Exhibit A-40

Sealed

Exhibit A-41

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2020

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 1-32740

ENERGY TRANSFER LP

(Exact name of registrant as specified in its charter)

Delaware	**30-0108820**
(state or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

8111 Westchester Drive, Suite 600, Dallas, Texas 75225
(Address of principal executive offices) (zip code)
(214) 981-0700
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Units	**ET**	**New York Stock Exchange**

Securities registered pursuant to section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

The aggregate market value as of June 30, 2020, of the registrant's Common Units held by non-affiliates of the registrant, based on the reported closing price of such Common Units on the New York Stock Exchange on such date, was $16.46 billion. Common Units held by each executive officer and director and by each person who owns 5% or more of the outstanding Common Units have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

At February 12, 2021, the registrant had 2,702,436,307 Common Units outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None

CPSE Response in Opp to ET MSJ
Exhibit A-41
MDL-2022-CI-02879
exhibitstricker.com

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Definitions

The following is a list of certain acronyms and terms used throughout this document:

/d	per day
AOCI	accumulated other comprehensive income (loss)
AROs	asset retirement obligations
Bbls	barrels
BBtu	billion British thermal units
Bcf	billion cubic feet
Btu	British thermal unit, an energy measurement used by gas companies to convert the volume of gas used to its heat equivalent, and thus calculate the actual energy content
Capacity	capacity of a pipeline, processing plant or storage facility refers to the 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
CDM	CDM Resource Management LLC and CDM Environmental & Technical Services LLC, collectively
Citrus	Citrus, LLC, a 50/50 joint venture which owns FGT
Dakota Access	Dakota Access, LLC, a less than wholly-owned subsidiary of ETO
DOE	United States Department of Energy
DOJ	United States Department of Justice
DOT	United States Department of Transportation
Enable	Enable Midstream Partners, LP, a Delaware limited partnership
Energy Transfer Canada	Energy Transfer Canada ULC (formerly SemCAMS Midstream ULC), a less than wholly-owned subsidiary of ETO
EPA	United States Environmental Protection Agency
ETC Sunoco	ETC Sunoco Holdings LLC (formerly Sunoco Inc.), a wholly-owned subsidiary of ETO
ETC Tiger	ETC Tiger Pipeline, LLC, a wholly-owned subsidiary of ETO, which owns the Tiger Pipeline
ETO	Energy Transfer Operating, L.P.
ETO Preferred Units	ETO Series A Preferred Units, ETO Series B Preferred Units, ETO Series D Preferred Units, ETO Series E Preferred Units, ETO Series F Preferred Units and ETO Series G Preferred Units, collectively
ETO Series A Preferred Units	6.250% Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units
ETO Series B Preferred Units	6.625% Series B Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units
ETO Series C Preferred Units	7.375% Series C Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units
ETO Series D Preferred Units	7.625% Series D Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units
ETO Series E Preferred Units	7.600% Series E Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units
ETO Series F Preferred Units	6.750% Series F Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Units
ETO Series G Preferred Units	7.125% Series G Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Units

ETP GP	Energy Transfer Partners GP, L.P., the general partner of ETO
ETP Holdco	ETP Holdco Corporation, a wholly-owned subsidiary of ETO
ETP LLC	Energy Transfer Partners, L.L.C., the general partner of ETP GP
Exchange Act	Securities Exchange Act of 1934
ExxonMobil	Exxon Mobil Corporation
FEP	Fayetteville Express Pipeline LLC
FERC	Federal Energy Regulatory Commission
FGT	Florida Gas Transmission Pipeline and/or Florida Gas Transmission Company, LLC, a wholly-owned subsidiary of Citrus
GAAP	accounting principles generally accepted in the United States of America
General Partner	LE GP, LLC, the general partner of ET
HFOTCO	Houston Fuel Oil Terminal Company, a wholly-owned subsidiary of ETO, which owns the Houston Terminal
IDRs	incentive distribution rights
KMI	Kinder Morgan Inc.
Lake Charles LNG	Lake Charles LNG Company, LLC, a wholly-owned subsidiary of ETO
LCL	Lake Charles LNG Export Company, LLC, a wholly-owned subsidiary of ETO
LIBOR	London Interbank Offered Rate
LNG	liquefied natural gas
Lone Star	Lone Star NGL LLC, a wholly-owned subsidiary of ETO
MBbls	thousand barrels
MEP	Midcontinent Express Pipeline LLC
Mid-Valley	Mid-Valley Pipeline Company, a wholly-owned subsidiary of ETO
MMBbls	million barrels
MMcf	million cubic feet
MTBE	methyl tertiary butyl ether
NGL	natural gas liquid, such as propane, butane and natural gasoline
NYMEX	New York Mercantile Exchange
NYSE	New York Stock Exchange
ORS	Ohio River System LLC, a less than wholly-owned subsidiary of ETO
OSHA	Federal Occupational Safety and Health Act
OTC	over-the-counter
Panhandle	Panhandle Eastern Pipe Line Company, LP, a wholly-owned subsidiary of ETO
PCBs	polychlorinated biphenyls
PEP	Permian Express Partners LLC, a less than wholly-owned subsidiary of ETO
PES	Philadelphia Energy Solutions Refining and Marketing LLC
Phillips 66	Phillips 66 Partners LP
PHMSA	Pipeline Hazardous Materials Safety Administration
Regency	Regency Energy Partners LP, a wholly-owned subsidiary of ETO
RIGS	Regency Intrastate Gas System, a wholly-owned subsidiary of ETO

Rover	Rover Pipeline LLC, a less than wholly-owned subsidiary of ETO
Sea Robin	Sea Robin Pipeline Company, LLC, a wholly-owned subsidiary of Panhandle
SEC	Securities and Exchange Commission
SemGroup	SemGroup, LLC (formerly SemGroup Corporation)
Shell	Royal Dutch Shell plc
Southwest Gas	Pan Gas Storage, LLC (d.b.a. Southwest Gas Storage Company)
SPLP	Sunoco Pipeline L.P., a wholly-owned subsidiary of ETO
Sunoco Logistics Operations	Sunoco Logistics Partners Operations L.P, a wholly-owned subsidiary of ETO
Sunoco (R&M)	Sunoco (R&M), LLC
Transwestern	Transwestern Pipeline Company, LLC, a wholly-owned subsidiary of ETO
TRRC	Texas Railroad Commission
Trunkline	Trunkline Gas Company, LLC, a wholly-owned subsidiary of Panhandle
Unitholders	holders of Energy Transfer LP common units
USAC	USA Compression Partners, LP, a subsidiary of ETO
WMB	The Williams Companies, Inc.
White Cliffs	White Cliffs Pipeline, L.L.C.

Adjusted EBITDA is a term used throughout this document, which we define as total Partnership earnings before interest, taxes, depreciation, depletion, amortization and other non-cash items, such as non-cash compensation expense, gains and losses on disposals of assets, the allowance for equity funds used during construction, unrealized gains and losses on commodity risk management activities, inventory valuation adjustments, non-cash impairment charges, losses on extinguishments of debt and other non-operating income or expense items. Adjusted EBITDA reflect amounts for unconsolidated affiliates based on the same recognition and measurement methods used to record equity in earnings of unconsolidated affiliates. Adjusted EBITDA related to unconsolidated affiliates excludes the same items with respect to the unconsolidated affiliate as those excluded from the calculation of Segment Adjusted EBITDA and consolidated Adjusted EBITDA, such as interest, taxes, depreciation, depletion, amortization and other non-cash items. Although these amounts are excluded from Adjusted EBITDA related to unconsolidated affiliates, such exclusion should not be understood to imply that we have control over the operations and resulting revenues and expenses of such affiliates. We do not control our unconsolidated affiliates; therefore, we do not control the earnings or cash flows of such affiliates. The use of Segment Adjusted EBITDA or Adjusted EBITDA related to unconsolidated affiliates as an analytical tool should be limited accordingly.

Forward-Looking Statements

Certain matters discussed in this report, excluding historical information, as well as some statements by Energy Transfer LP (the “Partnership” or “ET”) in periodic press releases and some oral statements of the Partnership’s officials during presentations about the Partnership, include forward-looking statements. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. Statements using words such as “anticipate,” “project,” “expect,” “plan,” “goal,” “forecast,” “estimate,” “intend,” “continue,” “could,” “believe,” “may,” “will” or similar expressions help identify forward-looking statements. Although the Partnership and its General Partner believe such forward-looking statements are based on reasonable assumptions and current expectations and projections about future events, no assurance can be given that such assumptions, expectations or projections will prove to be correct. Forward-looking statements are subject to a variety of risks, uncertainties and assumptions. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, the Partnership’s actual results may vary materially from those anticipated, estimated, projected, forecasted, expressed or expected in forward-looking statements since many of the factors that determine these results are subject to uncertainties and risks that are difficult to predict and beyond management’s control. For additional discussion of risks, uncertainties and assumptions, see the risk factor summary below and “Item 1A. Risk Factors” included in this annual report.

Risk Factor Summary

Summary of Risks Related to the Partnership's Business

Results of Operations and Financial Condition. Our results of operations and financial condition could be impacted by many risks that are beyond our control, including the following:

- fluctuations in the demand for and price of natural gas, NGLs, crude oil and refined products;
- the outbreak of COVID-19 and recent geopolitical developments in the crude oil market;
- failure to successfully combine the businesses of Energy Transfer and Enable;
- an impairment of goodwill and intangible assets;
- an interruption of supply of crude oil to our facilities;
- the loss of any key producers or customers;
- failure to retain or replace existing customers or volumes due to declining demand or increased competition;
- unfavorable changes in natural gas price spreads between two or more physical locations;
- production declines over time, which we may not be able to replace with production from newly drilled wells;
- our customers' ability to use our pipelines and third-party pipelines over which we have no control;
- the inability to access or continue to access lands owned by third parties;
- the overall forward market for crude oil and other products we store;
- a natural disaster, catastrophe, terrorist attack or other similar event;
- union disputes and strikes or work stoppages by unionized employees;
- cybersecurity breaches and other disruptions or failures of our information systems;
- failure to establish or maintain adequate corporate governance;
- product liability claims and litigation;
- actions taken by certain of our joint ventures that we do not control;
- increasing levels of congestion in the Houston Ship Channel;
- the costs of providing pension and other postretirement health care benefits and related funding requirements;
- mergers among customers and competitors;
- fraudulent activity or misuse of proprietary data involving our outsourcing partners; and
- failure of the liquefaction project to secure long-term contractual arrangements or necessary approvals.

Indebtedness. Our business, results of operations, cash flows and financial condition, as well as our ability to make distributions, could be impacted by the following:

- our debt level and debt agreements, or increases in interest rates;
- changes in LIBOR reporting practices or the method in which LIBOR is determined;
- the credit and risk profile of our general partner and its owners;
- a downgrade of our credit ratings; and
- losses resulting from the use of derivative financial instruments.

Capital Projects and Future Growth. Our business, results of operations, cash flows, financial condition, and future growth could be impacted by the following:

- failure to make acquisitions on economically acceptable terms, or to successfully integrate acquired assets;
- failure to secure debt and equity financing for capital projects on acceptable terms;
- failure to construct new pipelines or to do so efficiently;
- failure to execute our growth strategy due to increased competition within any of our core businesses; and
- failure to attract and retain qualified employees.

Regulatory Matters. Our business, results of operations, cash flows, financial condition, and future growth could be impacted by the following:

- increased regulation of hydraulic fracturing or produced water disposal;
- legal or regulatory actions related to the Dakota Access Pipeline;
- competition for water resources or limitations on water usage for hydraulic fracturing;
- laws, regulations and policies governing the rates, terms and conditions of our services;
- failure to recover the full amount of increases in the costs of our pipeline operations;
- imposition of regulation on assets not previously subject to regulation;
- costs and liabilities resulting from performance of pipeline integrity programs and related repairs;
- new or more stringent pipeline safety controls or enforcement of legal requirements;
- costs and liabilities associated with environmental and worker health and safety laws and regulations;
- climate change legislation or regulations restricting emissions of greenhouse gases;
- regulatory provisions of the Dodd-Frank Act and the rules adopted thereunder;

- deepwater drilling laws and regulations, delays in the processing and approval of drilling permits and exploration, development, oil spill-response and decommissioning plans, and related developments; and
- laws and regulations governing the specifications of products that we store and transport.

Risks Relating to Our Partnership Structure

Cash Distributions to Unitholders. Our cash distributions could be impacted by the following:

- cash distributions are not guaranteed and may fluctuate with our performance and other external factors;
- limitations on available cash that are imposed by our distribution policy;
- our general partner's absolute discretion in determining the level of cash reserves; and
- unitholders' potential liability to repay distributions.

Our General Partner. Our stakeholders could be impacted by risks related to our general partner, including:

- transfer of control of our general partner to a third party without unitholder consent; and
- substantial cost reimbursements due to our general partner.

Our Subsidiaries. Risks that are unique to our subsidiaries and/or our relationship to our subsidiaries could reduce our subsidiaries' cash available for distributions to us, including:

- the potential issuance of additional common units by Sunoco LP or USAC;
- a significant decrease in demand for or the price of motor fuel in the areas Sunoco LP serves;
- seasonal industry trends, which may cause Sunoco LP's operating costs to fluctuate;
- disruptions in Sunoco LP's operations due to dangers inherent in motor fuel transportation;
- adverse publicity for Sunoco LP resulting from negative events or developments;
- increased costs to retain necessary land use, which could disrupt Sunoco LP's operations; and
- federal, state and local laws and regulations that govern the industries in which our subsidiaries operate.

Risks Related to Conflicts of Interest. Our stakeholders could be impacted by conflicts of interest, including:

- our general partner may favor its own interests to the detriment of our Unitholders;
- fiduciary duties owed to Sunoco LP, USAC and their respective unitholders by their general partners; and
- potential conflicts of interest faced by directors and officers in managing our business.

Tax Risks. Our stakeholders could be impacted by tax risks, including:

- our tax treatment depends on our status as a partnership for federal income tax purposes, and not being subject to a material amount of entity-level taxation;
- our cash available for distribution to Unitholders may be substantially reduced if we become subject to entity-level taxation as a result of the Internal Revenue Service ("IRS") treating us as a corporation or legislative, judicial or administrative changes, and may also be reduced by any audit adjustments if imposed directly on the partnership;
- even if Unitholders do not receive any cash distributions from us, Unitholders will be required to pay taxes on their share of our taxable income;
- a Unitholder's share of our taxable income may be increased as a result of the IRS successfully contesting any of the federal income tax positions we take; and
- tax-exempt entities and non-U.S. Unitholders face unique tax issues from owning our common units that may result in adverse tax consequences to them.

PART I

ITEM 1. BUSINESS

Overview

We are a Delaware limited partnership with common units publicly traded on the NYSE under the ticker symbol “ET.”

Unless the context requires otherwise, references to “we,” “us,” “our,” the “Partnership,” “ET” and “Energy Transfer” mean Energy Transfer LP and its consolidated subsidiaries, which include ETO, ETP GP, ETP LLC, Panhandle, Sunoco LP, USAC and Lake Charles LNG. References to the “Parent Company” mean Energy Transfer LP on a stand-alone basis.

The primary activities in which we are engaged, which are in the United States and Canada, and the operating subsidiaries through which we conduct those activities are as follows:

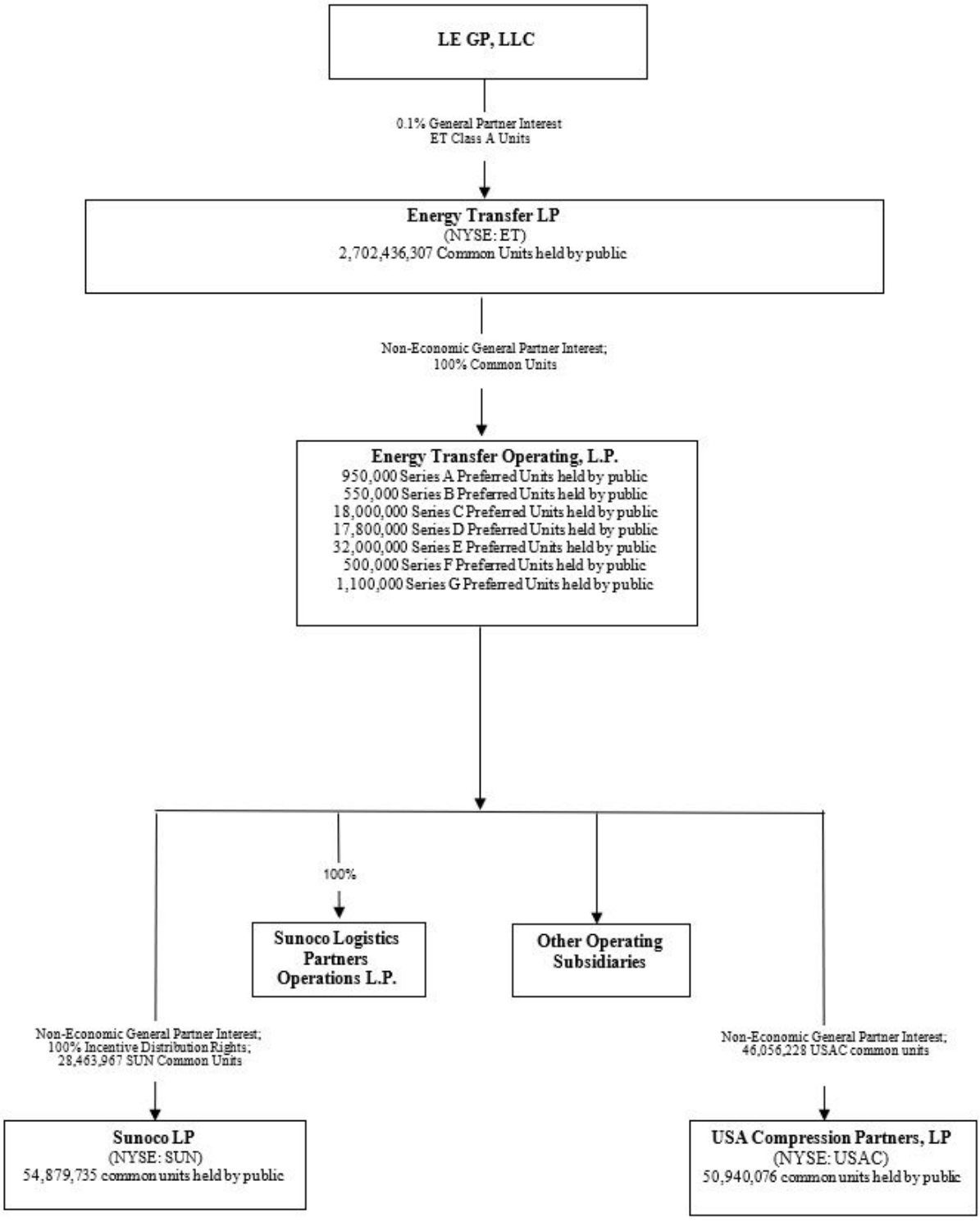
- natural gas operations, including the following:
  - natural gas midstream and intrastate transportation and storage;
  - interstate natural gas transportation and storage; and
- crude oil, NGL and refined products transportation, terminalling services and acquisition and marketing activities, as well as NGL storage and fractionation services.

In addition, we own investments in other businesses, including Sunoco LP and USAC, both of which are publicly traded master limited partnerships.

Substantially all of the Partnership’s cash flows are derived from distributions related to its investment in ETO, whose cash flows are derived from its subsidiaries, including ETO’s investments in Sunoco LP and USAC. The Parent Company’s primary cash requirements are for distributions to its partners, general and administrative expenses and debt service requirements. The Parent Company-only assets and liabilities are not available to satisfy the debts and other obligations of its subsidiaries. The Parent Company distributes its available cash remaining after satisfaction of the aforementioned cash requirements to its Unitholders on a quarterly basis.

We expect our subsidiaries to utilize their resources, along with cash from their operations, to fund their announced growth capital expenditures and working capital needs; however, the Parent Company may issue debt or equity securities from time to time as we deem prudent to provide liquidity for new capital projects of our subsidiaries or for other partnership purposes.

The following chart summarizes our organizational structure as of February 12, 2021. For simplicity, certain immaterial entities and ownership interests have not been depicted.



Unless the context requires otherwise, the Partnership and its subsidiaries are collectively referred to in this report as “we,” “us,” “ET,” “Energy Transfer” or “the Partnership.”

Significant Achievements in 2020 and Beyond

- During the third quarter of 2020, the Partnership completed its Lone Star Express expansion under budget and ahead of schedule.
- During this first quarter of 2020, we completed the integration of the recently acquired SemGroup business and we began to realize financial savings from those actions.
- During the fourth quarter of 2020, the Partnership completed construction of the Orbit Gulf Coast export terminal at Nederland and in January of 2021 loaded the first Very Large Ethane Carrier (“VLEC”) with 911,000 barrels of ethane destined for the northeastern Jiangsu Province, China.
- In February 2021, the Partnership announced its entry into a definitive merger agreement to acquire Enable.

Segment Overview

See Note 17 to our consolidated financial statements in “Item 8. Financial Statements and Supplementary Data” for additional financial information about our segments.

Intrastate Transportation and Storage Segment

Natural gas transportation pipelines receive natural gas from other mainline transportation pipelines, storage facilities and gathering systems and deliver the natural gas to industrial end-users, storage facilities, utilities, power generators and other third-party pipelines. Through our intrastate transportation and storage segment, we own and operate (through wholly-owned subsidiaries or through joint venture interests) approximately 9,400 miles of natural gas transportation pipelines with approximately 22 Bcf/d of transportation capacity and three natural gas storage facilities located in the state of Texas.

Energy Transfer operates one of the largest intrastate pipeline systems in the United States providing energy logistics to major trading hubs and industrial consumption areas throughout the United States. Our intrastate transportation and storage segment focuses on the transportation of natural gas to major markets from various prolific natural gas producing areas (Permian, Barnett, Haynesville and Eagle Ford Shale) through our Oasis pipeline, our ETC Katy pipeline, our natural gas pipeline and storage systems that are referred to as the ET Fuel System, and our HPL System, as further described below.

Our intrastate transportation and storage segment’s results are determined primarily by the amount of capacity our customers reserve as well as the actual volume of natural gas that flows through the transportation pipelines. Under transportation contracts, our customers are charged (i) a demand fee, which is a fixed fee for the reservation of an agreed amount of capacity on the transportation pipeline for a specified period of time and which obligates the customer to pay a fee even if the customer does not transport natural gas on the respective pipeline, (ii) a transportation fee, which is based on the actual throughput of natural gas by the customer, (iii) fuel retention based on a percentage of gas transported on the pipeline, or (iv) a combination of the three, generally payable monthly.

We also generate revenues and margin from the sale of natural gas to electric utilities, independent power plants, local distribution companies, industrial end-users and marketing companies on our HPL System. Generally, we purchase natural gas from either the market (including purchases from our marketing operations) or from producers at the wellhead. To the extent the natural gas comes from producers, it is primarily purchased at a discount to a specified market price and typically resold to customers based on an index price. In addition, our intrastate transportation and storage segment generates revenues from fees charged for storing customers’ working natural gas in our storage facilities and from managing natural gas for our own account.

Interstate Transportation and Storage Segment

Natural gas transportation pipelines receive natural gas from supply sources including other transportation pipelines, storage facilities and gathering systems and deliver the natural gas to industrial end-users and other pipelines. Through our interstate transportation and storage segment, we directly own and operate approximately 12,340 miles of interstate natural gas pipelines with approximately 10.7 Bcf/d of transportation capacity and another approximately 6,780 miles and 10.7 Bcf/d of transportation capacity through joint venture interests.

ETO’s vast interstate natural gas network spans the United States from Florida to California and Texas to Michigan, offering a comprehensive array of pipeline and storage services. Our pipelines have the capability to transport natural gas from nearly all Lower 48 onshore and offshore supply basins to customers in the Southeast, Gulf Coast, Southwest, Midwest, Northeast and Canada. Through numerous interconnections with other pipelines, our interstate systems can access virtually any supply or

market in the country. As discussed further herein, our interstate segment operations are regulated by the FERC, which has broad regulatory authority over the business and operations of interstate natural gas pipelines.

Lake Charles LNG, our wholly-owned subsidiary, owns an LNG import terminal and regasification facility located on Louisiana's Gulf Coast near Lake Charles, Louisiana. The import terminal has approximately 9.0 Bcf of above ground storage capacity and the regasification facility has a send out capacity of 1.8 Bcf/d. Lake Charles LNG derives all of its revenue from a series of long-term contracts with a wholly-owned subsidiary of Shell.

LCL, a wholly-owned subsidiary of ETO, is currently developing a natural gas liquefaction facility for the export of LNG. The project would utilize existing dock and storage facilities owned by Lake Charles LNG located on the Lake Charles site. LCL entered into a prior development agreement with Shell in March 2019; however, Shell withdrew from the project in March 2020 due to adverse market factors affecting Shell's business following the onset of the COVID-19 pandemic. We intend to continue to develop the project, possibly in conjunction with one or more equity partners, and we plan to evaluate a variety of alternatives to advance the project, including the possibility of reducing the size of the project from three trains (16.45 million tonnes per annum of LNG capacity) to two trains (11.0 million tonnes per annum). The project as currently designed is fully permitted by federal, state and local authorities, has all necessary export licenses and benefits from the infrastructure related to the existing regasification facility at the same site, including four LNG storage tanks, two deep water docks and other assets. In light of the existing brownfield infrastructure and the advanced state of the development of the project, we plan to continue to pursue the project on a disciplined, cost effective basis, and ultimately we will determine whether to make a final investment decision to proceed with the project based on market conditions, capital expenditure considerations and our success in securing equity participation by third parties as well as long-term LNG offtake commitments on satisfactory terms.

The results from our interstate transportation and storage segment are primarily derived from the fees we earn from natural gas transportation and storage services.

Midstream Segment

The midstream industry consists of natural gas gathering, compression, treating, processing, storage, and transportation, and is generally characterized by regional competition based on the proximity of gathering systems and processing plants to natural gas producing wells and the proximity of storage facilities to production areas and end-use markets. Gathering systems generally consist of a network of small diameter pipelines and, if necessary, compression systems, that collect natural gas from points near producing wells and transports it to larger pipelines for further transportation.

Treating plants remove carbon dioxide and hydrogen sulfide from natural gas that is higher in carbon dioxide, hydrogen sulfide or certain other contaminants, to ensure that it meets pipeline quality specifications. Natural gas processing involves the separation of natural gas into pipeline quality natural gas, or residue gas, and a mixed NGL stream. Some natural gas produced by a well does not meet the pipeline quality specifications established by downstream pipelines or is not suitable for commercial use and must be processed to remove the mixed NGL stream. In addition, some natural gas can be processed to take advantage of favorable margins for NGLs extracted from the gas stream.

Through our midstream segment, we own and operate natural gas gathering and NGL pipelines, natural gas processing plants, natural gas treating facilities and natural gas conditioning facilities with an aggregate processing capacity of approximately 8.7 Bcf/d. Our midstream segment focuses on the gathering, compression, treating, blending, and processing, and our operations are currently concentrated in major producing basins and shales in South Texas, West Texas, New Mexico, North Texas, East Texas, West Virginia, Pennsylvania, Ohio, Oklahoma, Kansas and Louisiana. Many of our midstream assets are integrated with our intrastate transportation and storage assets.

Our midstream segment also includes a 60% interest in Edwards Lime Gathering, LLC, which operates natural gas gathering, oil pipeline and oil stabilization facilities in South Texas and a 75% membership interest in ORS, which operates a natural gas gathering system in the Utica shale in Ohio.

Our midstream segment results are derived primarily from margins we earn for natural gas volumes that are gathered, transported, purchased and sold through our pipeline systems and the natural gas and NGL volumes processed at our processing and treating facilities.

NGL and Refined Products Transportation and Services Segment

Our NGL operations transport, store and execute acquisition and marketing activities utilizing a complementary network of pipelines, storage and blending facilities, and strategic off-take locations that provide access to multiple NGL markets.

Our NGL and refined products transportation and services segment includes:

- approximately 4,823 miles of NGL pipelines;
- Nederland Terminal and connecting pipelines which provide transportation of ethane, propane, butane and natural gasoline from our Mont Belvieu Facility to our Nederland Terminal where these products can be exported;
- Marcus Hook Terminal which includes fractionation, storage and exporting assets. This facility is connected to our Mariner East pipeline system, which provides for the transportation of ethane and LPG products from western Pennsylvania, West Virginia and eastern Ohio to our Marcus Hook Terminal where these component products can be exported, processed or locally distributed;
- NGL and propane fractionation facilities with an aggregate capacity of 975 MBbls/d;
- NGL storage facility in Mont Belvieu with a working storage capacity of approximately 50 MMBbls; and
- other NGL storage assets, located at our Cedar Bayou and Hattiesburg storage facilities, and our Nederland, Marcus Hook and Inkster NGL terminals with an aggregate storage capacity of approximately 17 MMBbls.

In the first quarter of 2020, we completed and placed into operation a seventh fractionator at our Mont Belvieu facility. In addition, we placed into service the Lone Star Express pipeline in the third quarter of 2020. The NGL pipelines primarily transport NGLs from the Permian and Delaware basins and the Barnett and Eagle Ford Shales to Mont Belvieu.

NGL terminalling services are facilitated by approximately 10 MMBbls of NGL storage capacity. These operations also support our liquids blending activities, including the use of our patented butane blending technology. Refined products operations provide transportation and terminalling services through the use of approximately 2,918 miles of refined products pipelines and 37 active refined products marketing terminals. Our marketing terminals are located primarily in the northeast, midwest and southwest United States, with approximately 8 MMBbls of refined products storage capacity. Our refined products operations utilize our integrated pipeline and terminalling assets, as well as acquisition and marketing activities, to service refined products markets in several regions throughout the United States. The mix of products delivered through our refined products pipelines varies seasonally, with gasoline demand peaking during the summer months, and demand for heating oil and other distillate fuels peaking in the winter. The products transported in these pipelines include multiple grades of gasoline and middle distillates, such as heating oil, diesel and jet fuel. Rates for shipments on these product pipelines are regulated by the FERC and other state regulatory agencies, as applicable.

Revenues in this segment are principally generated from fees charged to customers under dedicated contracts 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 a fixed volume is transported. Fees are market-based, negotiated with customers and competitive with regional regulated pipelines and fractionators. Storage revenues are derived from base storage and throughput fees. This segment also derives revenues from the marketing of NGLs and processing and fractionating refinery off-gas.

Crude Oil Transportation and Services Segment

Our crude oil operations provide transportation (via pipeline and trucking), terminalling and acquisition and marketing services to crude oil markets throughout the southwest, midwest, northwestern and northeastern United States. Through our crude oil transportation and services segment, we own and operate (through wholly-owned subsidiaries or joint venture interests) approximately 10,850 miles of crude oil trunk and gathering pipelines in the southwest and midwest United States. This segment includes equity ownership interests in four crude oil pipelines, the Bakken Pipeline system, Bayou Bridge Pipeline, White Cliffs Pipeline and Maurepas Pipeline. Our crude oil terminalling services operate with an aggregate storage capacity of approximately 71 MMBbls, including approximately 29 MMBbls at our Gulf Coast terminal in Nederland, Texas, approximately 18.2 MMBbls at our Gulf coast terminal on the Houston Ship Channel and approximately 7.7 MMBbls at our Cushing facility in Cushing, Oklahoma. Our crude oil acquisition and marketing activities utilize our pipeline and terminal assets, our proprietary fleet crude oil tractor trailers and truck unloading facilities, as well as third-party assets, to service crude oil markets principally in the midcontinent United States.

Revenues throughout our crude oil pipeline systems are generated from tariffs paid by shippers utilizing our transportation services. These tariffs are filed with the FERC and other state regulatory agencies, as applicable.

Our crude oil acquisition and marketing activities include the gathering, purchasing, marketing and selling of crude oil. Specifically, the crude oil acquisition and marketing activities include:

- purchasing crude oil at both the wellhead from producers, and in bulk from aggregators at major pipeline interconnections and trading locations;

- storing inventory during contango market conditions (when the price of crude oil for future delivery is higher than current prices);
- buying and selling crude oil of different grades at different locations in order to maximize value;
- transporting crude oil using the pipelines, terminals and trucks or, when necessary or cost effective, pipelines, terminals or trucks owned and operated by third parties; and
- marketing crude oil to major integrated oil companies, independent refiners and resellers through various types of sale and exchange transactions.

Investment in Sunoco LP

Sunoco LP is engaged in the distribution of motor fuels to independent dealers, distributors, and other commercial customers and the distribution of motor fuels to end-user customers at retail sites operated by commission agents. Additionally, it receives rental income through the leasing or subleasing of real estate used in the retail distribution of motor fuel. Sunoco LP also operates 78 retail stores located in Hawaii and New Jersey.

Sunoco LP is a distributor of motor fuels and other petroleum products which Sunoco LP supplies to third-party dealers and distributors, to independent operators of commission agent locations and other commercial consumers of motor fuel. Also included in the wholesale operations are transmix processing plants and refined products terminals. Transmix is the mixture of various refined products (primarily gasoline and diesel) created in the supply chain (primarily in pipelines and terminals) when various products interface with each other. Transmix processing plants separate this mixture and return it to salable products of gasoline and diesel.

Sunoco LP is the exclusive wholesale supplier of the Sunoco-branded motor fuel, supplying an extensive distribution network of approximately 5,556 Sunoco-branded company and third-party operated locations throughout the East Coast, Midwest, South Central and Southeast regions of the United States. Sunoco LP believes it is one of the largest independent motor fuel distributors of Chevron, ExxonMobil and Valero branded motor fuel in the United States. In addition to distributing motor fuels, Sunoco LP also distributes other petroleum products such as propane and lubricating oil, and Sunoco LP receives rental income from real estate that it leases or subleases.

Sunoco LP operations primarily consist of fuel distribution and marketing.

Investment in USAC

USAC provides natural gas compression services throughout the United States, including the Utica, Marcellus, Permian Basin, Delaware Basin, Eagle Ford, Mississippi Lime, Granite Wash, Woodford, Barnett, Haynesville, Niobrara and Fayetteville shales. USAC provides compression services to its customers primarily in connection with infrastructure applications, including both allowing for the processing and transportation of natural gas through the domestic pipeline system and enhancing crude oil production through artificial lift processes. As such, USAC's compression services play a critical role in the production, processing and transportation of both natural gas and crude oil. As of December 31, 2020, USAC had 3,726,181 horsepower in its fleet.

USAC operates a modern fleet of compression units, with an average age of approximately seven years. USAC's standard new-build compression units are generally configured for multiple compression stages allowing USAC to operate its units across a broad range of operating conditions. As part of USAC's services, it engineers, designs, operates, services and repairs its compression units and maintains related support inventory and equipment.

USAC provides compression services to its customers under fixed-fee contracts with initial contract terms typically between six months and five years, depending on the application and location of the compression unit. USAC typically continues to provide compression services at a specific location beyond the initial contract term, either through contract renewal or on a month-to-month or longer basis. USAC primarily enters into fixed-fee contracts whereby its customers are required to pay a monthly fee even during periods of limited or disrupted throughput, which enhances the stability and predictability of its cash flows. USAC is not directly exposed to commodity price risk because it does not take title to the natural gas or crude oil involved in its services and because the natural gas used as fuel by its compression units is supplied by its customers without cost to USAC.

USAC's assets and operations are all located and conducted in the United States.

All Other Segment

Our "All Other" segment includes the following:

- Our marketing operations in which we market the natural gas that flows through our gathering and intrastate transportation assets, referred to as on-system gas. We also attract other customers by marketing volumes of natural gas that do not move through our assets, referred to as off-system gas. For both on-system and off-system gas, we purchase natural gas from natural gas producers and other suppliers and sell that natural gas to utilities, industrial consumers, other marketers and pipeline companies, thereby generating gross margins based upon the difference between the purchase and resale prices of natural gas, less the costs of transportation. For the off-system gas, we purchase gas or act as an agent for small independent producers that may not have marketing operations.
- Our natural gas compression equipment business which has operations in Arkansas, California, Colorado, Louisiana, New Mexico, Oklahoma, Pennsylvania and Texas.
- Our wholly-owned subsidiary, Dual Drive Technologies, Ltd. ("DDT"), which provides compression services to customers engaged in the transportation of natural gas, including our other segments.
- Our subsidiaries are involved in the management of coal and natural resources properties and the related collection of royalties. We also earn revenues from other land management activities, such as selling standing timber, leasing coal-related infrastructure facilities, and collecting oil and gas royalties. These operations also include end-user coal handling facilities.
- PEI Power LLC and PEI Power II LLC, which own and operate a facility in Pennsylvania that generates a total of 75 megawatts of electrical power.
- Our 51% ownership interest in Energy Transfer Canada, which owns and operates natural gas processing and gathering facilities in Alberta, Canada.

Asset Overview

The descriptions below include summaries of significant assets within the Partnership's reportable segments. Amounts, such as capacities, volumes and miles included in the descriptions below are approximate and are based on information currently available; such amounts are subject to change based on future events or additional information.

Intrastate Transportation and Storage

The following details our pipelines and storage facilities in the intrastate transportation and storage segment:

Description of Assets	Ownership Interest	Miles of Natural Gas Pipeline	Pipeline Throughput Capacity (Bcf/d)	Working Storage Capacity (Bcf/d)
ET Fuel System	100 %	3,150	5.2	11.2
Oasis Pipeline [1]	100 %	750	2.0	—
HPL System	100 %	3,920	5.3	52.5
ETC Katy Pipeline	100 %	460	2.9	—
Regency Intrastate Gas	100 %	450	2.1	—
Comanche Trail Pipeline	16 %	195	1.1	—
Trans-Pecos Pipeline	16 %	143	1.4	—
Old Ocean Pipeline, LLC	50 %	240	0.2	—
Red Bluff Express Pipeline	70 %	108	1.4	—

[1] Includes bi-directional capabilities

The following information describes our principal intrastate transportation and storage assets:

- The ET Fuel System serves some of the most prolific production areas in the United States and is comprised of intrastate natural gas pipeline and related natural gas storage facilities. The ET Fuel System has many interconnections with pipelines providing direct access to power plants, other intrastate and interstate pipelines, and has bi-directional capabilities. It is strategically located near high-growth production areas and provides access to the three major natural gas trading centers in Texas, the Waha Hub near Pecos, Texas, the Maypearl Hub in Central Texas and the Carthage Hub in East Texas.

The ET Fuel System also includes our Bethel natural gas storage facility, with a working capacity of 6.0 Bcf, an average withdrawal capacity of 300 MMcf/d and an injection capacity of 75 MMcf/d, and our Bryson natural gas storage facility, with a working capacity of 5.2 Bcf, an average withdrawal capacity of 120 MMcf/d and an average injection capacity of 96 MMcf/d. Storage capacity on the ET Fuel System is contracted to third parties under fee-based arrangements that extend through 2023.

In addition, the ET Fuel System is integrated with our Godley processing plant which gives us the ability to bypass the plant when processing margins are unfavorable by blending the untreated natural gas from the North Texas System with natural gas on the ET Fuel System while continuing to meet pipeline quality specifications.

- The Oasis Pipeline is primarily a 36-inch natural gas pipeline. It has bi-directional capabilities with approximately 1.3 Bcf/d of throughput capacity moving west-to-east and greater than 750 MMcf/d of throughput capacity moving east-to-west. The Oasis pipeline connects to the Waha and Katy market hubs and has many interconnections with other pipelines, power plants, processing facilities, municipalities and producers.

  The Oasis pipeline is integrated with our gathering system known as the Southeast Texas System and is an important component to maximizing our Southeast Texas System's profitability. The Oasis pipeline enhances the Southeast Texas System by (i) providing access for natural gas gathered on the Southeast Texas System to other third-party supply and market points and interconnecting pipelines and (ii) allowing us to bypass our processing plants and treating facilities on the Southeast Texas System when processing margins are unfavorable by blending untreated natural gas from the Southeast Texas System with gas on the Oasis pipeline while continuing to meet pipeline quality specifications.

- The HPL System is an extensive network of intrastate natural gas pipelines, an underground Bammel storage reservoir and related transportation assets. The system has access to multiple sources of historically significant natural gas supply reserves from South Texas, the Gulf Coast of Texas, East Texas and the western Gulf of Mexico, and is directly connected to major gas distribution, electric and industrial load centers in Houston, Corpus Christi, Texas City, Beaumont and other cities located along the Gulf Coast of Texas. The HPL System is well situated to gather and transport gas in many of the major gas producing areas in Texas including a strong presence in the key Houston Ship Channel and Katy Hub markets, allowing us to play an important role in the Texas natural gas markets. The HPL System also offers its shippers off-system opportunities due to its numerous interconnections with other pipeline systems, its direct access to multiple market hubs at Katy, the Houston Ship Channel, Carthage and Agua Dulce, as well as our Bammel storage facility.

  The Bammel storage facility has a total working gas capacity of approximately 52.5 Bcf, a peak withdrawal rate of 1.3 Bcf/d and a peak injection rate of 0.6 Bcf/d. The Bammel storage facility is located near the Houston Ship Channel market area and the Katy Hub, and is ideally suited to provide a physical backup for on-system and off-system customers. As of December 31, 2020, we had approximately 19.0 Bcf committed under fee-based arrangements with third parties and approximately 28.7 Bcf stored in the facility for our own account.

- The ETC Katy Pipeline connects three treating facilities, one of which we own, with our gathering system known as Southeast Texas System. The ETC Katy pipeline serves producers in East and North Central Texas and provided access to the Katy Hub. The ETC Katy pipeline expansions include the 36-inch East Texas extension to connect our Reed compressor station in Freestone County to our Grimes County compressor station, the 36-inch Katy expansion connecting Grimes to the Katy Hub, and the 42-inch Southeast Bossier pipeline connecting our Cleburne to Carthage pipeline to the HPL System.

- RIGS is a 450-mile intrastate pipeline that delivers natural gas from northwest Louisiana to downstream pipelines and markets.

- Comanche Trail Pipeline is a 195-mile intrastate pipeline that delivers natural gas from the Waha Hub near Pecos, Texas to the United States/Mexico border near San Elizario, Texas. The Partnership owns a 16% membership interest in and operates Comanche Trail.

- Trans-Pecos Pipeline is a 143-mile intrastate pipeline that delivers natural gas from the Waha Hub near Pecos, Texas to the United States/Mexico border near Presidio, Texas. The Partnership owns a 16% membership interest in and operates Trans-Pecos.

- Old Ocean is a 240-mile intrastate pipeline system that delivers natural gas from Ellis County, Texas to Brazoria County, Texas. The Partnership owns a 50% membership interest in and operates Old Ocean.

- The Red Bluff Express Pipeline is an approximately 108-mile intrastate pipeline that runs through the heart of the Delaware basin and connects our Orla Plant, as well as third-party plants to the Waha Oasis Header. The Partnership owns a 70% membership interest in and operates Red Bluff Express.

Interstate Transportation and Storage

The following details our pipelines in the interstate transportation and storage segment:

Description of Assets	Ownership Interest	Miles of Natural Gas Pipeline	Pipeline Throughput Capacity (Bcf/d)	Working Gas Capacity (Bcf/d)
Florida Gas Transmission	50 %	5,362	3.5	—
Transwestern Pipeline	100 %	2,614	2.1	—
Panhandle Eastern Pipe Line [(1)]	100 %	6,298	2.8	73.4
Trunkline Gas Company	100 %	2,190	0.9	13.0
Tiger Pipeline	100 %	197	2.4	—
Fayetteville Express Pipeline	50 %	185	2.0	—
Sea Robin Pipeline	100 %	740	2.0	—
Stingray Pipeline	100 %	287	0.4	—
Rover Pipeline	32.6 %	719	3.4	—
Midcontinent Express Pipeline	50 %	512	1.8	—
Gulf States Transmission	100 %	10	0.1	—

(1) Natural gas storage assets are owned by Southwest Gas.

The following information describes our principal interstate transportation and storage assets:

- Florida Gas Transmission Pipeline (“FGT”) has mainline capacity of 3.5 Bcf/d and approximately 5,362 miles of pipelines extending from south Texas through the Gulf Coast region of the United States to south Florida. The FGT system receives natural gas from various onshore and offshore natural gas producing basins. FGT is the principal transporter of natural gas to the Florida energy market, delivering approximately 60% of the natural gas consumed in the state. In addition, FGT’s system operates and maintains multiple interconnects with major interstate and intrastate natural gas pipelines, which provide FGT’s customers access to diverse natural gas producing regions. FGT’s customers include electric utilities, independent power producers, industrial end-users and local distribution companies. FGT is owned by Citrus, a 50/50 joint venture with KMI.
- Transwestern Pipeline transports natural gas supply from the Permian Basin in West Texas and eastern New Mexico, the San Juan Basin in northwestern New Mexico and southern Colorado, and the Anadarko Basin in the Texas and Oklahoma panhandles. The system has bi-directional capabilities and can access Texas and Midcontinent natural gas market hubs, as well as major western markets in Arizona, Nevada and California. Transwestern’s customers include local distribution companies, producers, marketers, electric power generators and industrial end-users.
- Panhandle Eastern Pipe Line’s transmission system consists of four large diameter pipelines with bi-directional capabilities, extending approximately 1,300 miles from producing areas in the Anadarko Basin of Texas, Oklahoma and Kansas through Missouri, Illinois, Indiana, Ohio and into Michigan. Panhandle contracts for over 73 Bcf of natural gas storage.
- Trunkline Gas Company’s transmission system consists of one large diameter pipeline with bi-directional capabilities, extending approximately 1,400 miles from the Gulf Coast areas of Texas and Louisiana through Arkansas, Mississippi, Tennessee, Kentucky, Illinois, Indiana and Michigan. Trunkline has one natural gas storage field located in Louisiana.
- Tiger Pipeline is a bi-directional system that extends through the heart of the Haynesville Shale and ends near Delhi, Louisiana, interconnecting with multiple interstate pipelines.
- Fayetteville Express Pipeline originates near Conway County, Arkansas and continues eastward to Panola County, Mississippi with multiple pipeline interconnections along the route. Fayetteville Express Pipeline is owned by a 50/50 joint venture with KMI.
- Sea Robin Pipeline’s system consists of two offshore Louisiana natural gas supply pipelines extending 120 miles into the Gulf of Mexico.
- Stingray Pipeline is an interstate natural gas pipeline system with related assets located in the western Gulf of Mexico and Johnson Bayou, Louisiana. Stingray has recently filed with the FERC to abandon a portion of its system to be used in non-

gas service and the remaining portion to be operated as a non-FERC-regulated gathering system. The proceeding is pending a decision from FERC.

- Rover Pipeline is a large diameter pipeline with total capacity to transport 3.4 Bcf/d natural gas from processing plants in West Virginia, Eastern Ohio and Western Pennsylvania for delivery to other pipeline interconnects in Ohio and Michigan, where the gas is delivered for distribution to markets across the United States, as well as to Ontario, Canada.
- Midcontinent Express Pipeline originates near Bennington, Oklahoma and traverses northern Louisiana and central Mississippi to an interconnect with the Transcontinental Gas Pipeline system in Butler, Alabama. The Midcontinent Express Pipeline is owned by a 50/50 joint venture with KMI, the operator of the system.
- Gulf States Transmission is a 10-mile interstate pipeline that extends from Harrison County, Texas to Caddo Parish, Louisiana.

Regasification Facility

Lake Charles LNG, our wholly-owned subsidiary, owns an LNG import terminal and regasification facility located on Louisiana's Gulf Coast near Lake Charles, Louisiana. The import terminal has approximately 9.0 Bcf of above ground LNG storage capacity and the regasification facility has a send out capacity of 1.8 Bcf/d.

Liquefaction Project

LCL, a wholly-owned subsidiary of ETO, is in the process of developing an LNG liquefaction project at the site of our Lake Charles LNG import terminal and regasification facility. The project would utilize existing dock and storage facilities owned by Lake Charles LNG located on the Lake Charles site. LCL entered into a prior development agreement with Shell in March 2019; however, Shell withdrew from the project in March 2020 due to adverse market factors affecting Shell's business following the onset of the COVID-19 pandemic. We intend to continue to develop the project, possibly in conjunction with one or more equity partners, and we plan to evaluate a variety of alternatives to advance the project, including the possibility of reducing the size of the project from three trains (16.45 million tonnes per annum of LNG capacity) to two trains (11.0 million tonnes per annum). The project as currently designed is fully permitted by federal, state and local authorities, has all necessary export licenses and benefits from the infrastructure related to the existing regasification facility at the same site, including four LNG storage tanks, two deep water docks and other assets. In light of the existing brownfield infrastructure and the advanced state of the development of the project, we plan to continue to pursue the project on a disciplined, cost effective basis, and ultimately we will determine whether to make a final investment decision to proceed with the project based on market conditions, capital expenditure considerations and our success in securing equity participation by third parties as well as long-term LNG offtake commitments on satisfactory terms. LCL is actively involved in a variety of activities related to the development of the project and has also been marketing LNG offtake to numerous potential customers in Asia and Europe.

The export of LNG produced by the liquefaction project from the United States would be undertaken under long-term export authorizations issued by the DOE to LCL. In March 2013, LCL obtained a DOE authorization to export LNG to countries with which the United States has or will have Free Trade Agreements ("FTA") for trade in natural gas (the "FTA Authorization"). In July 2016, LCL also obtained a conditional DOE authorization to export LNG to countries that do not have an FTA for trade in natural gas (the "Non-FTA Authorization"). In October 2020, the DOE extended the FTA Authorization and Non-FTA Authorization to 30- and 25-year terms, respectively, following first deliveries on or before December 2025, consistent with the FERC authorization for the project. The FTA Authorization and Non-FTA Authorization have 25- and 20-year terms, respectively, commencing with the completion of construction of the liquefaction facility. In addition, LCL received its wetlands permits from the USACE to perform wetlands mitigation work and to perform modification and dredging work for the temporary and permanent dock facilities at the Lake Charles LNG facilities.

Midstream

The following details our assets in the midstream segment:

Description of Assets	Net Gas Processing Capacity (MMcf/d)
South Texas Region:	
Southeast Texas System	410
Eagle Ford System	1,920
Ark-La-Tex Region	1,442
North Central Texas Region	700
Permian Region	2,740
Midcontinent Region	1,238
Eastern Region	200

The following information describes our principal midstream assets:

South Texas Region:

- The Southeast Texas System is an integrated system that gathers, compresses, treats, processes, dehydrates and transports natural gas from the Austin Chalk trend and Eagle Ford shale formation. The Southeast Texas System is a large natural gas gathering system covering thirteen counties between Austin and Houston. This system is connected to the Katy Hub through the ETC Katy Pipeline and is also connected to the Oasis Pipeline. The Southeast Texas System includes two natural gas processing plants (La Grange and Alamo) with aggregate capacity of 410 MMcf/d. The La Grange and Alamo processing plants are natural gas processing plants that process the rich gas that flows through our gathering system to produce residue gas and NGLs. Residue gas is delivered into our intrastate pipelines and NGLs are delivered into our NGL pipelines to Lone Star.

  Our treating facilities remove carbon dioxide and hydrogen sulfide from natural gas gathered into our system before the natural gas is introduced to transportation pipelines to ensure that the gas meets pipeline quality specifications.

- The Eagle Ford Gathering System consists of 30-inch and 42-inch natural gas gathering pipelines with over 1.4 Bcf/d of capacity originating in Dimmitt County, Texas, and extending to both our King Ranch gas plant in Kleberg County, Texas and Jackson plant in Jackson County, Texas. The Eagle Ford Gathering System includes four processing plants (Chisholm, Kenedy, Jackson and King Ranch) with aggregate capacity of 1.92 Bcf/d. Our Chisholm, Kenedy, Jackson and King Ranch processing plants are connected to our intrastate transportation pipeline systems for deliveries of residue gas and are also connected with our NGL pipelines for delivery of NGLs to Lone Star.

Ark-La-Tex Region:

- Our Northern Louisiana assets are comprised of several gathering systems in the Haynesville Shale with access to multiple markets through interconnects with several pipelines, including our Tiger Pipeline. Our Northern Louisiana assets include the Bistineau, Creedence, and Tristate Systems, which collectively include three natural gas treating facilities, with aggregate capacity of 1.4 Bcf/d.
- The Ark-La-Tex assets gather, compress, treat and dehydrate natural gas in several parishes in north and west Louisiana and several counties in East Texas. These assets also include cryogenic natural gas processing facilities, a refrigeration plant, a conditioning plant, amine treating plants, a residue gas pipeline that provides market access for natural gas from our processing plants, including connections with pipelines that provide access to the Perryville Hub and other markets in the Gulf Coast region, and an NGL pipeline that provides connections to the Mont Belvieu market for NGLs produced from our processing plants. Collectively, the ten natural gas processing facilities (Dubach, Dubberly, Lisbon, Salem, Elm Grove, Minden, Ada, Brookeland, Lincoln Parish and Mt. Olive) have an aggregate capacity of 1.3 Bcf/d.
- Through the gathering and processing systems described above and their interconnections with RIGS in north Louisiana, as well as other pipelines, we offer producers wellhead-to-market services, including natural gas gathering, compression, processing, treating and transportation.

North Central Texas Region:

- The North Central Texas System is an integrated system located in four counties in North Central Texas that gathers, compresses, treats, processes and transports natural gas from the Barnett and Woodford Shales. Our North Central Texas assets include our Godley and Crescent plants, which process rich gas produced from the Barnett Shale and STACK play, with aggregate capacity of 700 MMcf/d. The Godley plant is integrated with the ET Fuel System.

Permian Region:

- The Permian Basin Gathering System offers wellhead-to-market services to producers in eleven counties in West Texas, as well as two counties in New Mexico which surround the Waha Hub, one of Texas's developing NGL-rich natural gas market areas. As a result of the proximity of our system to the Waha Hub, the Waha Gathering System has a variety of market outlets for the natural gas that we gather and process, including several major interstate and intrastate pipelines serving California, the midcontinent region of the United States and Texas natural gas markets. The NGL market outlets includes Lone Star's liquids pipelines. The Permian Basin Gathering System includes eleven processing facilities (Waha, Coyanosa, Red Bluff, Halley, Jal, Keyston, Tippet, Orla, Panther, Rebel and Arrowhead) with an aggregate processing capacity of 2.4 Bcf/d and one natural gas conditioning facility with aggregate capacity of 200 MMcf/d.
- We own a 50% membership interest in Mi Vida JV LLC, a joint venture which owns a 200 MMcf/d cryogenic processing plant in West Texas. We operate the plant and related facilities on behalf of the joint venture.
- We own a 50% membership interest in Ranch Westex JV, LLC, which processes natural gas delivered from the NGL-rich Bone Spring and Avalon Shale formations in West Texas. The joint venture owns a 25 MMcf/d refrigeration plant and a 125 MMcf/d cryogenic processing plant.

Midcontinent Region:

- The Midcontinent Systems are located in two large natural gas producing regions in the United States, the Hugoton Basin in southwest Kansas, and the Anadarko Basin in western Oklahoma and the Texas Panhandle and the STACK in central Oklahoma. These mature basins have continued to provide generally long-lived, predictable production volume. Our Midcontinent assets are extensive systems that gather, compress and dehydrate low-pressure gas. The Midcontinent Systems include sixteen natural gas processing facilities (Mocane, Beaver, Antelope Hills, Woodall, Wheeler, Sunray, Hemphill, Phoenix, Hamlin, Spearman, Red Deer, Lefors, Cargray, Gray, Rose Valley, and Hopeton) with an aggregate capacity of approximately 1.2 Bcf/d.
- We operate our Midcontinent Systems at low pressures to maximize the total throughput volumes from the connected wells. Wellhead pressures are therefore adequate to allow for flow of natural gas into the gathering lines without the cost of wellhead compression.
- We also own the Hugoton Gathering System that has 1,900 miles of pipeline extending over nine counties in Kansas and Oklahoma. This system is operated by a third party.

Eastern Region:

- The Eastern Region assets are located in eleven counties in Pennsylvania, four counties in Ohio, three counties in West Virginia, and gather natural gas from the Marcellus and Utica basins. Our Eastern Region assets include approximately 600 miles of natural gas gathering pipeline, natural gas trunklines, fresh-water pipelines, and nine gathering and processing systems, as well as the 200 MMcf/d Revolution processing plant, which feeds into our Mariner East and Rover pipeline systems.
- We also own a 51% membership interest in Aqua – ETC Water Solutions LLC, a joint venture that transports and supplies fresh water to natural gas producers drilling in the Marcellus Shale in Pennsylvania.
- We own a 75% membership interest in ORS. On behalf of ORS, we operate its Ohio Utica River System, which consists of 47 miles of 36-inch, 13 miles of 30-inch and 3 miles of 24-inch gathering trunklines, that delivers up to 3.6 Bcf/d to Rockies Express Pipeline, Texas Eastern Transmission, Leach Xpress, Rover and DEO TPL-18.

NGL and Refined Products Transportation and Services

The following details the assets in our NGL and refined products transportation and services segment:

Description of Assets	Miles of Liquids Pipeline [1]	NGL Fractionation / Processing Capacity (MBbls/d)	Working Storage Capacity (MBbls)
Liquids Pipelines:			
Lone Star Express	892	—	—
West Texas Gateway Pipeline	510	—	—
Lone Star	1,400	—	—
Mariner East	667	—	—
Mariner South	67	—	—
Mariner West	398	—	—
White Cliffs Pipeline[2]	540	—	—
Other NGL Pipelines	279	—	—
Liquids Fractionation and Services Facilities:			
Mont Belvieu Facilities	182	940	50,000
Sea Robin Processing Plant[3]	—	26	—
Refinery Services[3]	100	35	—
Hattiesburg Storage Facilities	—	—	5,200
Cedar Bayou	—	—	1,600
NGL Terminals:			
Nederland	—	—	1,900
Orbit Gulf Coast	70	—	1,200
Marcus Hook Terminal	—	132	6,000
Inkster	—	—	860
Refined Products Pipelines:			
Eastern region pipelines	1,016	—	—
Midcontinent region pipelines	332	—	—
Southwest region pipelines	376	—	—
Inland Pipeline	690	—	—
JC Nolan Pipeline	504	—	—
Refined Products Terminals:			
Eagle Point	—	—	6,700
Marcus Hook Terminal	—	—	930
Marcus Hook Tank Farm	—	—	1,900
Marketing Terminals	—	—	7,700
JC Nolan Terminal	—	—	134

[1] Miles of pipeline as reported to PHMSA.

[2] The White Cliffs Pipeline consists of two parallel, 12-inch common carrier pipelines: one crude oil pipeline and one NGL pipeline.

[3] Additionally, the Sea Robin Processing Plant and Refinery Services have inlet volume capacities of 850 MMcf/d and 54 MMcf/d, respectively.

The following information describes our principal NGL and refined products transportation and services assets:

- The Lone Star Express System is an interstate NGL pipeline consisting of 24-inch and 30-inch long-haul transportation pipeline, with throughput capacity of approximately 500 MBbls/d, that delivers mixed NGLs from processing plants in the Permian Basin, the Barnett Shale, and from East Texas to the Mont Belvieu NGL storage facility. In the third quarter of

2020, we completed an expansion of the pipeline, which added approximately 400 MBbls/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. It is expected to be in service by the fourth quarter of 2020.

- The West Texas Gateway Pipeline transports NGLs produced in the Permian and Delaware Basins and the Eagle Ford Shale to Mont Belvieu, Texas and has a throughput capacity of approximately 240 MBbls/d.
- The Mariner East pipeline transports NGLs from the Marcellus and Utica Shales areas in Western Pennsylvania, West Virginia and Eastern Ohio to destinations in Pennsylvania, including our Marcus Hook Terminal on the Delaware River, where they are processed, stored and distributed to local, domestic and waterborne markets. The first phase of the project, referred to as Mariner East 1, consisted of interstate and intrastate propane and ethane service and commenced operations in the fourth quarter of 2014 and the first quarter of 2016, respectively. The second phase of the project, referred to as Mariner East 2, began service in December 2018. The Mariner East pipeline has a throughput capacity of approximately 345 MBbls/d.
- The Mariner South liquids pipeline system consists of three pipelines and delivers export-grade propane, butane and natural gasoline from Lone Star's Mont Belvieu, Texas storage and fractionation complex to our marine terminal in Nederland, Texas and has a total throughput capacity of approximately 600 MBbls/d.
- The Mariner West pipeline provides transportation of ethane from the Marcellus shale processing and fractionating areas in Houston, Pennsylvania to Marysville, Michigan and the Canadian border and has a throughput capacity of approximately 50 MBbls/d.
- The White Cliffs NGL pipeline, in which we have 51% ownership interest and was acquired by ET in the SemGroup acquisition and contributed to ETO in January 2020, transports NGLs produced in the DJ Basin to Cushing, where it interconnects with the Southern Hills Pipeline to move NGLs to Mont Belvieu, Texas and has a throughput capacity of approximately 90 MBbls/d.
- Other NGL pipelines include the 127-mile Justice pipeline with capacity of 375 MBbls/d, the 45-mile Freedom pipeline with a capacity of 56 MBbls/d, the 20-mile Spirit pipeline with a capacity of 20 MBbls/d and a 50% interest in the 87-mile Liberty pipeline with a capacity of 140 MBbls/d.
- Our Mont Belvieu storage facility is an integrated liquids storage facility with approximately 50 MMBbls of salt dome capacity providing 100% fee-based cash flows. The Mont Belvieu storage facility has access to multiple NGL and refined products pipelines, the Houston Ship Channel trading hub, and numerous chemical plants, refineries and fractionators.
- Our Mont Belvieu fractionators handle NGLs delivered from several sources, including the Lone Star Express pipeline and the Justice pipeline. Fractionator VI was placed in service in February 2019 and Fractionator VII was placed in service in the first quarter of 2020.
- Sea Robin is a rich gas processing plant located on the Sea Robin Pipeline in southern Louisiana. The plant is connected to nine interstate and four intrastate residue pipelines, as well as various deep-water production fields.
- Refinery Services consists of a refinery off-gas processing unit and an O-grade NGL fractionation / Refinery-Grade Propylene ("RGP") splitting complex located along the Mississippi River refinery corridor in southern Louisiana. The off-gas processing unit cryogenically processes refinery off-gas, and the fractionation / RGP splitting complex fractionates the streams into higher value components. The O-grade fractionator and RGP splitting complex, located in Geismar, Louisiana, is connected by approximately 100 miles of pipeline to the Chalmette processing plant, which has a processing capacity of 54 MMcf/d.
- The Hattiesburg storage facility is an integrated liquids storage facility with approximately 5 MMBbls of salt dome capacity, providing 100% fee-based cash flows.
- The Cedar Bayou storage facility is an integrated liquids storage facility with approximately 1.6 MMBbls of tank storage, generating revenues from fixed fee storage contracts, throughput fees, and revenue from blending butane into refined gasoline.
- The Nederland Terminal, in addition to crude oil activities, also provides approximately 1.9 MMBbls of storage and distribution services for NGLs in connection with the Mariner South and Mariner South 2 pipelines, which provide transportation of propane and butane products from the Mont Belvieu region to the Nederland Terminal, where such products can be exported via ship.
- The Orbit Gulf Coast joint venture consists of a 70-mile, 20-inch ethane pipeline with a throughput capacity of approximately 180 MBbls/d, delivering from Lone Star's Mont Belvieu, Texas storage and fractionation complex to our marine terminal in Nederland, Texas, as well as a 180 MBbls/d ethane refrigeration facility and 1.2 MMBbls of storage capacity.

- The Marcus Hook Terminal includes fractionation, terminalling and storage assets, with a capacity of approximately 2 MMBbls of NGL storage capacity in underground caverns, 4 MMBbls of above-ground refrigerated storage, and related commercial agreements. The terminal has a total active refined products storage capacity of approximately 1 MMBbls. The facility can receive NGLs and refined products via marine vessel, pipeline, truck and rail, and can deliver via marine vessel, pipeline and truck. In addition to providing NGL storage and terminalling services to both affiliates and third-party customers, the Marcus Hook Terminal currently serves as an off-take outlet for our Mariner East 1 and Mariner East 2 pipeline systems.
- The Inkster terminal, located near Detroit, Michigan, consists of multiple salt caverns with a total storage capacity of approximately 860 MBbls of NGLs. We use the Inkster terminal's storage in connection with the Toledo North pipeline system and for the storage of NGLs from local producers and a refinery in Western Ohio. The terminal can receive and ship by pipeline in both directions and has a truck loading and unloading rack.
- The Eastern region refined products pipelines consist of 6-inch to 16-inch diameters refined product pipelines in Eastern, Central and North Central Pennsylvania, 8-inch refined products pipeline in western New York and various diameters refined products pipeline in New Jersey (including 80 miles of the 16-inch diameter Harbor Pipeline).
- The midcontinent region refined products pipelines primarily consist of 3-inch to 12-inch refined products pipelines in Ohio and 6-inch and 8-inch refined products pipeline in Michigan.
- The Southwest region refined products pipelines are located in Eastern Texas and consist primarily of 8-inch diameter refined products pipeline.
- The Inland refined products pipeline consists of 12, 10, 8 and 6-inch diameter pipelines in the western, northwestern, and northeastern regions of Ohio.
- The JC Nolan Pipeline is a joint venture between a wholly-owned subsidiary of the Partnership and a wholly-owned subsidiary of Sunoco LP, which transports diesel fuel from a tank farm in Hebert, Texas to Midland, Texas, and was placed into service in July 2019 and has a throughput capacity of approximately 36 MBbls/d.
- We have 37 refined products terminals with an aggregate storage capacity of approximately 8 MMBbls that facilitate the movement of refined products to or from storage or transportation systems, such as a pipeline, to other transportation systems, such as trucks or other pipelines. Each facility typically consists of multiple storage tanks and is equipped with automated truck loading equipment that is operational 24 hours a day.
- In addition to crude oil service, the Eagle Point terminal can accommodate three marine vessels (ships or barges) to receive and deliver refined products to outbound ships and barges. The tank farm has a total active refined products storage capacity of approximately 7 MMBbls and provides customers with access to the facility via ship, barge and pipeline. The terminal can deliver via ship, barge, truck or pipeline, providing customers with access to various markets. The terminal generates revenue primarily by charging fees based on throughput, blending services and storage.
- The Marcus Hook Terminal also has a tank farm with total refined products storage capacity of approximately 2 MMBbls of refined products storage. The terminal receives and delivers refined products via pipeline and primarily provides terminalling services to support movements on our refined products pipelines.
- The JC Nolan Terminal, located in Midland, Texas, is a joint venture between a wholly-owned subsidiary of the Partnership and a wholly-owned subsidiary of Sunoco LP, which provides diesel fuel storage that was placed into service in August 2019.
- This segment also includes the following joint ventures: 15% membership interest in the Explorer Pipeline Company, a 1,850-mile pipeline which originates from refining centers in Beaumont, Port Arthur, and Houston, Texas and extends to Chicago, Illinois; 31% membership interest in the Wolverine Pipe Line Company, a 1,055-mile pipeline that originates from Chicago, Illinois and extends to Detroit, Grand Haven, and Bay City, Michigan; 17% membership interest in the West Shore Pipe Line Company, a 650-mile pipeline which originates in Chicago, Illinois and extends to Madison and Green Bay, Wisconsin; a 14% membership interest in the Yellowstone Pipe Line Company, a 710-mile pipeline which originates from Billings, Montana and extends to Moses Lake, Washington.

Crude Oil Transportation and Services

The following details our pipelines and terminals in its crude oil transportation and services operations:

Description of Assets	Ownership Interest	Miles of Crude Pipeline [1]	Working Storage Capacity (MBbls)
Dakota Access Pipeline	36.40 %	1,172	—
Energy Transfer Crude Oil Pipeline	36.40 %	744	—
Bayou Bridge Pipeline	60 %	212	—
Permian Express Pipelines	87.7 %	1,760	—
Wattenberg Oil Trunkline	100 %	75	360
White Cliffs Pipeline[2]	51 %	527	100
Maurepas Pipeline	51 %	106	—
Other Crude Oil Pipelines	100 %	6,256	—
Nederland Terminal	100 %	—	29,000
Fort Mifflin Terminal	100 %	—	3,300
Eagle Point Terminal	100 %	—	1,800
Midland Terminal	100 %	—	1,000
Marcus Hook Terminal	100 %	—	1,000
Houston Terminal	100 %	—	18,200
Cushing Facility	100 %	—	7,700
Patoka, Illinois Terminal	87.7 %	—	1,900

[1] Miles of pipeline as reported to PHMSA.

[2] The White Cliffs Pipeline consists of two parallel, 12-inch common carrier crude oil pipelines: one crude oil pipeline and one NGL pipeline.

Our crude oil operations consist of an integrated set of pipeline, terminalling, trucking and acquisition and marketing assets that service the movement of crude oil from producers to end-user markets. The following details our assets in the crude oil transportation and services segment:

Crude Oil Pipelines

Our crude oil pipelines consist of approximately 10,850 miles of crude oil trunk and gathering pipelines in the southwest, northwest and midwest United States, including our wholly-owned interests in West Texas Gulf, Permian Express Terminal LLC, Mid-Valley and Wattenberg Oil Trunkline. Additionally, we have equity ownership interests in two crude oil pipelines. Our crude oil pipelines provide access to several trading hubs, including the largest trading hub for crude oil in the United States located in Cushing, Oklahoma, and other trading hubs located in Midland, Colorado City and Longview, Texas. Our crude oil pipelines also deliver to and connect with other pipelines that deliver crude oil to a number of refineries.

- *Bakken Pipeline*. The Dakota Access and Energy Transfer Crude Oil pipelines are collectively referred to as the “Bakken Pipeline.” The Bakken Pipeline is a 1,916-mile pipeline with capacity of 570 MBbls/d, that transports domestically produced crude oil from the Bakken/Three Forks production areas in North Dakota to a storage and terminal hub outside of Patoka, Illinois, or to gulf coast connections including our crude terminal in Nederland, Texas.

  The pipeline transports light, sweet crude oil from North Dakota to major refining markets in the Midwest and Gulf Coast regions.

  The Dakota Access Pipeline went into service on June 1, 2017 and consists of approximately 1,172 miles of 12, 20, 24 and 30-inch diameter pipeline traversing North Dakota, South Dakota, Iowa and Illinois. Crude oil transported on the Dakota Access Pipeline originates at six terminal locations in the North Dakota counties of Mountrail, Williams and McKenzie. The pipeline delivers the crude oil to a hub outside of Patoka, Illinois where it can be delivered to the Energy Transfer Crude Oil Pipeline for delivery to the Gulf Coast or can be transported via other pipelines to refining markets throughout the Midwest.

The Energy Transfer Crude Oil Pipeline went into service on June 1, 2017 and consists of approximately 675 miles of mostly 30-inch converted natural gas pipeline and 69 miles of new 30-inch pipeline from Patoka, Illinois to Nederland, Texas, where the crude oil can be refined or further transported to additional refining markets.

- *Bayou Bridge Pipeline.* The Bayou Bridge Pipeline is a joint venture between ETO and Phillips 66, in which ETO has a 60% ownership interest and serves as the operator of the pipeline. Phase I of the pipeline, which consists of a 30-inch pipeline from Nederland, Texas to Lake Charles, Louisiana, went into service in April 2016. Phase II of the pipeline, which consists of 24-inch pipe from Lake Charles, Louisiana to St. James, Louisiana, which went into service in March 2019.

  With the completion of Phase II, Bayou Bridge Pipeline has a capacity of approximately 480 MBbls/d of light and heavy crude oil from different sources to the St. James crude oil hub, which is home to important refineries located in the Gulf Coast region.

- *Permian Express Pipelines.* The Permian Express pipelines are part of the PEP joint venture and include the Permian Express 1, Permian Express 2, Permian Express 3, Permian Express 4, Permian Longview, Louisiana Access, Longview to Louisiana and Nederland Access pipelines. These pipelines are comprised of crude oil trunk pipelines and crude oil gathering pipelines in Texas and Oklahoma and provide takeaway capacity from the Permian Basin, with origins in multiple locations in Western Texas.

- *White Cliffs Pipeline.* White Cliffs Pipeline, which was acquired by ET in the SemGroup acquisition and contributed to ETO in January 2020, owns a 12-inch common carrier, crude oil pipeline, with a throughput capacity of 100 MBbls/d, that transports crude oil from Platteville, Colorado to Cushing, Oklahoma.

- *Maurepas Pipeline.* The Maurepas Pipeline, which was acquired by ET in the SemGroup acquisition and contributed to ETO in January 2020, consists of three pipelines, with an aggregate throughput capacity of 460 MBbls/d, which service refineries in the Gulf Coast region.

- Other Crude Oil pipelines include the Mid-Valley pipeline system which originates in Longview, Texas and passes through Louisiana, Arkansas, Mississippi, Tennessee, Kentucky and Ohio and terminates in Samaria, Michigan. This pipeline provides crude oil to a number of refineries, primarily in the Midwest United States.

  In addition, we own a crude oil pipeline that runs from Marysville, Michigan to Toledo, Ohio, and a truck injection point for local production at Marysville. This pipeline receives crude oil from the Enbridge pipeline system for delivery to refineries located in Toledo, Ohio and to MPLX's Samaria, Michigan tank farm, which supplies Marathon Petroleum Corporation's refinery in Detroit, Michigan.

  We also own and operate crude oil pipeline and gathering systems in Oklahoma and Kansas. We have the ability to deliver substantially all of the crude oil gathered on our Oklahoma and Kansas systems to Cushing. We are one of the largest purchasers of crude oil from producers in the area, and our crude oil acquisition and marketing activities business is the primary shipper on our Oklahoma crude oil system.

Crude Oil Terminals

- *Nederland.* The Nederland Terminal, located on the Sabine-Neches waterway between Beaumont and Port Arthur, Texas, is a large marine terminal providing storage and distribution services for refiners and other large transporters of crude oil and NGLs. The terminal receives, stores, and distributes crude oil, NGLs, feedstocks, petrochemicals and bunker oils (used for fueling ships and other marine vessels). The terminal currently has a total storage capacity of approximately 29 MMBbls in approximately 160 above ground storage tanks with individual capacities of up to 660 MBbls.

  The Nederland Terminal can receive crude oil at four of its five ship docks and four barge berths. The four ship docks are capable of receiving over 2 MMBbls/d of crude oil. In addition to our crude oil pipelines, the terminal can also receive crude oil through a number of other pipelines, including the DOE. The DOE pipelines connect the terminal to the United States Strategic Petroleum Reserve's West Hackberry caverns at Hackberry, Louisiana and Big Hill caverns near Winnie, Texas, which have an aggregate storage capacity of approximately 395 MMBbls.

  The Nederland Terminal can deliver crude oil and other petroleum products via pipeline, barge and ship. The terminal has three ship docks and three barge berths that are capable of delivering crude oils for international transport. In total, the terminal is capable of delivering over 2 MMBbls/d of crude oil to our crude oil pipelines or a number of third-party pipelines including the DOE. The Nederland Terminal generates crude oil revenues primarily by providing term or spot storage services and throughput capabilities to a number of customers.

- *Fort Mifflin.* The Fort Mifflin terminal complex is located on the Delaware River in Philadelphia, Pennsylvania and includes the Fort Mifflin terminal, the Hog Island wharf, the Darby Creek tank farm and connecting pipelines. The Fort Mifflin terminal contains two ship docks with freshwater drafts and a total storage capacity of approximately 570 MBbls. Crude oil and some refined products enter the Fort Mifflin terminal primarily from marine vessels on the Delaware River.

The Hog Island wharf is located next to the Fort Mifflin terminal on the Delaware River and receives crude oil via two ship docks. The Darby Creek tank farm is a primary crude oil storage terminal that receives crude oil from the Fort Mifflin terminal and Hog Island wharf via our pipelines and has a total storage capacity of approximately 2.7 MMBbls

- *Eagle Point.* The Eagle Point terminal is located in Westville, New Jersey and consists of docks, truck loading facilities and a tank farm. The docks are located on the Delaware River and can accommodate three marine vessels (ships or barges) to receive and deliver crude oil, intermediate products and refined products to outbound ships and barges. The tank farm has a total active storage capacity of approximately 1.8 MMBbls and can receive crude oil via barge and rail and deliver via ship and barge, providing customers with access to various markets. The terminal generates revenue primarily by charging fees based on throughput, blending services and storage.
- *Midland.* The Midland terminal is located in Midland, Texas and was acquired in November 2016 from Vitol. The facility includes approximately 1 MMBbls of crude oil storage, a combined 20 lanes of truck loading and unloading, and provides access to the Permian Express 2 transportation system.
- *Marcus Hook Terminal.* The Marcus Hook Terminal can receive crude oil via marine vessel and can deliver via marine vessel and pipeline. The terminal has a total active crude oil storage capacity of approximately 1 MMBbls.
- *Patoka, Illinois Terminal.* The Patoka, Illinois terminal is a tank farm owned by the PEP joint venture and is located in Marion County, Illinois. The facility includes 234 acres of owned land and provides for approximately 1.9 MMBbls of crude oil storage.
- *Houston Terminal.* The Houston Terminal, which was acquired by ET in the SemGroup acquisition and contributed to ETO in February 2020, consists of storage tanks located on the Houston Ship Channel with an aggregate storage capacity of 18.2 MMBbls used to store, blend and transport refinery products and refinery feedstocks via pipeline, barge, rail, truck and ship. This facility has five deep-water ship docks on the Houston Ship Channel capable of loading and unloading Suezmax cargo vessels and seven barge docks which can accommodate 23 barges simultaneously, three crude oil pipelines connecting to four refineries and numerous rail and truck loading spots.
- *Cushing Facilities.* The Cushing Facility, which was acquired by ET in the SemGroup acquisition and contributed to ETO in January 2020, has approximately 7.7 MMBbls of crude oil storage, of which 5.7 MMBbls are leased to customers and 2.0 MMBbls are available for crude oil operations, blending and marketing activities. The storage terminal has inbound connections with the White Cliffs Pipeline from Platteville, Colorado, the Great Salt Plains Pipeline from Cherokee, Oklahoma, the Cimarron Pipeline from Boyer, Kansas, and two-way connections with all of the other major storage terminals in Cushing. The Cushing terminal also includes truck unloading facilities.

Crude Oil Acquisition and Marketing

Our crude oil acquisition and marketing operations are conducted using our assets, which include approximately 363 crude oil transport trucks, 350 trailers and approximately 166 crude oil truck unloading facilities, as well as third-party truck, rail, pipeline and marine assets.

Investment in Sunoco LP

Sunoco LP is a distributor of motor fuels and other petroleum products which Sunoco LP supplies to third-party dealers and distributors, to independent operators of commission agent locations and other commercial consumers of motor fuel. Also included in the wholesale operations are transmix processing plants and refined products terminals. Transmix is the mixture of various refined products (primarily gasoline and diesel) created in the supply chain (primarily in pipelines and terminals) when various products interface with each other. Transmix processing plants separate this mixture and return it to salable products of gasoline and diesel.

Sunoco LP is the exclusive wholesale supplier of the Sunoco-branded motor fuel, supplying an extensive distribution network of approximately 5,556 Sunoco-branded company and third-party operated locations throughout the East Coast, Midwest, South Central and Southeast regions of the United States. Sunoco LP believes it is one of the largest independent motor fuel distributors of Chevron, ExxonMobil and Valero branded motor fuel in the United States. In addition to distributing motor fuels, Sunoco LP also distributes other petroleum products such as propane and lubricating oil, and Sunoco LP receives rental income from real estate that it leases or subleases.

Sunoco LP operations primarily consist of fuel distribution and marketing.

Sunoco LP's Fuel Distribution and Marketing Operations

Sunoco LP's fuel distribution and marketing operations are conducted by the following consolidated subsidiaries:

- Sunoco, LLC ("Sunoco LLC"), a Delaware limited liability company, primarily distributes motor fuel in 30 states throughout the East Coast, Midwest, South Central and Southeast regions of the United States. Sunoco LLC also processes transmix and distributes refined product through its terminals in Alabama, Texas, Arkansas and New York;
- Sunoco Retail LLC ("Sunoco Retail"), a Pennsylvania limited liability company, owns and operates retail stores that sell motor fuel and merchandise primarily in New Jersey;
- Aloha Petroleum LLC, a Delaware limited liability company, distributes motor fuel and operates terminal facilities on the Hawaiian Islands; and
- Aloha Petroleum, Ltd. ("Aloha"), a Hawaii corporation, owns and operates retail stores on the Hawaiian Islands.

Sunoco LP purchases motor fuel primarily from independent refiners and major oil companies and distributes it across more than 30 states throughout the East Coast, Midwest, South Central and Southeast regions of the United States, as well as Hawaii to approximately:

- 78 company owned and operated retail stores;
- 539 independently operated consignment locations where Sunoco LP sells motor fuel to customers under commission agent arrangements with such operators;
- 6,803 convenience stores and retail fuel outlets operated by independent operators, which are referred to as "dealers" or "distributors," pursuant to long-term distribution agreements; and
- 2,476 other commercial customers, including unbranded convenience stores, other fuel distributors, school districts and municipalities and other industrial customers.

Sunoco LP's Other Operations

Sunoco LP's other operations include retail operations in Hawaii and New Jersey, credit card services and franchise royalties.

Investment in USAC

The following details the assets of USAC:

USAC's modern, standardized compression unit fleet is powered primarily by the Caterpillar, Inc.'s 3400, 3500 and 3600 engine classes, which range from 401 to 5,000 horsepower per unit. These larger horsepower units, which USAC defines as 400 horsepower per unit or greater, represented 86.3% of its total fleet horsepower as of December 31, 2020. The remainder of its fleet consists of smaller horsepower units ranging from 40 horsepower to 399 horsepower that are primarily used in gas lift applications.

The following table provides a summary of USAC's compression units by horsepower as of December 31, 2020:

Unit Horsepower	Fleet Horsepower	Number of Units	Percent of Fleet Horsepower	Percent of Units
Small horsepower				
<400	510,123	3,001	13.7 %	55.0 %
Large horsepower				
>400 and <1,000	437,543	751	11.7 %	13.8 %
>1,000	2,778,515	1,702	74.6 %	31.2 %
Total large horsepower	3,216,058	2,453	86.3 %	45.0 %
Total horsepower	3,726,181	5,454	100.0 %	100.0 %

All Other

The following details the significant assets in the "All Other" segment.

Contract Services Operations

We own and operate a fleet of equipment used to provide treating services, such as carbon dioxide and hydrogen sulfide removal, natural gas cooling, dehydration and Btu management. Our contract treating services are primarily located in Texas, Louisiana and Arkansas.

Compression

We own DDT, which provides compression services to customers engaged in the transportation of natural gas, including our other segments.

Natural Resources Operations

Our Natural Resources operations primarily involve the management and leasing of coal properties and the subsequent collection of royalties. We also earn revenues from other land management activities, such as selling standing timber, leasing fee-based coal-related infrastructure facilities to certain lessees and end-user industrial plants, collecting oil and gas royalties and from coal transportation, or wheelage fees. As of December 31, 2020, we owned or controlled approximately 757 million tons of proven and probable coal reserves in central and northern Appalachia, properties in eastern Kentucky, southwestern Virginia and southern West Virginia, and in the Illinois Basin, properties in southern Illinois, Indiana, and western Kentucky and as the operator of end-user coal handling facilities.

Canadian Operations

Our Canadian operations, which were acquired in the SemGroup acquisition, include a 51% ownership interest in Energy Transfer Canada which owns and operates natural gas processing and gathering facilities in Alberta, Canada. The Canadian operations assets include four sour natural gas processing plants and two sweet natural gas processing plants that have a combined operating capacity of 1,290 MMcf/d and a network of approximately 848 miles of natural gas gathering and transportation pipelines. The principal process performed at the processing plants is to remove contaminants and render the gas salable to downstream pipelines and markets.

Business Strategy

We believe we have engaged, and will continue to engage, in a well-balanced plan for growth through strategic acquisitions, internally generated expansion, measures aimed at increasing the profitability of our existing assets and executing cost control measures where appropriate to manage our operations.

We intend to continue to operate as a diversified, growth-oriented limited partnership. We believe that by pursuing independent operating and growth strategies we will be best positioned to achieve our objectives. We balance our desire for growth with our goal of preserving a strong balance sheet, ample liquidity and investment grade credit metrics.

Following is a summary of the business strategies of our core businesses:

Growth through acquisitions. We intend to continue to make strategic acquisitions that offer the opportunity for operational efficiencies and the potential for increased utilization and expansion of our existing assets while supporting our investment grade credit ratings.

Engage in construction and expansion opportunities. We intend to leverage our existing infrastructure and customer relationships by constructing and expanding systems to meet new or increased demand for midstream and transportation services.

Increase cash flow from fee-based businesses. We intend to increase the percentage of our business conducted with third parties under fee-based arrangements in order to provide for stable, consistent cash flows over long contract periods while reducing exposure to changes in commodity prices.

Enhance profitability of existing assets. We intend to increase the profitability of our existing asset base by adding new volumes under long-term producer commitments, undertaking additional initiatives to enhance utilization and reducing costs by improving operations.

Competition

Natural Gas

The business of providing natural gas gathering, compression, treating, transportation, storage and marketing services is highly competitive. Since pipelines are generally the only practical mode of transportation for natural gas over land, the most significant competitors of our transportation and storage segment are other pipelines. Pipelines typically compete with each other based on location, capacity, price and reliability.

We face competition with respect to retaining and obtaining significant natural gas supplies under terms favorable to us for the gathering, treating and marketing portions of our business. Our competitors include major integrated oil and gas companies, interstate and intrastate pipelines and other companies that gather, compress, treat, process, transport and market natural gas. Many of our competitors, such as major oil and gas and pipeline companies, have capital resources and control supplies of natural gas substantially greater than ours.

In marketing natural gas, we have numerous competitors, including marketing affiliates of interstate pipelines, major integrated oil and gas companies, and local and national natural gas gatherers, brokers and marketers of widely varying sizes, financial resources and experience. Local utilities and distributors of natural gas are, in some cases, engaged directly, and through affiliates, in marketing activities that compete with our marketing operations.

NGL

In markets served by our NGL pipelines, we face competition with other pipeline companies, including those affiliated with major oil, petrochemical and natural gas companies, and barge, rail and truck fleet operations. In general, our NGL pipelines compete with these entities in terms of transportation fees, reliability and quality of customer service. We face competition with other storage facilities based on fees charged and the ability to receive and distribute the customer’s products. We compete with a number of NGL fractionators in Texas and Louisiana. Competition for such services is primarily based on the fractionation fee charged.

Crude Oil and Refined Products

In markets served by our crude oil and refined products pipelines, we face competition from other pipelines as well as rail and truck transportation. Generally, pipelines are the safest, lowest cost method for long-haul, overland movement of products and crude oil. Therefore, the most significant competitors for large volume shipments in the areas served by our pipelines are other pipelines. In addition, pipeline operations face competition from rail and trucks that deliver products in a number of areas that our pipeline operations serve. While their costs may not be competitive for longer hauls or large volume shipments, rail and trucks compete effectively for incremental and marginal volume in many areas served by our pipelines.

With respect to competition from other pipelines, the primary competitive factors consist of transportation charges, access to crude oil supply and market demand. Competitive factors in crude oil purchasing and marketing include price and contract flexibility, quantity and quality of services, and accessibility to end markets.

Our refined product terminals compete with other independent terminals with respect to price, versatility and services provided. The competition primarily comes from integrated petroleum companies, refining and marketing companies, independent terminal companies and distribution companies with marketing and trading operations.

Wholesale Fuel Distribution and Retail Marketing

In our wholesale fuel distribution business, we compete primarily with other independent motor fuel distributors. The markets for distribution of wholesale motor fuel and the large and growing convenience store industry are highly competitive and fragmented, which results in narrow margins. We have numerous competitors, some of which may have significantly greater resources and name recognition than we do. Significant competitive factors include the availability of major brands, customer service, price, range of services offered and quality of service, among others. We rely on our ability to provide value-added and reliable service and to control our operating costs in order to maintain our margins and competitive position.

In our retail business, we face strong competition in the market for the sale of retail gasoline and merchandise. Our competitors include service stations of large integrated oil companies, independent gasoline service stations, convenience stores, fast food stores, supermarkets, drugstores, dollar stores, club stores and other similar retail outlets, some of which are well-recognized national or regional retail systems. The number of competitors varies depending on the geographical area. It also varies with gasoline and convenience store offerings. The principal competitive factors affecting our retail marketing operations include gasoline and diesel acquisition costs, site location, product price, selection and quality, site appearance and cleanliness, hours of operation, store safety, customer loyalty and brand recognition. We compete by pricing gasoline competitively, combining our

retail gasoline business with convenience stores that provide a wide variety of products, and using advertising and promotional campaigns.

Credit Risk and Customers

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a loss to the Partnership. Credit policies have been approved and implemented to govern the Partnership's portfolio of counterparties with the objective of mitigating credit losses. These policies establish guidelines, controls and limits to manage credit risk within approved tolerances by mandating an appropriate evaluation of the financial condition of existing and potential counterparties, monitoring agency credit ratings, and by implementing credit practices that limit exposure according to the risk profiles of the counterparties. Furthermore, the Partnership may, at times, require collateral under certain circumstances to mitigate credit risk as necessary. The Partnership also uses industry standard commercial agreements which allow for the netting of exposures associated with transactions executed under a single commercial agreement. Additionally, we utilize master netting agreements to offset credit exposure across multiple commercial agreements with a single counterparty or affiliated group of counterparties.

The Partnership's counterparties consist of a diverse portfolio of customers across the energy industry, including petrochemical companies, commercial and industrial end-users, oil and gas producers, municipalities, gas and electric utilities, midstream companies and independent power generators. Our overall exposure may be affected positively or negatively by macroeconomic or regulatory changes that impact our counterparties to one extent or another. Currently, management does not anticipate a material adverse effect in our financial position or results of operations as a consequence of counterparty non-performance.

Our natural gas transportation and midstream revenues are derived significantly from companies that engage in exploration and production activities. The discovery and development of new shale formations across the United States has created an abundance of natural gas and crude oil resulting in a negative impact on prices in recent years for natural gas and crude oil. As a result, some of our exploration and production customers have been adversely impacted; however, we are monitoring these customers and mitigating credit risk as necessary.

During the year ended December 31, 2020, none of our customers individually accounted for more than 10% of our consolidated revenues.

Regulation

Regulation of Interstate Natural Gas Pipelines. The FERC has broad regulatory authority over the business and operations of interstate natural gas pipelines. Under the Natural Gas Act of 1938 ("NGA"), the FERC generally regulates the transportation of natural gas in interstate commerce. For FERC regulatory purposes, "transportation" includes natural gas pipeline transmission (forwardhauls and backhauls), storage and other services. The Florida Gas Transmission, Transwestern, Panhandle, Trunkline, Tiger, Fayetteville Express, Rover, Sea Robin, Gulf States and Midcontinent Express pipelines transport natural gas in interstate commerce and thus each qualifies as a "natural-gas company" under the NGA subject to the FERC's regulatory jurisdiction. We also hold certain natural gas storage facilities that are subject to the FERC's regulatory oversight under the NGA.

The FERC's NGA authority includes the power to:

- approve the siting, construction and operation of new facilities;
- review and approve transportation rates;
- determine the types of services our regulated assets are permitted to perform;
- regulate the terms and conditions associated with these services;
- permit the extension or abandonment of services and facilities;
- require the maintenance of accounts and records; and
- authorize the acquisition and disposition of facilities.

Under the NGA, interstate natural gas companies must charge rates that are just and reasonable. In addition, the NGA prohibits natural gas companies from unduly preferring or unreasonably discriminating against any person with respect to pipeline rates or terms and conditions of service.

The maximum rates to be charged by NGA-jurisdictional natural gas companies and their terms and conditions for service are required to be on file with the FERC. Most natural gas companies are authorized to offer discounts from their FERC-approved maximum just and reasonable rates when competition warrants such discounts. Natural gas companies are also generally permitted to offer negotiated rates different from rates established in their tariff if, among other requirements, such companies'

tariffs offer a cost-based recourse rate to a prospective shipper as an alternative to the negotiated rate. Natural gas companies must make offers of rate discounts and negotiated rates on a basis that is not unduly discriminatory. Existing tariff rates may be challenged by complaint or on the FERC's own motion, and if found unjust and unreasonable, may be altered on a prospective basis from no earlier than the date of the complaint or initiation of a proceeding by the FERC. The FERC must also approve all rate changes. We cannot guarantee that the FERC will allow us to charge rates that fully recover our costs or continue to pursue its approach of pro-competitive policies.

For two of our NGA-jurisdictional natural gas companies, ETC Tiger and FEP, the large majority of capacity in those pipelines is subscribed for lengthy terms under FERC-approved negotiated rates. However, as indicated above, cost-based recourse rates are also offered under their respective tariffs.

Pursuant to the FERC's rules promulgated under the Energy Policy Act of 2005, it is unlawful for any entity, directly or indirectly, in connection with the purchase or sale of electric energy or natural gas or the purchase or sale of transmission or transportation services subject to FERC jurisdiction: (i) to defraud using any device, scheme or artifice; (ii) to make any untrue statement of material fact or omit a material fact; or (iii) to engage in any act, practice or course of business that operates or would operate as a fraud or deceit. The Commodity Futures Trading Commission ("CFTC") also holds authority to monitor certain segments of the physical and futures energy commodities market pursuant to the Commodity Exchange Act ("CEA"). With regard to our physical purchases and sales of natural gas, NGLs or other energy commodities; our transportation of these energy commodities; and any related hedging activities that we undertake, we are required to observe these anti-market manipulation laws and related regulations enforced by the FERC and/or the CFTC. These agencies hold substantial enforcement authority, including the ability to assess or seek civil penalties of up to $1.3 million per day per violation, to order disgorgement of profits and to recommend criminal penalties. Should we violate the anti-market manipulation laws and regulations, we could also be subject to related third-party damage claims by, among others, sellers, royalty owners and taxing authorities.

Failure to comply with the NGA, the Energy Policy Act of 2005, the CEA and the other federal laws and regulations governing our operations and business activities can result in the imposition of administrative, civil and criminal remedies.

Regulation of Intrastate Natural Gas and NGL Pipelines. Intrastate transportation of natural gas and NGLs is largely regulated by the state in which such transportation takes place. To the extent that our intrastate natural gas transportation systems transport natural gas in interstate commerce, the rates and terms and conditions of such services are subject to FERC jurisdiction under Section 311 of the Natural Gas Policy Act of 1978 ("NGPA"). The NGPA regulates, among other things, the provision of transportation services by an intrastate natural gas pipeline on behalf of a local distribution company or an interstate natural gas pipeline. The rates and terms and conditions of some transportation and storage services provided on the Oasis pipeline, HPL System, East Texas pipeline, ET Fuel System, Trans-Pecos pipeline and Comanche Trail pipeline are subject to FERC regulation pursuant to Section 311 of the NGPA. Under Section 311, rates charged for intrastate transportation must be fair and equitable, and amounts collected in excess of fair and equitable rates are subject to refund with interest. The terms and conditions of service set forth in the intrastate facility's statement of operating conditions are also subject to FERC review and approval. Should the FERC determine not to authorize rates equal to or greater than our currently approved Section 311 rates, our business may be adversely affected. Failure to observe the service limitations applicable to transportation and storage services under Section 311, failure to comply with the rates approved by the FERC for Section 311 service, and failure to comply with the terms and conditions of service established in the pipeline's FERC-approved statement of operating conditions could result in an alteration of jurisdictional status, and/or the imposition of administrative, civil and criminal remedies.

Our intrastate natural gas operations are also subject to regulation by various agencies in Texas, principally the TRRC. Our intrastate pipeline and storage operations in Texas are also subject to the Texas Utilities Code, as implemented by the TRRC. Generally, the TRRC is vested with authority to ensure that rates, operations and services of gas utilities, including intrastate pipelines, are just and reasonable and not discriminatory. The rates we charge for transportation services are deemed just and reasonable under Texas law unless challenged in a customer or TRRC complaint. We cannot predict whether such a complaint will be filed against us or whether the TRRC will change its regulation of these rates. Failure to comply with the Texas Utilities Code can result in the imposition of administrative, civil and criminal remedies.

Our NGL pipelines and operations are subject to state statutes and regulations which could impose additional environmental, safety and operational requirements relating to the design, siting, installation, testing, construction, operation, replacement and management of NGL transportation systems. In some jurisdictions, state public utility commission oversight may include the possibility of fines, penalties and delays in construction related to these regulations. In addition, the rates, terms and conditions of service for shipments of NGLs on our pipelines are subject to regulation by the FERC under the Interstate Commerce Act ("ICA") and the Energy Policy Act of 1992 (the "EPAct of 1992") if the NGLs are transported in interstate or foreign commerce whether by our pipelines or other means of transportation. Since we do not control the entire transportation path of all NGLs shipped on our pipelines, FERC regulation could be triggered by our customers' transportation decisions.

Regulation of Sales of Natural Gas and NGLs. The price at which we buy and sell natural gas currently is not subject to federal regulation and, for the most part, is not subject to state regulation. The price at which we sell NGLs is not subject to federal or state regulation.

To the extent that we enter into transportation contracts with natural gas pipelines that are subject to FERC regulation, we are subject to FERC requirements related to the use of such capacity. Any failure on our part to comply with the FERC's regulations and policies, or with an interstate pipeline's tariff, could result in the imposition of civil and criminal penalties.

Our sales of natural gas are affected by the availability, terms and cost of pipeline transportation. As noted above, the price and terms of access to pipeline transportation are subject to extensive federal and state regulation. The FERC frequently proposes and implements new rules and regulations affecting those segments of the natural gas industry. These initiatives also may affect the intrastate transportation of natural gas under certain circumstances. The stated purpose of many of these regulatory changes is to promote competition among the various sectors of the natural gas industry and these initiatives generally reflect more light-handed regulation. We cannot predict the ultimate impact of these regulatory changes to our natural gas marketing operations, and we note that some of the FERC's regulatory changes may adversely affect the availability and reliability of interruptible transportation service on interstate pipelines. We do not believe that we will be affected by any such FERC action in a manner that is materially different from other natural gas marketers with whom we compete.

Regulation of Gathering Pipelines. Section 1(b) of the NGA exempts natural gas gathering facilities from the jurisdiction of the FERC under the NGA. We own a number of natural gas pipelines in Texas, Louisiana and West Virginia that we believe meet the traditional tests the FERC uses to establish a pipeline's status as a gathering pipeline not subject to FERC jurisdiction. However, the distinction between FERC-regulated transmission services and federally unregulated gathering services has been the subject of substantial litigation and varying interpretations, so the classification and regulation of our gathering facilities could be subject to change based on future determinations by the FERC, the courts and Congress. State regulation of gathering facilities generally includes various safety, environmental and, in some circumstances, nondiscriminatory take requirements and complaint-based rate regulation.

In Texas, our gathering facilities are subject to regulation by the TRRC under the Texas Utilities Code in the same manner as described above for our intrastate pipeline facilities. Louisiana's Pipeline Operations Section of the Department of Natural Resources' Office of Conservation is generally responsible for regulating intrastate pipelines and gathering facilities in Louisiana and has authority to review and authorize natural gas transportation transactions and the construction, acquisition, abandonment and interconnection of physical facilities.

Historically, apart from pipeline safety, Louisiana has not acted to exercise this jurisdiction respecting gathering facilities. In Louisiana, our Chalkley System is regulated as an intrastate transporter, and the Louisiana Office of Conservation has determined that our Whiskey Bay System is a gathering system.

We are subject to state ratable take and common purchaser statutes in all of the states in which we operate. The ratable take statutes generally require gatherers to take, without undue discrimination, natural gas production that may be tendered to the gatherer for handling. Similarly, common purchaser statutes generally require gatherers to purchase without undue discrimination as to source of supply or producer. These statutes are designed to prohibit discrimination in favor of one producer over another producer or one source of supply over another source of supply. These statutes have the effect of restricting the right of an owner of gathering facilities to decide with whom it contracts to purchase or transport natural gas.

Natural gas gathering may receive greater regulatory scrutiny at both the state and federal levels. For example, the TRRC has approved changes to its regulations governing transportation and gathering services performed by intrastate pipelines and gatherers, which prohibit such entities from unduly discriminating in favor of their affiliates. Many of the producing states have adopted some form of complaint-based regulation that generally allows natural gas producers and shippers to file complaints with state regulators in an effort to resolve grievances relating to natural gas gathering access and rate discrimination allegations. Our gathering operations could be adversely affected should they be subject in the future to the application of additional or different state or federal regulation of rates and services. Our gathering operations also may be or become subject to safety and operational regulations relating to the design, installation, testing, construction, operation, replacement and management of gathering facilities. Additional rules and legislation pertaining to these matters are considered or adopted from time to time. We cannot predict what effect, if any, such changes might have on our operations, but the industry could be required to incur additional capital expenditures and increased costs depending on future legislative and regulatory changes.

Regulation of Interstate Crude Oil, NGL and Products Pipelines. Interstate common carrier pipeline operations are subject to rate regulation by the FERC under the ICA, the EPAct of 1992, and related rules and orders. The ICA requires that tariff rates for petroleum pipelines be "just and reasonable" and not unduly discriminatory and that such rates and terms and conditions of service be filed with the FERC. This statute also permits interested persons to challenge proposed new or changed rates. The FERC is authorized to suspend the effectiveness of such rates for up to seven months, though rates are typically not suspended

for the maximum allowable period. If the FERC finds that the new or changed rate is unlawful, it may require the carrier to pay refunds for the period that the rate was in effect. The FERC also may investigate, upon complaint or on its own motion, rates that are already in effect and may order a carrier to change its rates prospectively. Upon an appropriate showing, a shipper may obtain reparations for damages sustained for a period of up to two years prior to the filing of a complaint.

The FERC generally has not investigated interstate rates on its own initiative when those rates, like those we charge, have not been the subject of a protest or a complaint by a shipper. However, the FERC could investigate our rates at the urging of a third party if the third party is either a current shipper or has a substantial economic interest in the tariff rate level. Although no assurance can be given that the tariff rates charged by us ultimately will be upheld if challenged, management believes that the tariff rates now in effect for our pipelines are within the maximum rates allowed under current FERC policies and precedents.

For many locations served by our product and crude pipelines, we are able to establish negotiated rates. Otherwise, we are permitted to charge cost-based rates, or in many cases, grandfathered rates based on historical charges or settlements with our customers. To the extent we rely on cost-of-service ratemaking to establish or support our rates, the issue of the proper allowance for federal and state income taxes could arise. In July 2016, the United States Court of Appeals for the District of Columbia Circuit issued an opinion in United Airlines, Inc., et al. v. FERC, finding that the FERC had acted arbitrarily and capriciously when it failed to demonstrate that permitting an interstate petroleum products pipeline organized as a master limited partnership, or MLP, to include an income tax allowance in the cost of service underlying its rates, in addition to the discounted cash flow return on equity, would not result in the pipeline partnership owners double recovering their income taxes. The court vacated the FERC's order and remanded to the FERC to consider mechanisms for demonstrating that there is no double recovery as a result of the income tax allowance. In December 2016, the FERC issued a Notice of Inquiry Regarding the Commission's Policy for Recovery of Income Tax Costs. The FERC requested comments regarding how to address any double recovery resulting from the Commission's current income tax allowance and rate of return policies. The comment period with respect to the notice of inquiry ended in April 2017.

In March 2018, the FERC issued a Revised Policy Statement on Treatment of Income Taxes in which the FERC found that an impermissible double recovery results from granting an MLP pipeline both an income tax allowance and a return on equity pursuant to the FERC's discounted cash flow methodology. The FERC revised its previous policy, stating that it would no longer permit an MLP pipeline to recover an income tax allowance in its cost of service. The FERC stated it will address the application of the United Airlines decision to non-MLP partnership forms as those issues arise in subsequent proceedings. The FERC will also apply the revised Policy Statement and the Tax Cuts and Jobs Act of 2017 to initial crude oil pipeline cost-of-service rates and cost-of-service rate changes on a going-forward basis under the FERC's existing ratemaking policies, including cost-of-service rate proceedings resulting from shipper-initiated complaints. In July 2018, the FERC dismissed requests for rehearing and clarification of the March 2018 Revised Policy Statement, but provided further guidance, clarifying that a pass-through entity will not be precluded in a future proceeding from arguing and providing evidentiary support that it is entitled to an income tax allowance and demonstrating that its recovery of an income tax allowance does not result in a double recovery of investors' income tax costs. On July 31, 2020, the United States Court of Appeals for the District of Columbia Circuit issued an opinion upholding FERC's decision denying a separate master limited partnership recovery of an income tax allowance and its decision not to require the master limited partnership to refund accumulated deferred income tax balances. In light of the rehearing order's clarification regarding individual entities' ability to argue in support of recovery of an income tax allowance and the court's subsequent opinion upholding denial of an income tax allowance to a master limited partnership, the impacts the FERC's policy on the treatment of income taxes may have on the rates an interstate pipeline held in a tax-pass-through entity can charge for the FERC regulated transportation services are unknown at this time. Please see "Item 1A. Risk Factors - Regulatory Matters."

Effective January 2018, the 2017 Tax Cuts and Jobs Act changed several provisions of the federal tax code, including a reduction in the maximum corporate tax rate. With the lower tax rate, and as discussed immediately above, the maximum tariff rates allowed by the FERC under its rate base methodology may be impacted by a lower income tax allowance component. Many of our interstate pipelines, such as Tiger, Midcontinent Express and Fayetteville Express, have negotiated market rates that were agreed to by customers in connection with long-term contracts entered into to support the construction of the pipelines. Other systems, such as FGT, Transwestern and Panhandle, have a mix of tariff rate, discount rate, and negotiated rate agreements. In addition, several of these pipelines are covered by approved settlements, pursuant to which rate filings will be made in the future. As such, the timing and impact to these systems of any tax-related policy change is unknown at this time.

The EPAct of 1992 required the FERC to establish a simplified and generally applicable methodology to adjust tariff rates for inflation for interstate petroleum pipelines. As a result, the FERC adopted an indexing rate methodology which, as currently in effect, allows common carriers to change their rates within prescribed ceiling levels that are tied to changes in the Producer Price Index for Finished Goods, or PPI-FG. The FERC's indexing methodology is subject to review every five years.

In December 2020, FERC issued an order setting the indexed rate at PPI-FG plus 0.78% during the five-year period commencing July 1, 2021 and ending June 30, 2026. That order is subject to rehearing and appeal, and several rehearing requests have been filed and are pending before FERC. The indexing methodology is applicable to existing rates, including grandfathered rates, with the exclusion of market-based rates. A pipeline is not required to raise its rates up to the index ceiling, but it is permitted to do so and rate increases made under the index are presumed to be just and reasonable unless a protesting party can demonstrate that the portion of the rate increase resulting from application of the index is substantially in excess of the pipeline's increase in costs. Under the indexing rate methodology, in any year in which the index is negative, pipelines must file to lower their rates if those rates would otherwise be above the rate ceiling.

Finally, in November 2017, the FERC responded to a petition for declaratory order and issued an order that may have significant impacts on the way a marketer of crude oil or petroleum products that is affiliated with an interstate pipeline can price its services if those services include transportation on an affiliate's interstate pipeline. In particular, the FERC's November 2017 order prohibits buy/sell arrangements by a marketing affiliate if: (i) the transportation differential applicable to its affiliate's interstate pipeline transportation service is at a discount to the affiliated pipeline's filed rate for that service; and (ii) the pipeline affiliate subsidizes the loss. Several parties have requested that the FERC clarify its November 2017 order or, in the alternative, grant rehearing of the November 2017 order. The FERC extended the time frame to respond to such requests in January 2018 but has not yet taken final action. We are unable to predict how the FERC will respond to such requests. Depending on how the FERC responds, it could have an impact on the rates we are permitted to charge.

Regulation of Intrastate Crude Oil, NGL and Products Pipelines. Some of our crude oil, NGL and products pipelines are subject to regulation by the TRRC, the Pennsylvania Public Utility Commission and the Oklahoma Corporation Commission. The operations of our joint venture interests are also subject to regulation in the states in which they operate. The applicable state statutes require that pipeline rates be nondiscriminatory and provide no more than a fair return on the aggregate value of the pipeline property used to render services. State commissions generally have not initiated an investigation of rates or practices of petroleum pipelines in the absence of shipper complaints. Complaints to state agencies have been infrequent and are usually resolved informally. Although management cannot be certain that our intrastate rates ultimately would be upheld if challenged, we believe that, given this history, the tariffs now in effect are not likely to be challenged or, if challenged, are not likely to be ordered to be reduced.

In addition, as noted above, the rates, terms and conditions for shipments of crude oil, NGLs or products on our pipelines could be subject to regulation by the FERC under the ICA and the EPAct of 1992 if the crude oil, NGLs or products are transported in interstate or foreign commerce whether by our pipelines or other means of transportation. Since we do not control the entire transportation path of all crude oil, NGLs or products shipped on our pipelines, FERC regulation could be triggered by our customers' transportation decisions.

Regulation of Pipeline Safety. Our pipeline operations are subject to regulation by the DOT, through PHMSA, pursuant to the Natural Gas Pipeline Safety Act of 1968, as amended ("NGPSA"), with respect to natural gas and the Hazardous Liquids Pipeline Safety Act of 1979, as amended ("HLPSA"), with respect to crude oil, NGLs and condensates. The NGPSA and HLPSA, as amended, govern the design, installation, testing, construction, operation, replacement and management of natural gas as well as crude oil, NGL and condensate pipeline facilities. Pursuant to these acts, PHMSA has promulgated regulations governing pipeline wall thickness, design pressures, maximum operating pressures, pipeline patrols and leak surveys, minimum depth requirements, and emergency procedures, as well as other matters intended to ensure adequate protection for the public and to prevent accidents and failures. Additionally, PHMSA has established a series of rules requiring pipeline operators to develop and implement integrity management programs for certain gas and hazardous liquid pipelines that, in the event of a pipeline leak or rupture, could affect high consequence areas ("HCAs"), which are areas where a release could have the most significant adverse consequences, including high population areas, certain drinking water sources and unusually sensitive ecological areas. Failure to comply with the pipeline safety laws and regulations may result in the assessment of sanctions, including administrative, civil or criminal penalties, the imposition of investigatory, remedial or corrective action obligations, the occurrence of delays in permitting or the performance of projects, or the issuance of injunctions limiting or prohibiting some or all of our operations in the affected area.

The HLPSA and NGPSA have been amended by the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 ("2011 Pipeline Safety Act") and the Protecting Our Infrastructure of Pipelines and Enhancing Safety Act of 2016 ("2016 Pipeline Safety Act"). The 2011 Pipeline Safety Act increased the penalties for safety violations, established additional safety requirements for newly constructed pipelines and required studies of safety issues that could result in the adoption of new regulatory requirements by PHMSA for existing pipelines. The 2011 Pipeline Safety Act doubled the maximum administrative fines for safety violations from $100,000 to $200,000 for a single violation and from $1 million to $2 million for a related series of violations, but provided that these maximum penalty caps do not apply to certain civil enforcement actions. In January 2021, PHMSA issued a final rule increasing those maximum civil penalties to $222,504 per day, with a maximum of $2,225,034 for a series of violations. Upon reauthorization of PHMSA, Congress often directs the agency to complete certain rulemakings. For

example, in the Consolidated Appropriations Bill for Fiscal Year 2021, Congress reauthorized PHMSA through fiscal year 2023 and directed the agency to move forward with several regulatory actions, including the "Pipeline Safety: Class Location Change Requirements" and the "Pipeline Safety: Safety of Gas Transmission and Gathering Pipelines" proposed rulemakings; Congress has also instructed PHMSA to issue final regulations to require operations of non-rural gas gathering lines and new and existing transmission and distribution pipelines to conduct certain leak detection and repair programs to require facility inspection and maintenance plans to align with those regulations. The timing and scope of such future rulemakings is uncertain.

In addition, states have adopted regulations, similar to existing PHMSA regulations, for intrastate gathering and transmission lines. The states in which we conduct operations typically have developed regulatory programs that parallel the federal regulatory scheme and are applicable to intrastate pipelines. Under such state regulatory programs, states have the authority to conduct pipeline inspections, to investigate accidents and to oversee compliance and enforcement, safety programs and record maintenance and reporting. Congress, PHMSA and individual states may pass or implement additional safety requirements that could result in increased compliance costs for us and other companies in our industry. For example, federal construction, maintenance and inspection standards under the NGPSA that apply to pipelines in relatively populated areas may not apply to gathering lines running through rural regions. However, in October 2019, PHMSA published three final rules that create or expand reporting, inspection, maintenance, and other pipeline safety obligations, including, among other things, extending pipeline integrity assessments to pipelines in certain locations, including newly-defined "Moderate Consequence Areas" ("MCAs").

In another example of how future legal requirements could result in increased compliance costs, notwithstanding the applicability of the federal OSHA's Process Safety Management ("PSM") regulations and the EPA's Risk Management Planning ("RMP") requirements at regulated facilities, PHMSA and one or more state regulators, including the TRRC, have in recent years, expanded the scope of their regulatory inspections to include certain in-plant equipment and pipelines found within NGL fractionation facilities and associated storage facilities, in order to assess compliance of such equipment and pipelines with hazardous liquid pipeline safety requirements. To the extent that these actions are pursued by PHMSA, midstream operators of NGL fractionation facilities and associated storage facilities subject to such inspection may be required to make operational changes or modifications at their facilities to meet standards beyond current PSM and RMP requirements, which changes or modifications may result in additional capital costs, possible operational delays and increased costs of operation that, in some instances, may be significant.

Environmental Matters

General. Our operation of processing plants, pipelines and associated facilities, including compression, in connection with the gathering, processing, storage and transmission of natural gas and the storage and transportation of NGLs, crude oil and refined products is subject to stringent U.S. federal, tribal, state and local laws and regulations, including those governing, among other things, air emissions, wastewater discharges, the use, management and disposal of hazardous and nonhazardous materials and wastes, and the cleanup of contamination. Similar or more stringent laws also exist in Canada. Noncompliance with such laws and regulations, or incidents resulting in environmental releases, could cause us to incur substantial costs, penalties, fines and criminal sanctions, third-party claims for personal injury or property damage, capital expenditures to retrofit or upgrade our facilities and programs, or curtailment or cancellation of permits on operations. As with the industry generally, compliance with existing and anticipated environmental laws and regulations increases our overall cost of doing business, including our cost of planning, permitting, constructing and operating our plants, pipelines and other facilities. As a result of these laws and regulations, our construction and operation costs include capital, operating and maintenance cost items necessary to maintain or upgrade our equipment and facilities.

We have implemented procedures designed to ensure that governmental environmental approvals for both existing operations and those under construction are updated as circumstances require. Historically, our environmental compliance costs have not had a material adverse effect on our business, results of operations or financial condition; however, there can be no assurance that such costs will not be material in the future. For example, we cannot be certain that identification of presently unidentified conditions, more rigorous enforcement by regulatory agencies, enactment of more stringent environmental laws and regulations or unanticipated events will not arise in the future and give rise to environmental liabilities that could have a material adverse effect on our business, financial condition or results of operations.

Uncertainty about the future course of regulation exists because of the recent change in U.S. presidential administrations. In January 2021, the current administration issued an executive order directing all federal agencies to review and take action to address any federal regulations promulgated during the prior administration that may be inconsistent with the current administration's policies. As a result, it is unclear the degree to which certain recent regulatory developments may be modified or rescinded. The executive order also established an Interagency Working Group on the Social Cost of Greenhouse Gases ("Working Group"), which is called on to, among other things, develop methodologies for calculating the "social cost of carbon," "social cost of nitrous oxide" and "social cost of methane." Recommendations from the Working Group are due

beginning June 1, 2021, and final recommendations no later than January 2022. Further regulation of air emissions, as well as uncertainty regarding the future course of regulation, could eventually reduce the demand for oil and natural gas and, in turn, have a material adverse effect on our business, financial condition or results of operations.

Hazardous Substances and Waste Materials. To a large extent, the environmental laws and regulations affecting our operations relate to the release of hazardous substances and waste materials into soils, groundwater and surface water and include measures to prevent, minimize or remediate contamination of the environment. These laws and regulations generally regulate the generation, storage, treatment, transportation and disposal of hazardous substances and waste materials and may require investigatory and remedial actions at sites where such material has been released or disposed. For example, the Comprehensive Environmental Response, Compensation and Liability Act, as amended, ("CERCLA"), also known as the "Superfund" law, and comparable state laws, impose liability without regard to fault or the legality of the original conduct on certain classes of persons that contributed to a release of a "hazardous substance" into the environment. These persons include the owner and operator of the site where a release occurred and companies that disposed or arranged for the disposal of the hazardous substance that has been released into the environment. Under CERCLA, these persons may be subject to strict, joint and several liability, without regard to fault, for, among other things, the costs of investigating and remediating the hazardous substances that have been released into the environment, for damages to natural resources and for the costs of certain health studies. CERCLA and comparable state law also authorize the federal EPA, its state counterparts, and, in some instances, third parties to take actions in response to threats to the public health or the environment and to seek to recover from the responsible classes of persons the costs they incur. It is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by hazardous substances or other pollutants released into the environment. Although "petroleum" as well as natural gas and NGLs are excluded from CERCLA's definition of a "hazardous substance," in the course of our ordinary operations we generate wastes that may fall within that definition or that may be subject to other waste disposal laws and regulations. We may be responsible under CERCLA or state laws for all or part of the costs required to clean up sites at which such substances or wastes have been disposed.

We also generate both hazardous and nonhazardous wastes that are subject to requirements of the federal Resource Conservation and Recovery Act, as amended, ("RCRA") and comparable state statutes. We are not currently required to comply with a substantial portion of the RCRA hazardous waste requirements at many of our facilities because the minimal quantities of hazardous wastes generated there make us subject to less stringent non-hazardous management standards. From time to time, the EPA has considered or third parties have petitioned the agency on the adoption of stricter handling, storage and disposal standards for nonhazardous wastes, including certain wastes associated with the exploration, development and production of crude oil and natural gas. For example, in 2016, the EPA entered into an agreement with several environmental groups to analyze certain Subtitle D criteria regulations pertaining to oil and gas wastes and, if necessary, revise them. In response to the decree, in April 2019, the EPA signed a determination that revision of the regulations is not necessary at this time. It is possible that some wastes generated by us that are currently classified as nonhazardous may in the future be designated as "hazardous wastes," resulting in the wastes being subject to more rigorous and costly disposal requirements, or that the full complement of RCRA standards could be applied to facilities that generate lesser amounts of hazardous waste. Changes such as these examples in applicable regulations may result in a material increase in our capital expenditures or plant operating and maintenance expense and, in the case of our oil and natural gas exploration and production customers, could result in increased operating costs for those customers and a corresponding decrease in demand for our processing, transportation and storage services.

We currently own or lease sites that have been used over the years by prior owners and lessees and by us for various activities related to gathering, processing, storage and transmission of natural gas, NGLs, crude oil and refined products. Waste disposal practices within the oil and gas industry have improved over the years with the passage and implementation of various environmental laws and regulations. Nevertheless, some hydrocarbons and wastes have been disposed of or otherwise released on or under various sites during the operating history of those facilities that are now owned or leased by us. Notwithstanding the possibility that these releases may have occurred during the ownership or operation of these assets by others, these sites may be subject to CERCLA, RCRA and comparable state laws. Under these laws, we could be required to remove or remediate previously disposed wastes (including wastes disposed of or released by prior owners or operators) or contamination (including soil and groundwater contamination) or to prevent the migration of contamination.

As of December 31, 2020 and 2019, accruals of $306 million and $320 million, respectively, were recorded in our consolidated balance sheets as accrued and other current liabilities and other non-current liabilities to cover estimated material environmental liabilities.

The Partnership is subject to extensive and frequently changing federal, tribal, state and local laws and regulations, including those relating to the discharge of materials into the environment or that otherwise relate to the protection of the environment, waste management and the characteristics and composition of fuels. These laws and regulations require environmental assessment and remediation efforts at many of ETC Sunoco's facilities and at formerly owned or third-party sites. Accruals for these environmental remediation activities amounted to $247 million and $252 million at December 31, 2020 and 2019,

respectively, which is included in the total accruals above. These legacy sites that are subject to environmental assessments include formerly owned terminals and other logistics assets, retail sites that are no longer operated by ETC Sunoco, closed and/or sold refineries and other formerly owned sites. We have established a wholly-owned captive insurance company for these legacy sites that are no longer operating. The premiums paid to the captive insurance company include estimates for environmental claims that have been incurred but not reported, based on an actuarially determined fully developed claims expense estimate. In such cases, we accrue losses attributable to unasserted claims based on the discounted estimates that are used to develop the premiums paid to the captive insurance company. As of December 31, 2020, the captive insurance company held $189 million of cash and investments.

The Partnership's accrual for environmental remediation activities reflects anticipated work at identified sites where an assessment has indicated that cleanup costs are probable and reasonably estimable. The accrual for known claims is undiscounted and is based on currently available information, estimated timing of remedial actions and related inflation assumptions, existing technology and presently enacted laws and regulations. It is often extremely difficult to develop reasonable estimates of future site remediation costs due to changing regulations, changing technologies and their associated costs, and changes in the economic environment. Engineering studies, historical experience and other factors are used to identify and evaluate remediation alternatives and their related costs in determining the estimated accruals for environmental remediation activities.

Under various environmental laws, including the RCRA, the Partnership has initiated corrective remedial action at certain of its facilities, formerly owned facilities and at certain third-party sites. At the Partnership's major manufacturing facilities, we have typically assumed continued industrial use and a containment/remediation strategy focused on eliminating unacceptable risks to human health or the environment. The remediation accruals for these sites reflect that strategy. Accruals include amounts designed to prevent or mitigate off-site migration and to contain the impact on the facility property, as well as to address known, discrete areas requiring remediation within the plants. Remedial activities include, for example, closure of RCRA waste management units, recovery of hydrocarbons, handling of impacted soil, mitigation of surface water impacts and prevention or mitigation of off-site migration. A change in this approach as a result of changing the intended use of a property or a sale to a third party could result in a comparatively higher cost remediation strategy in the future.

In general, a remediation site or issue is typically evaluated on an individual basis based upon information available for the site or issue and no pooling or statistical analysis is used to evaluate an aggregate risk for a group of similar items (for example, service station sites) in determining the amount of probable loss accrual to be recorded. The estimates of environmental remediation costs also frequently involve evaluation of a range of estimates. In many cases, it is difficult to determine that one point in the range of loss estimates is more likely than any other. In these situations, existing accounting guidance allows us the minimum amount of the range to accrue. Accordingly, the low end of the range often represents the amount of loss which has been recorded. The Partnership's consolidated balance sheet reflected $306 million in environmental accruals as of December 31, 2020.

In summary, total future costs for environmental remediation activities will depend upon, among other things, the identification of any additional sites, the determination of the extent of the contamination at each site, the timing and nature of required remedial actions, the nature of operations at each site, the technology available and needed to meet the various existing legal requirements, the nature and terms of cost-sharing arrangements with other potentially responsible parties, the availability of insurance coverage, the nature and extent of future environmental laws and regulations, inflation rates, terms of consent agreements or remediation permits with regulatory agencies and the determination of the Partnership's liability at the sites, if any, in light of the number, participation level and financial viability of the other parties. The recognition of additional losses, if and when they were to occur, would likely extend over many years, but management can provide no assurance that it would be over many years. If changes in environmental laws or regulations occur or the assumptions used to estimate losses at multiple sites are adjusted, such changes could materially and adversely impact multiple facilities, formerly owned facilities and third-party sites at the same time. As a result, from time to time, significant charges against income for environmental remediation may occur. And while management does not believe that any such charges would have a material adverse impact on the Partnership's consolidated financial position, it can provide no assurance.

Transwestern conducts soil and groundwater remediation at a number of its facilities. Some of the cleanup activities include remediation of several compressor sites on the Transwestern system for contamination by PCBs, and the costs of this work are not eligible for recovery in rates. The total accrued future estimated cost of remediation activities expected to continue through 2025 is $4 million, which is included in the total environmental accruals mentioned above. Transwestern received FERC approval for rate recovery of projected soil and groundwater remediation costs not related to PCBs effective April 1, 2007. Transwestern, as part of ongoing arrangements with customers, continues to incur costs associated with containing and removing potential PCB contamination. Future costs cannot be reasonably estimated because remediation activities are undertaken as potential claims are made by customers and former customers. Such future costs are not expected to have a material impact on our financial position, results of operations or cash flows, but management can provide no assurance.

Air Emissions. Our operations are subject to the federal Clean Air Act, as amended, and comparable state laws and regulations. These laws and regulations regulate emissions of air pollutants from various industrial sources, including our processing plants, and also impose various monitoring and reporting requirements. Such laws and regulations may require that we obtain pre-approval for the construction or modification of certain projects or facilities, such as our processing plants and compression facilities, expected to produce air emissions or to result in the increase of existing air emissions, that we obtain and strictly comply with air permits containing various emissions and operational limitations, or that we utilize specific emission control technologies to limit emissions. We will incur capital expenditures in the future for air pollution control equipment in connection with obtaining and maintaining operating permits and approvals for air emissions. In addition, our processing plants, pipelines and compression facilities are subject to increasingly stringent regulations, including regulations that require the installation of control technology or the implementation of work practices to control hazardous air pollutants. Moreover, the Clean Air Act requires an operating permit for major sources of emissions and this requirement applies to some of our facilities. Historically, our costs for compliance with existing Clean Air Act and comparable state law requirements have not had a material adverse effect on our results of operations; however, there can be no assurance that such costs will not be material in the future. The EPA and state agencies are often considering, proposing or finalizing new regulations that could impact our existing operations and the costs and timing of new infrastructure development. For example, in October 2015, the EPA published a final rule under the Clean Air Act, lowering the National Ambient Air Quality Standard ("NAAQS") for ground-level ozone to 70 parts per billion for the 8-hour primary and secondary ozone standards. The EPA completed attainment/non-attainment designations in 2018, and states with moderate or high non-attainment areas must submit state implementation plans to the EPA by October 2021. By law, the EPA must review each NAAQS every five years. In December 2020, the EPA announced that it was retaining without revision the 2015 NAAQS for ozone. However, as mentioned above, in January 2021, the Biden administration issued an executive order directing federal agencies to review and take action to address any federal regulations or similar agency actions during the prior administration that may be inconsistent with the current administration's stated priorities. The EPA was specifically ordered to, among other things, propose a Federal Implementation Plan for ozone standards for California, Connecticut, New York, Pennsylvania and Texas by January 2022. Reclassification of areas or imposition of more stringent standards may make it more difficult to construct new or modified sources of air pollution in newly designated non-attainment areas. Also, states are expected to implement more stringent requirements as a result of this new final rule, which could apply to our customers' operations. Compliance with this or other new regulations could, among other things, require installation of new emission controls on some of our equipment, result in longer permitting timelines, and significantly increase our capital expenditures and operating costs, which could adversely impact our business.

Clean Water Act. The Federal Water Pollution Control Act of 1972, as amended, ("Clean Water Act") and comparable state laws impose restrictions and strict controls regarding the discharge of pollutants, including hydrocarbon-bearing wastes, into state waters and waters of the United States. Pursuant to the Clean Water Act and similar state laws, a National Pollutant Discharge Elimination System, or state permit, or both, must be obtained to discharge pollutants into federal and state waters. In addition, the Clean Water Act and comparable state laws require that individual permits or coverage under general permits be obtained by subject facilities for discharges of storm water runoff. The Clean Water Act also prohibits the discharge of dredge and fill material in regulated waters, including wetlands, unless authorized by permit. In June 2015, the EPA and the USACE published a final rule attempting to clarify the federal jurisdictional reach over "waters of the United States" ("WOTUS"), but legal challenges to this rule followed. In January 2020, a new "waters of the United States" rule was finalized to replace the June 2015 rule, defining the following four categories of waters as WOTUS: traditional navigable waters and territorial seas; perennial and intermittent tributaries to those waters; lakes, ponds and impoundments of jurisdictional waters; and wetlands adjacent to jurisdictional waters. However, legal challenges to this rulemaking are ongoing, and it is possible that the Biden Administration could propose a broader interpretation of WOTUS. As a result of these developments, the scope of jurisdiction under the Clean Water Act is uncertain at this time, but to the extent any rule expands the scope of the Clean Water Act's jurisdiction, our operations as well as our exploration and production customers' drilling programs could incur increased costs and delays with respect to obtaining permits for dredge and fill activities in wetland areas.

Additionally, for over 35 years, the USACE has authorized construction, maintenance, and repair of pipelines under a streamlined Nationwide Permit ("NWP") program. From time to time, environmental groups have challenged the NWP program, and, in April 2020, the U.S. District Court for the District of Montana determined that NWP 12 failed to comply with consultation requirements under the federal Endangered Species Act. The district court vacated NWP 12 and enjoined the issuance of new authorizations for oil and gas pipeline projects under the permit. While the district court's order has subsequently been limited pending appeal, and NWP 12 authorizations remain available for certain oil and gas pipeline projects, we cannot predict the ultimate outcome of this case and its impacts on the NWP program. Additionally, in response to the vacatur, the Corps has announced a reissuance of NWP 13 for oil and natural gas pipeline activities, including certain revisions to the conditions for the use of NWP 12; however, the rulemaking may be subject to litigation or to further revision under the Biden Administration. While the full extent and impact of the vacatur is unclear at this time, we could face significant delays and financial costs if we must obtain individual permit coverage from USACE for our projects.

Spills. Our operations can result in the discharge of regulated substances, including NGLs, crude oil or other products. The Clean Water Act, as amended by the federal Oil Pollution Act of 1990, as amended, ("OPA"), and comparable state laws impose restrictions and strict controls regarding the discharge of regulated substances into state waters or waters of the United States. The Clean Water Act and comparable state laws can impose substantial administrative, civil and criminal penalties for non-compliance including spills and other non-authorized discharges. The OPA subjects owners of covered facilities to strict joint and potentially unlimited liability for removal costs and other consequences of a release of oil, where the release is into navigable waters, along shorelines or in the exclusive economic zone of the United States. Spill prevention control and countermeasure requirements of the Clean Water Act and some state laws require that containment dikes and similar structures be installed to help prevent the impact on navigable waters in the event of a release of oil. PHMSA, the EPA, or various state regulatory agencies, has approved our oil spill emergency response plans that are to be used in the event of a spill incident.

In addition, some states maintain groundwater protection programs that require permits for discharges or operations that may impact groundwater conditions. Our management believes that compliance with existing permits and compliance with foreseeable new permit requirements will not have a material adverse effect on our results of operations, financial position or expected cash flows.

Endangered Species. The Endangered Species Act, as amended, restricts activities that may affect endangered or threatened species or their habitat. Similar protections are offered to migratory birds under the Migratory Bird Treaty Act. We may operate in areas that are currently designated as a habitat for endangered or threatened species or where the discovery of previously unidentified endangered species, or the designation of additional species as endangered or threatened may occur in which event such one or more developments could cause us to incur additional costs, to develop habitat conservation plans, to become subject to expansion or operating restrictions, or bans in the affected areas. Moreover, such designation of previously unprotected species as threatened or endangered in areas where our oil and natural gas exploration and production customers operate could cause our customers to incur increased costs arising from species protection measures and could result in delays or limitations in our customers' performance of operations, which could reduce demand for our services.

Climate Change. Climate change continues to attract considerable public, governmental and scientific attention. As a result, numerous proposals have been made and are likely to continue to be made at the international, national, regional and state levels of government to monitor and limit emissions of greenhouse gases ("GHGs"). These efforts have included consideration of cap-and-trade programs, carbon taxes and GHG reporting and tracking programs, and regulations that directly limit GHG emissions from certain sources. In the United States, no comprehensive climate change legislation has been implemented at the federal level to date. However, Canada has implemented a federal carbon pricing regime, and, in the United States, President Biden has announced that he intends to pursue substantial reductions in greenhouse gas emissions, particularly from the oil and gas sector. For example, on January 27, 2021, President Biden signed an executive order that commits to substantial action on climate change, calling for, among other things, the increased use of zero-emissions vehicles by the federal government, the elimination of subsidies provided to the fossil fuel industry, an increase in the production of offshore wind energy, and an increased emphasis on climate-related risks across government agencies and economic sectors. Additionally, the EPA has adopted rules under authority of the Clean Air Act that, among other things, establish Potential for Significant Deterioration ("PSD") construction and Title V operating permit reviews for GHG emissions from certain large stationary sources that are also potential major sources of certain principal, or criteria, pollutant emissions, which reviews could require securing PSD permits at covered facilities emitting GHGs and meeting "best available control technology" standards for those GHG emissions. In addition, the EPA has adopted rules requiring the monitoring and annual reporting of GHG emissions from certain petroleum and natural gas system sources in the United States, including, among others, onshore processing, transmission, storage and distribution facilities. In October 2015, the EPA amended and expanded the GHG reporting requirements to all segments of the oil and natural gas industry, including gathering and boosting facilities and blowdowns of natural gas transmission pipelines.

Federal agencies also have begun directly regulating GHG emissions, such as methane, from oil and natural gas operations. In June 2016, the EPA published New Source Performance Standards ("NSPS"), known as Subpart OOOOa, that require certain new, modified or reconstructed facilities in the oil and natural gas sector to reduce these methane gas and volatile organic compound ("VOC") emissions. These Subpart OOOOa standards expand previously issued NSPS published by the EPA in 2012 and known as Subpart OOOO, by using certain equipment-specific emissions control practices, requiring additional controls for pneumatic controllers and pumps as well as compressors, and imposing leak detection and repair requirements for natural gas compressor and booster stations. In September 2020, the EPA removed natural gas transmission and storage operations from this sector and rescinded the methane-specific requirements of the rule for production and processing facilities. However, President Biden has signed an executive order calling for the suspension, revision, or rescission of the September 2020 rule and the reinstatement or issuance of methane emissions standards for new, modified, and existing oil and has facilities, including the transmission and storage segments. Methane emission standards imposed on the oil and gas sector could result in increased costs to our operations as well as result in delays or curtailment in such operations, which costs, delays or curtailment could adversely affect our business. Several states have also adopted, or are considering adopting, regulations

related to GHG emissions, some of which are more stringent than those implemented by the federal government. Additionally, in December 2015, the United States joined the international community at the 21st Conference of the Parties of the United Nations Framework Convention on Climate Change in Paris, France in signing the "Paris Agreement," a treaty that requires member countries to submit individually-determined, non-binding emission reduction goals every five years beginning in 2020. Although the United States has withdrawn from this agreement, President Biden has signed executive orders recommitting the United States to the Paris Agreement and calling for the federal government to formulate the United States' emissions reduction goal. However, the impacts of these orders are unclear at this time.

The January 2021 climate change executive order also directed the Secretary of the Interior to pause new oil and natural gas leasing on public lands or in offshore waters pending completion of a comprehensive review of the federal permitting and leasing practices, consider whether to adjust royalties associated with coal, oil, and gas resources extracted from public lands and offshore waters, or take other appropriate action, to account for corresponding climate costs. The executive order also directed the federal government to identify "fossil fuel subsidies" to take steps to ensure that, to the extent consistent with applicable law, federal funding is not directly subsidizing fossil fuels. As noted above, a separate executive order issued in January 2021 established a Working Group that is called on to, among other things, develop methodologies for calculating the "social cost of carbon," "social cost of nitrous oxide" and "social cost of methane." Recommendations from the Working Group are due beginning June 1, 2021, and final recommendations no later than January 2022.

The adoption and implementation of any international, federal or state legislation or regulations that require reporting of GHGs or otherwise restrict emissions of GHGs could result in increased compliance costs or additional operating restrictions, and could have a material adverse effect on our business, financial condition, demand for our services, results of operations, and cash flows. Litigation risks are also increasing, as several oil and gas companies have been sued for allegedly causing climate-related damages due to their production and sale of fossil fuel products or for allegedly being aware of the impacts of climate change for some time but failing to adequately disclose such risks to their investors or customers. There is also a risk that financial institutions could be required to adopt policies that have the effect of reducing the funding provided to the fossil fuel sector. For example, recently, the Federal Reserve announced that it has joined the Network for Greening the Financial System, a consortium of financial regulators focused on addressing climate-related risks in the financial sector. Ultimately, this could make it more difficult to secure funding for exploration and production or midstream activities. Finally, most scientists have concluded that increasing concentrations of GHG in the atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, droughts, and floods and other climate events that could have an adverse effect on our assets.

If such effects were to occur, our operations could be adversely affected in various ways, including damages to our facilities from powerful winds or rising waters, or increased costs for insurance. Another possible consequence of climate change is increased volatility in seasonal temperatures. The market for our NGLs and natural gas is generally improved by periods of colder weather and impaired by periods of warmer weather, so any changes in climate could affect the market for the fuels that we transport, and thus demand for our services. Despite the use of the term "global warming" as a shorthand for climate change, some studies indicate that climate change could cause some areas to experience temperatures substantially colder than their historical averages. As a result, it is difficult to predict how the market for our products could be affected by increased temperature volatility, although if there is an overall trend of warmer temperatures, it would be expected to have an adverse effect on our business.

Employee Health and Safety. We are subject to the requirements of the federal OSHA and comparable state laws that regulate the protection of the health and safety of workers. In addition, the Occupational Safety and Health Administration's hazard communication standard requires that information be maintained about hazardous materials used or produced in operations and that this information be provided to employees, state and local government authorities and citizens. Historically, our costs for OSHA required activities, including general industry standards, recordkeeping requirements, and monitoring of occupational exposure to regulated substances, have not had a material adverse effect on our results of operations but there is no assurance that such costs will not be material in the future.

Natural Resource Reviews. The National Environmental Policy Act ("NEPA") provides for an environmental impact assessment process in connection with certain projects that involve federal lands or require approvals by federal agencies. The NEPA process implicates a number of other environmental laws and regulations, including the Endangered Species Act, Migratory Bird Treaty Act, Rivers and Harbors Act, Clean Water Act, Bald and Golden Eagle Protection Act, Fish and Wildlife Coordination Act, Marine Mammal Protection Act and National Historic Preservation Act, often requiring coordination with numerous governmental authorities. The NEPA review process can be lengthy and subjective, resulting in delays in obtaining federal approvals for projects. Our projects that are subject to the NEPA can include pipeline construction and pipeline integrity projects that involve federal lands or require approvals by federal agencies. More stringent environmental impact analyses under or third-party challenges with respect to the sufficiency of any environmental impact statement or assessment prepared pursuant to NEPA could adversely impact such projects in the form of delays or increased compliance and mitigations costs.

Indigenous Protections. Part of our operations cross land that has historically been apportioned to various Native American/First Nations tribes ("Indigenous Peoples"), who may exercise significant jurisdiction and sovereignty over their lands. Indigenous Peoples may also have certain treaty rights and rights to consultation on projects that may affect such lands. Our operations may be impacted to the extent these tribal governments are found to have and choose to act upon such jurisdiction over lands where we operate. For example, in 2020, the Supreme Court ruled in *McGirt v. Oklahoma* that the Muscogee (Creek) Nation reservation in Eastern Oklahoma has not been disestablished. Although the court's ruling indicates that it is limited to criminal law, as applied within the Muscogee (Creek) Nation reservation, the ruling may have significant potential implications for civil law, both in the Muscogee (Creek) Nation reservation and other reservations that may similarly be found to not have been disestablished. State courts in Oklahoma have applied the analysis in *McGirt* in ruling that the Cherokee, Chickasaw, Seminole, and Choctaw reservations likewise had not been disestablished.

On October 1, 2020, the EPA granted approval to the State of Oklahoma under Section 10211(a) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act of 2005 (the "SAFETE Act") to administer all of the State's existing EPA-approved regulatory programs to Indian Country within the state except: Indian allotments to which Indians titles have not been extinguished; lands that are held in trust by the United States on behalf of any Indian or Tribe; lands that are owned in fee by any Tribe where title was acquired through a treaty with the United States to which such tribe is a party and that have never been allotted to any citizen or member of such Tribe. The approval extends the State's authority for existing EPA-approved regulatory programs to all lands within the State to which the State applied such programs prior to the U.S. Supreme Court's ruling in *McGirt*. However, several Tribes have expressed dissatisfaction with the consultation process performed in relation to this approval, and it is possible that EPA's approval under the SAFETE Act could be challenged. Additionally, the SAFETE Act provides that any Tribe in Oklahoma may seek "Treatment as a State" by the EPA, and it is possible that one or more of the Tribes in Oklahoma may seek such an approval from EPA. At this time, we cannot predict how these jurisdictional issues may ultimately be resolved.

Human Capital Management

As of December 31, 2020, ET and its consolidated subsidiaries employed an aggregate of 11,421 employees, 1,217 of which are represented by labor unions. We believe that our relations with our employees are good.

Our employees are our greatest asset, and we seek to attract and retain top talent by fostering a culture that is guided by our core values in a manner that respects all people and cultures, promotes safety, and focuses on the protection of public health and the environment.

Ethics and Values. We are committed to operating our business in a manner that honors and respects all people and the communities in which we do business. We recognize that people are our most valued resource, and we are committed to hiring and investing in employees who strive for excellence and live by our core values: working safely, corporate stewardship, ethics and integrity, entrepreneurial mindset, our people, excellence and results, and social responsibility. We value our employees for what they bring to our organization by embracing those from all backgrounds, cultures, and experiences. We also believe that the keys to our successes have been the cultivation of an atmosphere of inclusion and respect within our family of partnerships and sustaining organizations that promote diversity and provide support across all communities. These are the principles upon which we build and strengthen relationships among our people, our stakeholders, and those within the communities we support.

Respecting All People and All Cultures. We believe strict adherence to our Code of Business Conduct and Ethics is not only right, but is in the best interest of the Partnership, its Unitholders, its customers, and the industry in general. In all instances, the policies of the Partnership require that the business of the Partnership be conducted in a lawful and ethical manner. Every employee acting on behalf of the Partnership must adhere to these policies. Please refer to "Item 10. Directors, Executive Officers and Corporate Governance" for additional information on our Code of Business Conduct and Ethics.

Commitment to Protecting Public Health, Safety and the Environment. Protecting public health and the environment is the primary initiative for our environmental management teams, both in the construction and operation of our assets. These teams consist of environmental engineers, scientists and geologists focused on ensuring that our environmental management systems responsibly and efficiently reduce emissions, protect and preserve the land, water and air around us, and remain in compliance with all applicable regulations. Our environmental, health and safety department's more than 100 environmental and safety professionals provide environmental and safety training to our field representatives. This group also assists others throughout the organization in identifying continuous training for personnel, including the training that is required by applicable laws, regulations, standards, and permit conditions. Our safety standards and expectations are communicated to all employees and contractors with the expectation that each individual has the obligation to make safety the highest priority. Our safety culture aims to promote an open environment for discovering, resolving, and sharing safety challenges. We strive to eliminate unwanted safety events through a comprehensive process that promotes leadership, employee involvement, communication, personal responsibility to comply with standard operating procedures and regulatory requirements, effective risk reduction

processes, maintaining clean facilities, contractor safety, and personal wellness. Energy Transfer's goal is operational excellence, which means an injury- and incident-free workplace. To achieve this, we strive to hire and maintain the most qualified and dedicated workforce in the industry and make safety and safety accountability part of our daily operations. The OSHA Total Reportable Incident Rate ("TRIR") is a key performance indicator by which we evaluate the success of our safety programs. TRIR provides companies with a look at their safety record performance for the year by calculating the number of recordable incidents per 200,000 hours worked. Out of more than 17 million hours worked, our TRIR was 0.87 for 2020, compared to 0.94 in 2019. We believe the Partnership's low TRIR speaks to the investment in and focus on safety and environmental compliance as well as the reliability of our assets.

Regarding COVID-19, as an essential business providing critical energy infrastructure, the safety of our employees and the continued operation of our assets are our top priorities, and we will continue to operate in accordance with federal, state and local health guidelines and safety protocols. We have implemented several new policies and provided employees with training to help maintain the health and safety of our workforce.

For additional information on our Human Capital initiatives, please see our Community Engagement Report available on our website at http://www.energytransfer.com/corporate-responsibility/. Information contained on our website is not part of this report.

SEC Reporting

We file or furnish annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any related amendments and supplements thereto with the SEC. From time to time, we may also file registration and related statements pertaining to equity or debt offerings. The SEC maintains an internet website at http://www.sec.gov that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

We provide electronic access, free of charge, to our periodic and current reports, and amendments to these reports, on our internet website located at http://www.energytransfer.com. These reports are available on our website as soon as reasonably practicable after we electronically file such materials with the SEC. Information contained on our website is not part of this report.

ITEM 1A. RISK FACTORS

In addition to risks and uncertainties in the ordinary course of business that are common to all businesses, important factors that are specific to our structure as a limited partnership, our industry and our company could materially impact our future performance and results of operations. We have provided below a list of these risk factors that should be reviewed when considering an investment in our securities. ETO, Panhandle, Sunoco LP and USAC file Annual Reports on Form 10-K that include risk factors that can be reviewed for further information. The risk factors set forth below, and those included in ETO's, Panhandle's, Sunoco LP's and USAC's Annual Reports, are not all the risks we face, and other factors currently considered immaterial or unknown to us may impact our future operations.

Risk Relating to the Partnership's Business

Results of Operations and Financial Condition

Our cash flow depends primarily on the cash distributions we receive from our partnership interests in ETO, Sunoco LP and USAC, including the incentive distribution rights in Sunoco LP and, therefore, our cash flow is dependent upon the ability of ETO, Sunoco LP and USAC to make distributions in respect of those partnership interests.

We do not have any significant assets other than our partnership interests in ETO. As a result, our cash flow depends on the performance of ETO and its subsidiaries, including Sunoco LP and USAC, and their ability to make cash distributions, which is dependent on the results of operations, cash flows and financial condition of ETO and its subsidiaries, including Sunoco LP and USAC.

The amount of cash that ETO distributes to us each quarter depends upon the amount of cash ETO generates from its operations, which will fluctuate from quarter to quarter and will depend upon, among other things:

- the amount of natural gas, NGLs, crude oil and refined products transported through ETO's pipelines;
- the level of throughput in processing and treating operations;
- the fees charged and the margins realized by ETO, Sunoco LP and USAC for their services;
- the price of natural gas, NGLs, crude oil and refined products;
- the relationship between natural gas, NGL and crude oil prices;
- the weather in their respective operating areas;
- the level of competition from other midstream, transportation and storage and retail marketing companies and other energy providers;
- the level of their respective operating costs and maintenance and integrity capital expenditures;
- the tax profile on any blocker entities treated as corporations for federal income tax purposes that are owned by any of our subsidiaries;
- prevailing economic conditions; and
- the level and results of their respective derivative activities.

In addition, the actual amount of cash that ETO, and its subsidiaries, including Sunoco LP and USAC, will have available for distribution will also depend on other factors, such as:

- the level of capital expenditures they make;
- the level of costs related to litigation and regulatory compliance matters;
- the cost of acquisitions, if any;
- the levels of any margin calls that result from changes in commodity prices;
- debt service requirements;
- fluctuations in working capital needs;
- their ability to borrow under their respective revolving credit facilities;
- their ability to access capital markets;
- restrictions on distributions contained in their respective debt agreements; and

- the amount, if any, of cash reserves established by the board of directors and their respective general partners in their discretion for the proper conduct of their respective businesses.

ET does not have any control over many of these factors, including the level of cash reserves established by the board of directors. Accordingly, we cannot guarantee that ETO, Sunoco LP and USAC will have sufficient available cash to pay a specific level of cash distributions to their respective partners.

Furthermore, Unitholders should be aware that the amount of cash that our subsidiaries have available for distribution depends primarily upon cash flow and is not solely a function of profitability, which is affected by non-cash items. As a result, our subsidiaries may declare and/or pay cash distributions during periods when they record net losses. Please read "Risks Related to the Businesses of our Subsidiaries" included in this Item 1A for a discussion of further risks affecting ETO's ability to generate distributable cash flow.

Income from our midstream, transportation, terminalling and storage operations is exposed to risks due to fluctuations in the demand for and price of natural gas, NGLs, crude oil and refined products that are beyond our control.

The prices for natural gas, NGLs, crude oil and refined products reflect market demand that fluctuates with changes in global and United States economic conditions and other factors, including:

- the level of domestic natural gas, NGL, refined products and oil production;
- the level of natural gas, NGL, refined products and oil imports and exports, including liquefied natural gas;
- actions taken by natural gas and oil producing nations;
- instability or other events affecting natural gas and oil producing nations;
- the impact of weather, public health crises such as pandemics (including COVID-19), and other events of nature on the demand for natural gas, NGLs, refined products and oil;
- the availability of storage, terminal and transportation systems, and refining, processing and treating facilities;
- the price, availability and marketing of competitive fuels;
- the demand for electricity;
- activities by non-governmental organizations to limit certain sources of funding for the energy sector or restrict the exploration, development and production of oil and natural gas and related products;
- the cost of capital needed to maintain or increase production levels and to construct and expand facilities;
- the impact of energy conservation and fuel efficiency efforts; and
- the extent of governmental regulations, taxation, fees and duties.

In the past, the prices of natural gas, NGLs, refined products and oil have been extremely volatile, and we expect this volatility to continue.

Any loss of business from existing customers or our inability to attract new customers due to a decline in demand for natural gas, NGLs, refined products or oil could have a material adverse effect on our revenues and results of operations. In addition, significant price fluctuations for natural gas, NGL, refined products and oil commodities could materially affect our profitability.

The outbreak of COVID-19 and recent geopolitical developments in the crude oil market could adversely impact our business, financial condition and results of operations.

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus known as COVID-19 due to the risks it imposes on the international community as the virus spreads globally. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The global spread of COVID-19 caused a significant decline in economic activity and a reduced demand for goods and services, particularly in the energy industry, due to reduced operations and/or closures of businesses, "shelter in place" and other similar requirements imposed by government authorities, or other actions voluntarily undertaken by individuals and businesses concerned about exposure to COVID-19. The extent to which the COVID-19 pandemic continues to impact our business, operations and financial results depends on numerous evolving factors that we cannot accurately predict, including: the duration and scope of the pandemic; governmental, business and individuals' actions taken in response to the pandemic and the associated impact on economic activity; the effect on the level of demand for natural gas, NGLs, refined products and/or crude oil; our ability to procure materials and services from third parties that are necessary for the operation of our business; our

ability to provide our services, including as a result of travel restrictions on our employees and employees of third parties that we utilize in connection with our services; the potential for key executives or employees to fall ill with COVID-19; and the ability of our customers to pay for our services if their businesses suffer as a result of the pandemic.

In addition, policy disputes between the Organization of Petroleum Exporting Countries and Russia in the first quarter of 2020 resulted in Saudi Arabia significantly discounting the price of its crude oil, as well as Saudi Arabia and Russia significantly increasing the amount of crude oil they produce. These actions led to significant volatility in crude oil prices. More specifically, the spot price for West Texas Intermediate (WTI) crude oil, for physical delivery at Cushing, Oklahoma, decreased from $63.27 per barrel on January 6, 2020 to $(36.98) per barrel on April 20, 2020 and increased to more than $60 per barrel in February 2021.

Reduced demand for natural gas, NGLs, refined products and/or crude oil caused by the COVID-19 pandemic and a decline in WTI crude oil prices caused by the actions of foreign oil-producing nations or other market factors may result in the shut-in of production from U.S. oil and gas wells, which in turn may result in decreased utilization of our midstream services related to crude oil, NGLs, refined products and natural gas. In addition, reduced demand for crude oil has resulted in an increase in worldwide crude oil storage inventories, which limits our options for end-markets for the products we transport.

The factors discussed above could have a material adverse effect on our business, results of operations and financial condition. In addition, significant price fluctuations for natural gas, NGLs, refined products and oil commodities could materially affect the value of our inventory, as well as the linefill and tank bottoms that we account for as non-current assets. We may be forced to delay some of our capital projects and our customers, who may be in financial distress, may slow down decision-making, delay planned projects or seek to renegotiate or terminate agreements with us. To the extent our counterparties are successful, we may not be able to obtain new contract terms that are favorable to us or to replace contracts that are terminated.

Further, the effects of the pandemic and geopolitical developments have market impacts, such that additional capital may be more difficult for us to obtain or available only on terms less favorable to us. Our inability to fund capital expenditures could have a material impact on our results of operations.

At this time, we cannot estimate the magnitude and duration of potential social, economic and labor instability as a direct result of COVID-19, or of potential industry disruption as a direct result of geopolitical developments in the oil market. Should any of these potential impacts continue for an extended period of time, it will have a negative impact on the demand for our services and an adverse effect on our financial position and results of operations. To the extent these factors adversely affect our business and financial results, they may also have the effect of heightening many of the other risks described in this “Risk Factors” section, as well as the risks discussed or referenced in any applicable prospectus supplement, including in the documents we incorporate by reference herein or therein, such as those relating to our indebtedness, our need to generate sufficient cash flows to service our indebtedness and our ability to comply with the covenants contained in the agreements that govern our indebtedness.

The failure to successfully combine the businesses of Energy Transfer and Enable in the expected time frame may adversely affect Energy Transfer’s future results.

The success of the merger will depend, in part, on the ability of Energy Transfer to realize the anticipated benefits from combining the businesses of Energy Transfer and Enable. To realize these anticipated benefits, Energy Transfer’s and Enable’s businesses must be successfully combined. If the combined entity is not able to achieve these objectives, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected. In addition, the actual integration may result in additional and unforeseen expenses, which could reduce the anticipated benefits of the merger.

Energy Transfer and Enable, including their respective subsidiaries, have operated and, until the completion of the merger, will continue to operate independently. It is possible that the integration process could result in the loss of key employees, as well as the disruption of each partnership’s ongoing businesses or inconsistencies in their standards, controls, procedures and policies.

Any or all of those occurrences could adversely affect the combined entity’s ability to maintain relationships with customers and employees after the merger or to achieve the anticipated benefits of the merger. Integration efforts between the two partnerships will also divert management attention and resources. These integration matters could have an adverse effect on each of Energy Transfer and Enable.

An impairment of goodwill and intangible assets could reduce our earnings.

As of December 31, 2020, our consolidated balance sheet reflected $2.39 billion of goodwill and $5.75 billion of intangible assets. Goodwill is recorded when the purchase price of a business exceeds the fair value of the tangible and separately measurable intangible net assets. Accounting principles generally accepted in the United States require us to test goodwill for impairment on an annual basis or when events or circumstances occur, indicating that goodwill might be impaired. Long-lived

assets such as intangible assets with finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If we determine that any of our goodwill or intangible assets were impaired, we would be required to take an immediate charge to earnings with a correlative effect on partners' capital and balance sheet leverage as measured by debt to total capitalization.

During the year ended December 31, 2020, the Partnership recognized goodwill impairments of $483 million related to our midstream operations, $1.28 billion related to our crude operations, $198 million related to our all other operations, $10 million related to our intrastate operations and $226 million related to our interstate operations, primarily due to decreases in projected future cash flow as a result of the overall market demand decline. In addition, USAC recognized a goodwill impairment of $619 million during the year ended December 31, 2020, which is included in the Partnership's consolidated results of operations.

We depend on certain key producers for our supply of natural gas and the loss of any of these key producers could adversely affect our financial results.

Certain producers who are connected to our systems represent a material source of our supply of natural gas. We are not the only option available to these producers for disposition of the natural gas they produce. To the extent that these and other producers may reduce the volumes of natural gas that they supply us, we would be adversely affected unless we were able to acquire comparable supplies of natural gas from other producers.

Our intrastate transportation and storage and interstate transportation and storage operations depend on key customers to transport natural gas through our pipelines and the pipelines of our joint ventures.

During 2020, Trafigura US Inc. accounted for approximately 29% of our intrastate transportation and storage revenues. During 2020, Shell, Ascent Resources LLC and Antero Resources Corporation collectively accounted for 32% of our interstate transportation and storage revenues.

Our joint ventures, FEP and Citrus, also depend on key customers for the transport of natural gas through their pipelines. FEP has a small number of major shippers with one shipper accounting for approximately 64% of its revenues in 2020 while Citrus has long-term agreements with its top two customers which accounted for 54% of its 2020 revenue. For the Trans-Pecos and Comanche Trail pipelines, CFE International LLC is the primary shipper.

The failure of the major shippers on our and our joint ventures' intrastate and interstate transportation and storage pipelines to fulfill their contractual obligations could have a material adverse effect on our cash flow and results of operations if we or our joint ventures were unable to replace these customers under arrangements that provide similar economic benefits as these existing contracts.

We may be unable to retain or replace existing midstream, transportation, terminalling and storage customers or volumes due to declining demand or increased competition in crude oil, refined products, natural gas and NGL markets, which would reduce our revenues and limit our future profitability.

The retention or replacement of existing customers and the volume of services that we provide at rates sufficient to maintain or increase current revenues and cash flows depends on a number of factors beyond our control, including the price of and demand for crude oil, refined products, natural gas and NGLs in the markets we serve and competition from other service providers.

A significant portion of our sales of natural gas are to industrial customers and utilities. As a consequence of the volatility of natural gas prices and increased competition in the industry and other factors, industrial customers, utilities and other gas customers are increasingly reluctant to enter into long-term purchase contracts. Many customers purchase natural gas from more than one supplier and have the ability to change suppliers at any time. Some of these customers also have the ability to switch between gas and alternate fuels in response to relative price fluctuations in the market. Because there are many companies of greatly varying size and financial capacity that compete with us in the marketing of natural gas, we often compete in natural gas sales markets primarily on the basis of price.

We also receive a substantial portion of our revenues by providing natural gas gathering, processing, treating, transportation and storage services. While a substantial portion of our services are sold under long-term contracts for reserved service, we also provide service on an unreserved or short-term basis. Demand for our services may be substantially reduced due to changing market prices. Declining prices may result in lower rates of natural gas production resulting in less use of services, while rising prices may diminish consumer demand and also limit the use of services. In addition, our competitors may attract our customers' business. If demand declines or competition increases, we may not be able to sustain existing levels of unreserved service or renew or extend long-term contracts as they expire or we may reduce our rates to meet competitive pressures.

Revenue from our NGL transportation systems and refined products storage is also exposed to risks due to fluctuations in demand for transportation and storage service as a result of unfavorable commodity prices, competition from nearby pipelines,

and other factors. We receive substantially all of our transportation revenues through dedicated contracts under which the customer agrees to deliver the total output from particular processing plants that are connected only to our transportation system. Reduction in demand for natural gas or NGLs due to unfavorable prices or other factors, however, may result lower rates of production under dedicated contracts and lower demand for our services. In addition, our refined products storage revenues are primarily derived from fixed capacity arrangements between us and our customers, a portion of our revenue is derived from fungible storage and throughput arrangements, under which our revenue is more dependent upon demand for storage from our customers.

The volume of crude oil and refined products transported through our crude oil and refined products pipelines and terminal facilities depends on the availability of attractively priced crude oil and refined products in the areas serviced by our assets. A period of sustained price reductions for crude oil or refined products could lead to a decline in drilling activity, production and refining of crude oil or import levels in these areas. A period of sustained increases in the price of crude oil or refined products supplied from or delivered to any of these areas could materially reduce demand for crude oil or refined products in these areas. In either case, the volumes of crude oil or refined products transported in our crude oil and refined products pipelines and terminal facilities could decline.

The loss of existing customers by our midstream, transportation, terminalling and storage facilities or a reduction in the volume of the services our customers purchase from us, or our inability to attract new customers and service volumes would negatively affect our revenues, be detrimental to our growth, and adversely affect our results of operations.

We and our subsidiaries, including Sunoco LP and USA Compression Partners, LP ("USAC"), are exposed to the credit risk of our customers and derivative counterparties, and an increase in the nonpayment and nonperformance by our customers or derivative counterparties could reduce our ability to make distributions to our unitholders.

We, Sunoco LP and USAC are subject to risks of loss resulting from nonpayment or nonperformance by our, Sunoco LP's and USAC's customers. Commodity price volatility and/or the tightening of credit in the financial markets may make it more difficult for customers to obtain financing and, depending on the degree to which this occurs, there may be a material increase in the nonpayment and nonperformance by our customers. In addition, our risk management activities are subject to the risks that a counterparty may not perform its obligation under the applicable derivative instrument, the terms of the derivative instruments are imperfect, and our risk management policies and procedures are not properly followed. Any material nonpayment or nonperformance by our customers or our derivative counterparties could reduce our ability to make distributions to our unitholders. Any substantial increase in the nonpayment and nonperformance by our customers could have a material effect on our, Sunoco LP's and USAC's results of operations and operating cash flows.

Due to recent market disruptions involving the COVID-19 pandemic, some of our counterparties may be forced to file for bankruptcy protection, in which case our existing contracts with those counterparties may be rejected by the bankruptcy court. Following the request of one of our FERC-regulated natural pipelines, the FERC commenced an investigation into whether the public interest requires abrogation or modification of a firm transportation agreement and an interruptible transportation agreement with one of our shippers. By order dated November 9, 2020, FERC held that the record did not support a finding that the public interest presently requires abrogation or modification of the subject firm transportation agreement. However, actual determination regarding the contract will depend upon further action by the counterparty and any further bankruptcy-related proceedings. If a counterparty is successful in rejecting an existing contract in bankruptcy, we expect that we would attempt to negotiate replacement contracts with those counterparties and, depending on the availability of alternatives to our services, these contracts may have terms that are less favorable to us than the contracts rejected in bankruptcy court.

The profitability of certain activities in our natural gas gathering, processing, transportation and storage operations are largely dependent upon natural gas commodity prices, price spreads between two or more physical locations and market demand for natural gas and NGLs.

For a portion of the natural gas gathered on our systems, we purchase natural gas from producers at the wellhead and then gather and deliver the natural gas to pipelines where we typically resell the natural gas under various arrangements, including sales at index prices. Generally, the gross margins we realize under these arrangements decrease in periods of low natural gas prices.

We also enter into percent-of-proceeds arrangements, keep-whole arrangements, and processing fee agreements pursuant to which we agree to gather and process natural gas received from the producers.

Under percent-of-proceeds arrangements, we generally sell the residue gas and NGLs at market prices and remit to the producers an agreed upon percentage of the proceeds based on an index price. In other cases, instead of remitting cash payments to the producer, we deliver an agreed upon percentage of the residue gas and NGL volumes to the producer and sell the volumes we keep to third parties at market prices. Under these arrangements, our revenues and gross margins decline when

natural gas prices and NGL prices decrease. Accordingly, a decrease in the price of natural gas or NGLs could have an adverse effect on our revenues and results of operations.

Under keep-whole arrangements, we generally sell the NGLs produced from our gathering and processing operations at market prices. Because the extraction of the NGLs from the natural gas during processing reduces the Btu content of the natural gas, we must either purchase natural gas at market prices for return to producers or make a cash payment to producers equal to the value of this natural gas. Under these arrangements, our gross margins generally decrease when the price of natural gas increases relative to the price of NGLs.

When we process the gas for a fee under processing fee agreements, we may guarantee recoveries to the producer. If recoveries are less than those guaranteed to the producer, we may suffer a loss by having to supply liquids or its cash equivalent to keep the producer whole.

We also receive fees and retain gas in kind from our natural gas transportation and storage customers. Our fuel retention fees and the value of gas that we retain in kind are directly affected by changes in natural gas prices. Decreases in natural gas prices tend to decrease our fuel retention fees and the value of retained gas.

In addition, we receive revenue from our off-gas processing and fractionating system in south Louisiana primarily through customer agreements that are a combination of keep-whole and percent-of-proceeds arrangements, as well as from transportation and fractionation fees. Consequently, a large portion of our off-gas processing and fractionation revenue is exposed to risks due to fluctuations in commodity prices. In addition, a decline in NGL prices could cause a decrease in demand for our off-gas processing and fractionation services and could have an adverse effect on our results of operations.

For our midstream segment, we generally analyze gross margin based on fee-based margin (which includes revenues from processing fee arrangements) and non-fee-based margin (which includes gross margin earned on percent-of-proceeds and keep-whole arrangements). The amount of segment margin earned by our midstream segment from fee-based and non-fee-based arrangements (individually and as a percentage of total revenues) will be impacted by the volumes associated with both types of arrangements, as well as commodity prices; therefore, the dollar amounts and the relative magnitude of gross margin from fee-based and non-fee-based arrangements in future periods may be significantly different from results reported in previous periods.

Our midstream facilities and transportation pipelines provide services related to natural gas wells that experience production declines over time, which we may not be able to replace with natural gas production from newly drilled wells in the same natural gas basins or in other new natural gas producing areas.

In order to maintain or increase throughput levels on our gathering systems and transportation pipeline systems and asset utilization rates at our treating and processing plants, we must continually contract for new natural gas supplies and natural gas transportation services.

A substantial portion of our assets, including our gathering systems and our processing and treating plants, are connected to natural gas reserves and wells that experience declining production over time. Our gas transportation pipelines are also dependent upon natural gas production in areas served by our gathering systems or in areas served by other gathering systems or transportation pipelines that connect with our transportation pipelines. We may not be able to obtain additional contracts for natural gas supplies for our natural gas gathering systems, and we may be unable to maintain or increase the levels of natural gas throughput on our transportation pipelines. The primary factors affecting our ability to connect new supplies of natural gas to our gathering systems include our success in contracting for existing natural gas supplies that are not committed to other systems and the level of drilling activity and production of natural gas near our gathering systems or in areas that provide access to our transportation pipelines or markets to which our systems connect. We have no control over the level of drilling activity in our areas of operation, the amount of reserves underlying the wells and the rate at which production from a well will decline. In addition, we have no control over producers or their production and contracting decisions.

While a substantial portion of our services are provided under long-term contracts for reserved service, we also provide service on an unreserved basis. The reserves available through the supply basins connected to our gathering, processing, treating, transportation and storage facilities may decline and may not be replaced by other sources of supply. A decrease in development or production activity could cause a decrease in the volume of unreserved services we provide and a decrease in the number and volume of our contracts for reserved transportation service over the long run, which in each case would adversely affect our revenues and results of operations.

If we are unable to replace any significant volume declines with additional volumes from other sources, our results of operations and cash flows could be materially and adversely affected.

Our revenues depend on our customers' ability to use our pipelines and third-party pipelines over which we have no control.

Our natural gas transportation, storage and NGL businesses depend, in part, on our customers' ability to obtain access to pipelines to deliver gas to us and receive gas from us. Many of these pipelines are owned by parties not affiliated with us. Any interruption of service on our pipelines or third-party pipelines due to testing, line repair, reduced operating pressures, or other causes or adverse change in terms and conditions of service could have a material adverse effect on our ability, and the ability of our customers, to transport natural gas to and from our pipelines and facilities and a corresponding material adverse effect on our transportation and storage revenues. In addition, the rates charged by interconnected pipelines for transportation to and from our facilities affect the utilization and value of our storage services. Significant changes in the rates charged by those pipelines or the rates charged by other pipelines with which the interconnected pipelines compete could also have a material adverse effect on our storage revenues.

Shippers using our oil pipelines and terminals are also dependent upon our pipelines and connections to third-party pipelines to receive and deliver crude oil and products. Any interruptions or reduction in the capabilities of these pipelines due to testing, line repair, reduced operating pressures, or other causes could result in reduced volumes transported in our pipelines or through our terminals. Similarly, if additional shippers begin transporting volume over interconnecting oil pipelines, the allocations of pipeline capacity to our existing shippers on these interconnecting pipelines could be reduced, which also could reduce volumes transported in its pipelines or through our terminals. Allocation reductions of this nature are not infrequent and are beyond our control. Any such interruptions or allocation reductions that, individually or in the aggregate, are material or continue for a sustained period of time could have a material adverse effect on our results of operations, financial position, or cash flows.

The inability to continue to access lands owned by third parties could adversely affect our ability to operate and our financial results.

Our ability to operate our pipeline systems on certain lands owned by third parties will depend on our success in maintaining existing rights-of-way and obtaining new rights-of-way on those lands. We are parties to rights-of-way agreements, permits and licenses authorizing land use with numerous parties, including, private land owners, governmental entities, Native American tribes, rail carriers, public utilities and others. For more information, see our regulatory disclosure titled "Indigenous Protections." Our ability to secure extensions of existing agreements, permits and licenses is essential to our continuing business operations, and securing additional rights-of-way will be critical to our ability to pursue expansion projects. We cannot provide any assurance that we will be able to maintain access to existing rights-of-way upon the expiration of the current grants, that all of the rights-of-way will be obtained in a timely fashion or that we will acquire new rights-of-way as needed.

Further, whether we have the power of eminent domain for our pipelines varies from state to state, depending upon the type of pipeline and the laws of the particular state and the ownership of the land to which we seek access. When we exercise eminent down rights or negotiate private agreements cases, we must compensate landowners for the use of their property and, in eminent domain actions, such compensation may be determined by a court. The inability to exercise the power of eminent domain could negatively affect our business if we were to lose the right to use or occupy the property on which our pipelines are located. For example, following a decision issued in May 2017 by the federal Tenth Circuit Court of Appeals, tribal ownership of even a very small fractional interest in an allotted land, that is, tribal land owned or at one time owned by an individual Indian landowner, bars condemnation of any interest in the allotment. Consequently, the inability to condemn such allotted lands under circumstances where existing pipeline rights-of-way may soon lapse or terminate serves as an additional impediment for pipeline operators. Any loss of rights with respect to our real property, through our inability to renew right-of-way contracts or otherwise, could have a material adverse effect on our business, results of operations, financial condition and ability to make cash distributions to unitholders.

Our storage operations are influenced by the overall forward market for crude oil and other products we store, and certain market conditions may adversely affect our financial and operating results.

Our storage operations are influenced by the overall forward market for crude oil and other products we store. A contango market (meaning that the price of crude oil or other products for future delivery is higher than the current price) is associated with greater demand for storage capacity, because a party can simultaneously purchase crude oil or other products at current prices for storage and sell at higher prices for future delivery. A backwardated market (meaning that the price of crude oil or other products for future delivery is lower than the current price) is associated with lower demand for storage capacity because a party can capture a premium for prompt delivery of crude oil or other products rather than storing it for future sale. A prolonged backwardated market, or other adverse market conditions, could have an adverse impact on its ability to negotiate favorable prices under new or renewing storage contracts, which could have an adverse impact on our storage revenues. As a result, the overall forward market for crude oil or other products may have an adverse effect on our financial condition or results of operations.

Competition for water resources or limitations on water usage for hydraulic fracturing could disrupt crude oil and natural gas production from shale formations.

Hydraulic fracturing is the process of creating or expanding cracks by pumping water, sand and chemicals under high pressure into an underground formation in order to increase the productivity of crude oil and natural gas wells. Water used in the process is generally fresh water, recycled produced water or salt water. There is competition for fresh water from municipalities, farmers, ranchers and industrial users. In addition, the available supply of fresh water can also be reduced directly by drought. Prolonged drought conditions increase the intensity of competition for fresh water. Limitations on oil and gas producers' access to fresh water may restrict their ability to use hydraulic fracturing and could reduce new production. Such disruptions could potentially have a material adverse impact on our financial condition or results of operations.

A natural disaster, catastrophe or other event could result in severe personal injury, property damage and environmental damage, which could curtail our operations and otherwise materially adversely affect our cash flow.

Some of our operations involve risks of personal injury, property damage and environmental damage, which could curtail our operations and otherwise materially adversely affect our cash flow. For example, natural gas pipeline and other facilities operate at high pressures. Virtually all of our operations are exposed to potential natural disasters, including hurricanes, tornadoes, storms, floods and/or earthquakes.

If one or more facilities that are owned by us, or that deliver natural gas or other products to us, are damaged by severe weather or any other disaster, accident, catastrophe or event, our operations could be significantly interrupted. Similar interruptions could result from damage to production or other facilities that supply our facilities or other stoppages arising from factors beyond our control. These interruptions might involve significant damage to people, property or the environment, and repairs might take from a week or less for a minor incident to six months or more for a major interruption. Any event that interrupts the revenues generated by our operations, or which causes us to make significant expenditures not covered by insurance, could reduce our cash available for paying distributions to Unitholders.

As a result of market conditions, premiums and deductibles for certain insurance policies can increase substantially, and in some instances, certain insurance may become unavailable or available only for reduced amounts of coverage. As a result, we may not be able to renew existing insurance policies or procure other desirable insurance on commercially reasonable terms, if at all. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our financial position and results of operations. In addition, the proceeds of any such insurance may not be paid in a timely manner and may be insufficient if such an event were to occur.

Terrorist attacks aimed at our facilities could adversely affect our business, results of operations, cash flows and financial condition.

The United States government has issued warnings that energy assets, including our nation's pipeline infrastructure, may be the future target of terrorist organizations. Some of our facilities are subject to standards and procedures required by the Chemical Facility Anti-Terrorism Standards. We believe we are in compliance with all material requirements; however, such compliance may not prevent a terrorist attack from causing material damage to our facilities or pipelines. Any such terrorist attack on our facilities or pipelines, those of our customers, or in some cases, those of other pipelines could have a material adverse effect on our business, financial condition and results of operations.

Our business could be affected adversely by union disputes and strikes or work stoppages by unionized employees.

As of December 31, 2020, approximately 11% of our workforce is covered by a number of collective bargaining agreements with various terms and dates of expiration. There can be no assurances that we will not experience a work stoppage in the future as a result of labor disagreements. Any work stoppage could, depending on the affected operations and the length of the work stoppage, have a material adverse effect on our business, financial position, results of operations or cash flows.

Cybersecurity breaches and other disruptions could compromise our information and operations, and expose us to liability, which would cause our business and reputation to suffer.

In the ordinary course of our business, we collect and store sensitive data, including intellectual property, our proprietary business information and that of our customers, suppliers and business partners, and personally identifiable information of our employees, in our data centers and on our networks. The secure processing, maintenance and transmission of this information is critical to our operations and business strategy. Despite our security measures, our information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties for divulging shipper information, disruption of our operations, damage to our reputation, and loss of confidence in our products and services, which could adversely affect our business.

Our information technology infrastructure is critical to the efficient operation of our business and essential to our ability to perform day-today operations. Breaches in our information technology infrastructure or physical facilities, or other disruptions, could result in damage to our assets, safety incidents, damage to the environment, potential liability or the loss of contracts, and have a material adverse effect on our operations, financial position and results of operations.

Our operations could be disrupted if our information systems fail, causing increased expenses and loss of sales.

Our business is highly dependent on financial, accounting and other data processing systems and other communications and information systems, including our enterprise resource planning tools. We process a large number of transactions on a daily basis and rely upon the proper functioning of computer systems. If a key system was to fail or experience unscheduled downtime for any reason, even if only for a short period, our operations and financial results could be affected adversely. Our systems could be damaged or interrupted by a security breach, fire, flood, power loss, telecommunications failure or similar event. We have a formal disaster recovery plan in place, but this plan may not entirely prevent delays or other complications that could arise from an information systems failure. Our business interruption insurance may not compensate us adequately for losses that may occur.

Product liability claims and litigation could adversely affect our business and results of operations.

Product liability is a significant commercial risk. Substantial damage awards have been made in certain jurisdictions against manufacturers and resellers based upon claims for injuries caused by the use of or exposure to various products. There can be no assurance that product liability claims against us would not have a material adverse effect on our business or results of operations.

Along with other refiners, manufacturers and sellers of gasoline, ETC Sunoco Holdings LLC (“ETC Sunoco”) is a defendant in numerous lawsuits that allege methyl tertiary butyl ether (“MTBE”) contamination in groundwater. Plaintiffs, who include water purveyors and municipalities responsible for supplying drinking water and private well owners, are seeking compensatory damages (and in some cases injunctive relief, punitive damages and attorneys’ fees) for claims relating to the alleged manufacture and distribution of a defective product (MTBE-containing gasoline) that contaminates groundwater, and general allegations of product liability, nuisance, trespass, negligence, violation of environmental laws and deceptive business practices. There has been insufficient information developed about the plaintiffs’ legal theories or the facts that would be relevant to an analysis of the ultimate liability to ETC Sunoco. An adverse determination of liability related to these allegations or other product liability claims against ETC Sunoco could have a material adverse effect on our business or results of operations.

We do not control, and therefore may not be able to cause or prevent certain actions by, certain of our joint ventures.

Certain of our operations are conducted through joint ventures, some of which have their own governing boards. With respect to our joint ventures, we share ownership and management responsibilities with partners that may not share our goals and objectives. Consequently, it may be difficult or impossible for us to cause the joint venture entity to take actions that we believe would be in their or the joint venture’s best interests. Likewise, we may be unable to prevent actions of the joint venture. Differences in views among joint venture partners may result in delayed decisions or failures to agree on major matters, such as large expenditures or contractual commitments, the construction or acquisition of assets or borrowing money, among others. Delay or failure to agree may prevent action with respect to such matters, even though such action may serve our best interest or that of the joint venture. Accordingly, delayed decisions and disagreements could adversely affect the business and operations of the joint ventures and, in turn, our business and operations.

The use of derivative financial instruments could result in material financial losses by us.

From time to time, we and/or our subsidiaries have sought to reduce our exposure to fluctuations in commodity prices and interest rates by using derivative financial instruments and other risk management mechanisms and by our trading, marketing and/or system optimization activities. To the extent that we hedge our commodity price and interest rate exposures, we forgo the benefits we would otherwise experience if commodity prices or interest rates were to change in our favor.

The accounting standards regarding hedge accounting are very complex, and even when we engage in hedging transactions that are effective economically (whether to mitigate our exposure to fluctuations in commodity prices, or to balance our exposure to fixed and variable interest rates), these transactions may not be considered effective for accounting purposes. Accordingly, our consolidated financial statements may reflect some volatility due to these hedges, even when there is no underlying economic impact at that point. It is also not always possible for us to engage in a hedging transaction that completely mitigates our exposure to commodity prices. Our consolidated financial statements may reflect a gain or loss arising from an exposure to commodity prices for which we are unable to enter into a completely effective hedge.

In addition, our derivatives activities can result in losses. Such losses could occur under various circumstances, including if a counterparty does not perform its obligations under the derivative arrangement, the hedge is imperfect, commodity prices move unfavorably related to our physical or financial positions or hedging policies and procedures are not followed.

Increasing levels of congestion in the Houston Ship Channel could result in a diversion of business to less busy ports.

Our Gulf Coast facilities are strategically situated on prime real estate located in the Houston Ship Channel, which is in close proximity to both supply sources and demand sources. In recent years, the success of the Port of Houston has led to an increase in vessel traffic driven in part by the growing overseas demand for U.S. crude, gasoline, liquefied natural gas and petrochemicals and in part by the Port of Houston's recent decision to accept large container vessels, which can restrict the flow of other cargo. Increasing congestion in the Port of Houston could cause our customers or potential customers to divert their business to smaller ports in the Gulf of Mexico, which could result in lower utilization of our facilities.

The costs of providing pension and other postretirement health care benefits and related funding requirements are subject to changes in pension fund values, changing demographics and fluctuating actuarial assumptions and may have a material adverse effect on our financial results.

Certain of our subsidiaries provide pension plan and other postretirement healthcare benefits to certain of their employees. The costs of providing pension and other postretirement health care benefits and related funding requirements are subject to changes in pension and other postretirement fund values, changing demographics and fluctuating actuarial assumptions that may have a material adverse effect on the Partnership's future consolidated financial results. While certain of the costs incurred in providing such pension and other postretirement healthcare benefits are recovered through the rates charged by the Partnership's regulated businesses, the

Partnership's subsidiaries may not recover all of the costs and those rates are generally not immediately responsive to current market conditions or funding requirements. Additionally, if the current cost recovery mechanisms are changed or eliminated, the impact of these benefits on operating results could significantly increase.

Mergers among customers and competitors could result in lower volumes being shipped on our pipelines or products stored in or distributed through our terminals, or reduced crude oil marketing margins or volumes.

Mergers between existing customers could provide strong economic incentives for the combined entities to utilize their existing systems instead of our systems in those markets where the systems compete. As a result, we could lose some or all of the volumes and associated revenues from these customers and could experience difficulty in replacing those lost volumes and revenues, which could materially and adversely affect our results of operations, financial position, or cash flows.

Fraudulent activity or misuse of proprietary data involving our outsourcing partners could expose us to additional liability.

We utilize both affiliated entities and third parties in the processing of our information and data. Breaches of security measures or the accidental loss, inadvertent disclosure or unapproved dissemination of proprietary information, or sensitive or confidential data about us or our customers, including the potential loss or disclosure of such information or data as a result of fraud or other forms of deception, could expose us to a risk of loss, or misuse of this information, result in litigation and potential liability, lead to reputational damage, increase our compliance costs, or otherwise harm our business.

We compete with other businesses in our market with respect to attracting and retaining qualified employees.

Our continued success depends on our ability to attract and retain qualified personnel in all areas of our business. We compete with other businesses in our market with respect to attracting and retaining qualified employees. A tight labor market, increased overtime and a higher full-time employee ratio may cause labor costs to increase. A shortage of qualified employees may require us to enhance wage and benefits packages in order to compete effectively in the hiring and retention of such employees or to hire more expensive temporary employees. No assurance can be given that our labor costs will not increase, or that such increases can be recovered through increased prices charged to customers. We are especially vulnerable to labor shortages in oil and gas drilling areas when energy prices drive higher exploration and production activity.

Changes in currency exchange rates could adversely affect our results of operations for our Canadian operations.

A portion of our revenue is generated from operations in Canada, which use the Canadian dollar as the functional currency. Therefore, changes in the exchange rate between the U.S. dollar and the Canadian dollar could adversely affect our results of operations.

We are subject to the risks of doing business outside of the U.S.

The success of our business depends, in part, on continued performance in our non-U.S. operations. We currently have operations in Canada. In addition to the other risks described in this report on Form 10-K, there are numerous risks and uncertainties that specifically affect our non-U.S. operations. These risks and uncertainties include political and economic instability, changes in local governmental laws, regulations and policies, including those related to tariffs, investments, taxation, exchange controls, employment regulations and repatriation of earnings, and enforcement of contract and intellectual property rights. International transactions may also involve increased financial and legal risks due to differing legal systems and customs, including risks of non-compliance with U.S. and local laws affecting our activities abroad, including compliance with the U.S. Foreign Corrupt Practices Act. While these factors and the impact of these factors are difficult to predict, any one or more of them could adversely affect our financial and operational results.

Our trucking fleet operations are subject to the Federal Motor Carrier Safety Regulations which are enacted, reviewed and amended by the FMCSA. Our fleet currently has a "satisfactory" safety rating; however, if our safety rating were downgraded to "unsatisfactory," our business and results of operations could be adversely affected.

All federally regulated carriers' safety ratings are measured through a program implemented by the FMCSA known as the Compliance Safety Accountability ("CSA") program. The CSA program measures a carrier's safety performance based on violations observed during roadside inspections as opposed to compliance audits performed by the FMCSA. The quantity and severity of any violations are compared to a peer group of companies of comparable size and annual mileage. If a company rises above a threshold established by the FMCSA, it is subject to action from the FMCSA. There is a progressive intervention strategy that begins with a company providing the FMCSA with an acceptable plan of corrective action that the company will implement. If the issues are not corrected, the intervention escalates to on-site compliance audits and ultimately an "unsatisfactory" rating and the revocation of its operating authority by the FMCSA could have an adverse effect on our business, results of operations and financial condition.

Indebtedness

Our debt level and debt agreements may limit our ability to make distributions to Unitholders and may limit our future financial and operating flexibility.

As of December 31, 2020, we had approximately $51.44 billion of consolidated debt, excluding the debt of our unconsolidated joint ventures. Our level of indebtedness affects our operations in several ways, including, among other things:

- a significant portion of our and our subsidiaries' cash flow from operations will be dedicated to the payment of principal and interest on outstanding debt and will not be available for other purposes, including payment of distributions;
- covenants contained in our and our subsidiaries' existing debt agreements require us and them, as applicable, to meet financial tests that may adversely affect our flexibility in planning for and reacting to changes in our business;
- our and our subsidiaries' ability to obtain additional financing for working capital, capital expenditures, acquisitions and general partnership, corporate or limited liability company purposes, as applicable, may be limited;
- we may be at a competitive disadvantage relative to similar companies that have less debt;
- we may be more vulnerable to adverse economic and industry conditions as a result of our significant debt level; and
- failure by us or our subsidiaries to comply with the various restrictive covenants of our respective debt agreements could negatively impact our ability to incur additional debt, including our ability to utilize the available capacity under our revolving credit facility, and our ability to pay our distributions.

The consolidated debt level and debt agreements of ETO and its subsidiaries, including Sunoco LP and USAC, may limit the distributions we receive from ETO, as well as our future financial and operating flexibility.

ETO's and its subsidiaries' levels of indebtedness affect their operations in several ways, including, among other things:

- a significant portion of ETO's and its subsidiaries' cash flows from operations will be dedicated to the payment of principal and interest on outstanding debt and will not be available for other purposes, including payment of distributions to us;
- covenants contained in ETO's and its subsidiaries' existing debt agreements require ETO and its subsidiaries, as applicable, to meet financial tests that may adversely affect their flexibility in planning for and reacting to changes in their respective businesses;
- ETO's and its subsidiaries' ability to obtain additional financing for working capital, capital expenditures, acquisitions and general partnership, corporate or limited liability company purposes, as applicable, may be limited;
- ETO and its subsidiaries may be at a competitive disadvantage relative to similar companies that have less debt;

- ETO and its subsidiaries may be more vulnerable to adverse economic and industry conditions as a result of their significant debt levels;
- failure by ETO or its subsidiaries to comply with the various restrictive covenants of the respective debt agreements could negatively impact ETO's and/or its subsidiaries' ability to incur additional debt, including their ability to utilize the available capacity under their revolving credit facilities, and to pay distributions to us and their unitholders.

We do not have the same flexibility as other types of organizations to accumulate cash, which may limit cash available to service our debt or to repay debt at maturity.

Unlike a corporation, our partnership agreement requires us to distribute, on a quarterly basis, 100% of our Available Cash (as defined in our partnership agreement) to our Unitholders of record and our general partner. Available Cash is generally all of our cash on hand as of the end of a quarter, adjusted for cash distributions and net changes to reserves. Our general partner will determine the amount and timing of such distributions and has broad discretion to establish and make additions to our reserves or the reserves of our operating subsidiaries in amounts it determines in its reasonable discretion to be necessary or appropriate:

- to provide for the proper conduct of our business and the businesses of our operating subsidiaries (including reserves for future capital expenditures and for our anticipated future credit needs);
- to provide funds for distributions to our Unitholders and our general partner for any one or more of the next four calendar quarters; or
- to comply with applicable law or any of our loan or other agreements.

Increases in interest rates could materially adversely affect our business, results of operations, cash flows and financial condition.

In addition to our exposure to commodity prices, we have significant exposure to changes in interest rates. Approximately $6.72 billion of our consolidated debt as of December 31, 2020 bears interest at variable interest rates and the remainder bears interest at fixed rates. To the extent that we have debt with floating interest rates, our results of operations, cash flows and financial condition could be materially adversely affected by increases in interest rates. We manage a portion of our interest rate exposures by utilizing interest rate swaps.

An increase in interest rates could impact demand for our storage capacity.

There is a financing cost for a storage capacity user to own crude oil while it is stored. That financing cost is impacted by the cost of capital or interest rate incurred by the storage user, in addition to the commodity cost of the crude oil in inventory. Absent other factors, a higher financing cost adversely impacts the economics of storing crude oil for future sale. As a result, a significant increase in interest rates could adversely affect the demand for our storage capacity independent of other market factors.

An increase in interest rates may also cause a corresponding decline in demand for equity investments, in general, and in particular for yield-based equity investments such as our Common Units. Any such reduction in demand for our Common Units resulting from other more attractive investment opportunities may cause the trading price of our Common Units to decline.

An increase in the LIBOR or a phase-out or replacement of LIBOR with a benchmark rate that is higher or more volatile than the LIBOR rate could increase our cost of borrowing and could adversely affect our financial position.

As of December 31, 2020, we had outstanding approximately $6.40 billion of debt that bears interest at variable interest rates that use the LIBOR as a benchmark rate. Due to the perceived structural risks inherent in unsecured benchmark rates such as LIBOR, in July 2014, the Financial Stability Board (FSB) recommended developing alternative, near risk-free reference rates. In response to the recommendation put forth by the FSB, the Board of Governors of the Federal Reserve System and the Federal Reserve Bank of New York convened the Alternative Reference Rates Committee ("ARRC") to identify alternatives to LIBOR. In June 2017, the ARRC selected the secured overnight financing rate (SOFR) as the preferred alternative reference rate to LIBOR. In July 2017, the U.K.'s Financial Conduct Authority (FCA), which oversees the LIBOR submission process for all currencies and regulates the authorized administrator of LIBOR, ICE Benchmark Administration (IBA), announced that it intends to stop persuading or compelling London banks to make these rate submissions after 2021. The cessation date for compulsory submission and publication of rates for certain tenors of LIBOR has since been extended by the IBA and FCA until June 2023. Additionally, the ARRC has published a series of principles for LIBOR fallback contract language which include a methodology for determining fallback rates, which are primarily comprised of SOFR as the replacement benchmark and a replacement benchmark spread.

It is unclear, if certain LIBOR tenors continue to be reported beyond 2021, whether they will be considered representative or whether SOFR as the identified successor benchmark rate will attain market acceptance as a replacement for LIBOR. It is not possible to predict the further effect of the rules, recommendations or administrative practices of the FCA, IBA or ARRC, any changes in the methods by which LIBOR is determined or any other reforms to LIBOR that may be enacted in the United Kingdom, the European Union or elsewhere. Any such developments may cause LIBOR to perform differently than in the past or cease to exist. In addition, any other legal or regulatory changes made by the FCA, the European Commission or any other successor governance or oversight body, or future changes adopted by such body, in the method by which LIBOR is determined or the change from LIBOR to an alternative benchmark rate may result in, among other things, a sudden or prolonged increase or decrease in LIBOR, a delay in the publication of LIBOR, and changes in the rules or methodologies in LIBOR, which may discourage market participants from continuing to administer or to participate in LIBOR's determination, and, in certain situations, could result in LIBOR no longer being determined and published.

The adoption of SOFR, or any other alternative benchmark rate, may result in interest obligations which are more than or do not otherwise correlate over time with the payments that would have been made on such debt if U.S. dollar LIBOR was available in its current form. Further, the same costs and risks that may lead to the discontinuation or unavailability of U.S. dollar LIBOR may make one or more of the alternative methods impossible or impracticable to determine. Use of SOFR as an alternative benchmark rate and replacement for LIBOR could affect our debt securities, derivative instruments, receivables, debt payments and receipts. At this time, it is not possible to predict the effect of the establishment of any alternative benchmark rate(s). Any new benchmark rate will likely not replicate LIBOR exactly, and any changes to benchmark rates may have an uncertain impact on our cost of funds and our access to the capital markets. Any of these proposals or consequences could have a material adverse effect on our financing costs.

A downgrade of our credit ratings could impact our and our subsidiaries' liquidity, access to capital and costs of doing business, and maintaining credit ratings is under the control of independent third parties.

A downgrade of our credit ratings may increase our and our subsidiaries' cost of borrowing and could require us to post collateral with third parties, negatively impacting our available liquidity. Our and our subsidiaries' ability to access capital markets could also be limited by a downgrade of our credit ratings and other disruptions. Such disruptions could include:

- economic downturns;
- deteriorating capital market conditions;
- declining market prices for crude oil, natural gas, NGLs and other commodities;
- terrorist attacks or threatened attacks on our facilities or those of other energy companies; and
- the overall health of the energy industry, including the bankruptcy or insolvency of other companies.

Credit rating agencies perform independent analysis when assigning credit ratings. The analysis includes a number of criteria including, but not limited to, business composition, market and operational risks, as well as various financial tests. Credit rating agencies continue to review the criteria for industry sectors and various debt ratings and may make changes to those criteria from time to time. Credit ratings are not recommendations to buy, sell or hold investments in the rated entity. Ratings are subject to revision or withdrawal at any time by the rating agencies, and we cannot assure you that we will maintain our current credit ratings.

Capital Projects and Future Growth

If we and our subsidiaries do not make acquisitions on economically acceptable terms, our future growth could be limited.

Our results of operations and our ability to grow and to make distributions to Unitholders will depend in part on our ability to make acquisitions that are accretive to our distributable cash flow per unit.

We may be unable to make accretive acquisitions for any of the following reasons, among others:

- because we are unable to identify attractive acquisition candidates or negotiate acceptable purchase contracts with them;
- because we are unable to raise financing for such acquisitions on economically acceptable terms; or
- because we are outbid by competitors, some of which are substantially larger than us and have greater financial resources and lower costs of capital then we do.

Furthermore, even if we consummate acquisitions that we believe will be accretive, those acquisitions may in fact adversely affect our results of operations or result in a decrease in distributable cash flow per unit. Any acquisition involves potential risks, including the risk that we may:

- fail to realize anticipated benefits, such as new customer relationships, cost-savings or cash flow enhancements;
- decrease our liquidity by using a significant portion of our available cash or borrowing capacity to finance acquisitions;
- significantly increase our interest expense or financial leverage if we incur additional debt to finance acquisitions;
- encounter difficulties operating in new geographic areas or new lines of business;
- incur or assume unanticipated liabilities, losses or costs associated with the business or assets acquired for which we are not indemnified or for which the indemnity is inadequate;
- be unable to hire, train or retrain qualified personnel to manage and operate our growing business and assets;
- less effectively manage our historical assets, due to the diversion of management's attention from other business concerns; or
- incur other significant charges, such as impairment of goodwill or other intangible assets, asset devaluation or restructuring charges.

If we consummate future acquisitions, our capitalization and results of operations may change significantly. As we determine the application of our funds and other resources, Unitholders will not have an opportunity to evaluate the economic, financial and other relevant information that we will consider.

Capital projects will require significant amounts of debt and equity financing, which may not be available to us on acceptable terms, or at all.

We plan to fund our growth capital expenditures, including any new pipeline construction projects and improvements or repairs to existing facilities that we may undertake, with proceeds from sales of our debt and equity securities and borrowings under our revolving credit facility; however, we cannot be certain that we will be able to issue our debt and equity securities on terms satisfactory to us, or at all. If we are unable to finance our expansion projects as expected, we could be required to seek alternative financing, the terms of which may not be attractive to us, or to revise or cancel our expansion plans.

A significant increase in our indebtedness that is proportionately greater than our issuance of equity could negatively impact our and our subsidiaries' credit ratings or our ability to remain in compliance with the financial covenants under our revolving credit agreement, which could have a material adverse effect on our financial condition, results of operations and cash flows.

If we do not continue to construct new pipelines, our future growth could be limited.

Our results of operations and ability to grow and to increase distributable cash flow per unit will depend, in part, on our ability to construct pipelines that are accretive to our distributable cash flow. We may be unable to construct pipelines that are accretive to distributable cash flow for any of the following reasons, among others:

- we are unable to identify pipeline construction opportunities with favorable projected financial returns;
- we are unable to obtain necessary governmental approvals and contracts with qualified contractors and vendors on acceptable terms;
- we are unable to raise financing for our identified pipeline construction opportunities; or
- we are unable to secure sufficient transportation commitments from potential customers due to competition from other pipeline construction projects or for other reasons.

Furthermore, even if we construct a pipeline that we believe will be accretive, the pipeline may in fact adversely affect our results of operations or results from those projected prior to commencement of construction and other factors.

Expanding our business by constructing new pipelines and related facilities subjects us to risks.

One of the ways that we have grown our business is through the construction of additions to our existing gathering, compression, treating, processing and transportation systems. The construction of new pipelines and related facilities (or the improvement and repair of existing facilities) involves numerous regulatory, environmental, political and legal uncertainties beyond our control and requires the expenditure of significant amounts of capital that we will be required to finance through borrowings, the issuance of additional equity or from operating cash flow. If we undertake these projects, they may not be completed on schedule, at all, or at the budgeted cost. A variety of factors outside our control, such as weather, natural disasters

and difficulties in obtaining permits and rights-of-way or other regulatory approvals, as well as the performance by third-party contractors, may result in increased costs or delays in construction. For example, in recent years, pipeline projects by many companies have been subject to several challenges by environmental groups, such as challenges to agency reviews under the NEPA and to the USACE NWP program. For more information on the NWP program, see our regulatory disclosure titled "Clean Water Act". Separately, cost overruns or delays in completing a project could have a material adverse effect on our results of operations and cash flows. Moreover, our revenues may not increase immediately following the completion of a particular project. For instance, if we build a new pipeline, the construction will occur over an extended period of time, but we may not materially increase our revenues until long after the project's completion. In addition, the success of a pipeline construction project will likely depend upon the level of oil and natural gas exploration and development drilling activity and the demand for pipeline transportation in the areas proposed to be serviced by the project as well as our ability to obtain commitments from producers in the area to utilize the newly constructed pipelines. In this regard, we may construct facilities to capture anticipated future growth in oil or natural gas production in a region in which such growth does not materialize. As a result, new facilities may be unable to attract enough throughput or contracted capacity reservation commitments to achieve our expected investment return, which could adversely affect our results of operations and financial condition.

The liquefaction project is dependent upon securing long-term contractual arrangements for the off-take of LNG on terms sufficient to support the financial viability of the project.

LCL, our wholly-owned subsidiary, is in the process of developing a liquefaction project at the site of our existing regasification facility in Lake Charles, Louisiana. The project would utilize existing dock and storage facilities owned by us located on the Lake Charles site. The parties' determination as to the feasibility of the project will be particularly dependent upon the prospects for securing long-term contractual arrangements for the off-take of LNG which in turn will be dependent upon supply and demand factors affecting the price of LNG in foreign markets. The financial viability of the project will also be dependent upon a number of other factors, including the expected cost to construct the liquefaction facility, the terms and conditions of the financing for the construction of the liquefaction facility, the cost of the natural gas supply, the costs to transport natural gas to the liquefaction facility, the costs to operate the liquefaction facility and the costs to transport LNG from the liquefaction facility to customers in foreign markets (particularly Europe and Asia). Some of these costs fluctuate based on a variety of factors, including supply and demand factors affecting the price of natural gas in the United States, supply and demand factors affecting the costs for construction services for large infrastructure projects in the United States, and general economic conditions, there can be no assurance that the parties will determine to proceed to develop this project.

The construction of the liquefaction project remains subject to further approvals and some approvals may be subject to further conditions, review and/or revocation.

While LCL has received authorization from the DOE to export LNG to non-Free Trade Agreements ("non-FTA") countries, the non-FTA authorization is subject to review, and the DOE may impose additional approval and permit requirements in the future or revoke the non-FTA authorization should the DOE conclude that such export authorization is inconsistent with the public interest. The FERC order (issued December 17, 2015) authorizing LCL to site, construct and operate the liquefaction project contains a condition requiring all phases of the liquefaction project to be completed and in-service within five years of the date of the order. The order also requires the modifications to our Trunkline pipeline facilities that connect to our Lake Charles facility and additionally requires execution of a transportation contract for natural gas supply to the liquefaction facility prior to the initiation of construction of the liquefaction facility. On December 5, 2019, the FERC granted an extension of time until and including December 16, 2025, to complete construction of the liquefaction project and pipeline facilities modifications and place the facilities into service.

Integration of assets acquired in past acquisitions or future acquisitions with our existing business will be a complex and time-consuming process. A failure to successfully integrate the acquired assets with our existing business in a timely manner may have a material adverse effect on our business, financial condition, results of operations or cash available for distribution to unitholders.

The difficulties of integrating past and future acquisitions with our business include, among other things:

- operating a larger combined organization in new geographic areas and new lines of business;
- hiring, training or retaining qualified personnel to manage and operate our growing business and assets;
- integrating management teams and employees into existing operations and establishing effective communication and information exchange with such management teams and employees;
- diversion of management's attention from our existing business;
- assimilation of acquired assets and operations, including additional regulatory programs;

- loss of customers or key employees;
- maintaining an effective system of internal controls in compliance with the Sarbanes-Oxley Act of 2002 as well as other regulatory compliance and corporate governance matters; and
- integrating new technology systems for financial reporting.

If any of these risks or other unanticipated liabilities or costs were to materialize, then desired benefits from past acquisitions and future acquisitions resulting in a negative impact to our future results of operations. In addition, acquired assets may perform at levels below the forecasts used to evaluate their acquisition, due to factors beyond our control. If the acquired assets perform at levels below the forecasts, then our future results of operations could be negatively impacted.

Also, our reviews of proposed business or asset acquisitions are inherently imperfect because it is generally not feasible to perform an in-depth review of each such proposal given time constraints imposed by sellers. Even if performed, a detailed review of assets and businesses may not reveal existing or potential problems and may not provide sufficient familiarity with such business or assets to fully assess their deficiencies and potential. Inspections may not be performed on every asset, and environmental problems, may not be observable even when an inspection is undertaken.

We are affected by competition from other midstream, transportation, terminalling and storage companies.

We experience competition in all of our business segments. With respect to our midstream operations, we compete for both natural gas supplies and customers for our services. Our competitors include major integrated oil companies, interstate and intrastate pipelines and companies that gather, compress, treat, process, transport, store and market natural gas.

Our natural gas and NGL transportation pipelines and storage facilities compete with other interstate and intrastate pipeline companies and storage providers in the transportation and storage of natural gas and NGLs. The principal elements of competition among pipelines are rates, terms of service, access to sources of supply and the flexibility and reliability of service. Natural gas and NGLs also compete with other forms of energy, including electricity, coal, fuel oils and renewable or alternative energy. Competition among fuels and energy supplies is primarily based on price; however, non-price factors, including governmental regulation, environmental impacts, efficiency, ease of use and handling, and the availability of subsidies and tax benefits also affects competitive outcomes.

In markets served by our NGL pipelines, we compete with other pipeline companies and barge, rail and truck fleet operations. We also face competition with other storage and fractionation facilities based on fees charged and the ability to receive, distribute and/or fractionate the customer’s products.

Our crude oil and refined petroleum products pipelines face significant competition from other pipelines for large volume shipments. These operations also face competition from trucks for incremental and marginal volumes in the areas we serve. Further, our crude and refined product terminals compete with terminals owned by integrated petroleum companies, refining and marketing companies, independent terminal companies and distribution companies with marketing and trading operations.

We, Sunoco LP and USAC may not be able to fully execute our growth strategy if we encounter increased competition for qualified assets.

Our strategy contemplates growth through the development and acquisition of a wide range of midstream, transportation, storage and other energy infrastructure assets while maintaining a strong balance sheet. This strategy includes constructing and acquiring additional assets and businesses to enhance our ability to compete effectively and diversify our asset portfolio, thereby providing more stable cash flow. We regularly consider and enter into discussions regarding the acquisition of additional assets and businesses, stand-alone development projects or other transactions that we believe will present opportunities to realize synergies and increase our cash flow.

Consistent with our strategy, we may, from time to time, engage in discussions with potential sellers regarding the possible acquisition of additional assets or businesses. Such acquisition efforts may involve our participation in processes that involve a number of potential buyers, commonly referred to as “auction” processes, as well as situations in which we believe we are the only party or one of a very limited number of potential buyers in negotiations with the potential seller. We cannot give assurance that our acquisition efforts will be successful or that any acquisition will be completed on terms considered favorable to us.

In addition, we are experiencing increased competition for the assets we purchase or contemplate purchasing. Increased competition for a limited pool of assets could result in us losing to other bidders more often or acquiring assets at higher prices, both of which would limit our ability to fully execute our growth strategy. Inability to execute our growth strategy may materially adversely impact our results of operations.

Regulatory Matters

Litigation commenced by WMB against ET and its affiliates, if decided adverse to ET, could require ET to make a substantial payment to WMB.

WMB filed a complaint against ET and its affiliates ("ET Defendants) in the Delaware Court of Chancery, alleging that the ET Defendants breached the merger agreement between WMB, ET, and several of ET's affiliates. Following a ruling by the Court on June 24, 2016, which allowed for the subsequent termination of the merger agreement by ET on June 29, 2016, WMB filed a notice of appeal to the Supreme Court of Delaware. WMB filed an amended complaint on September 16, 2016 and sought a $410 million termination fee and additional damages of up to $10 billion based on the purported lost value of the merger consideration. These damages claims are based on the alleged breaches of the Merger Agreement, as well as new allegations that the ET Defendants breached an additional representation and warranty in the Merger Agreement. The ET Defendants filed amended counterclaims and affirmative defenses on September 23, 2016 and sought a $1.48 billion termination fee under the Merger Agreement and additional damages caused by WMB 's misconduct. These damages claims are based on the alleged breaches of the Merger Agreement, as well as new allegations that WMB breached the Merger Agreement by failing to disclose material information that was required to be disclosed in the Form S-4. On September 29, 2016, WMB filed a motion to dismiss the ET Defendants' amended counterclaims and to strike certain of the ET Defendants' affirmative defenses. On December 1, 2017, the Court issued a Memorandum Opinion granting Williams' motion to dismiss in part and denying it in part. On March 23, 2017, the Delaware Supreme Court affirmed the Court's June 24, 2016 ruling, and as a result, Williams conceded that its $10 billion damages claim is foreclosed, although its $410 million termination fee claim remains pending.

In July 2020, the Court denied ET Defendant's Motion for Summary Judgment and Williams' Motion for Partial Summary Judgment. ET Defendants cannot predict the outcome of the Williams Litigation or any lawsuits that might be filed subsequent to the date of this filing; nor can ET Defendants predict the amount of time and expense that will be required to resolve these lawsuits. ET Defendants believe that Williams' claims are without merit and intend to defend vigorously against them.

Increased regulation of hydraulic fracturing or produced water disposal could result in reductions or delays in crude oil and natural gas production in our areas of operation, which could adversely impact our business and results of operations.

The hydraulic fracturing process has come under considerable scrutiny from sections of the public as well as environmental and other groups asserting that chemicals used in the hydraulic fracturing process could adversely affect drinking water supplies and may have other detrimental impacts on public health, safety, welfare and the environment. In addition, the water disposal process has come under scrutiny from sections of the public as well as environmental and other groups asserting that the operation of certain water disposal wells has caused increased seismic activity. Additionally, several candidates for political office in both state and federal government have announced intentions to impose greater restrictions on hydraulic fracturing or produced water disposal. For example, the Biden Administration has issued orders temporarily suspending the issuance of new authorizations, and suspending the issuance of new leases pending completion of a review of current practices, for oil and gas development on federal lands and waters (but not tribal lands that the federal government merely holds in trust). Separately, the Colorado Oil and Gas Conservation Commission adopted new rules to cover a variety of matters related to public health, safety, welfare, wildlife, and environmental resources; most significantly, these rule changes establish more stringent setbacks (2,000-foot, instead of the prior 500-foot) on new oil and gas development and eliminate routine flaring and venting of natural gas at new existing wells across the state, each subject to only limited exceptions. While the final impacts of these developments cannot be predicted, the adoption of new laws or regulations imposing additional permitting, disclosures, restrictions or costs related to hydraulic fracturing or produced water disposal or prohibiting hydraulic fracturing in proximity to areas considered to be environmentally sensitive could make drilling certain wells impossible or less economically attractive. As a result, the volume of crude oil and natural gas we gather, transport and store for our customers could be substantially reduced which could have an adverse effect on our financial condition or results of operations.

Legal or regulatory actions related to the Dakota Access pipeline could cause an interruption to current or future operations, which could have an adverse effect on our business and results of operations.

On July 27, 2016, the Standing Rock Sioux Tribe and other Native American tribes (the "Tribes") filed a lawsuit in the United States District Court for the District of Columbia ("District Court") challenging permits issued by the USACE permitting Dakota Access, LLC ("Dakota Access") to cross the Missouri River at Lake Oahe in North Dakota. The case was subsequently amended to challenge an easement issued by the USACE allowing the pipeline to cross land owned by the USACE adjacent to the Missouri River. As a result of this litigation, the District Court vacated the easement, ordered USACE to prepare an Environmental Impact Statement ("EIS"), and order the pipeline shutdown and drained of oil. Dakota Access and USACE appealed this decision and moved for a stay of the District Court's orders. On August 5, 2020, the Court of Appeals granted a stay of the portion of the District Court order that required Dakota Access to shut the pipeline down and empty it of oil, but the Court of Appeals denied a stay of the easement vacatur. The August 5 order also stated that the Court of Appeals expected the

USACE to clarify its position with respect to whether USACE intends to allow the continued operation of the pipeline notwithstanding the vacatur of the easement and that the District Court may consider additional relief, if necessary. Following this order, the Tribes filed a motion with the District Court seeking an injunction to prevent the continued operation of the pipeline. This motion has been briefed by the Tribes, USACE, and Dakota Access, but the District Court has not yet ruled on this motion. On January 26, 2021, the Court of Appeals affirmed the District Court's order requiring an EIS and its order vacating the easement. In the same January 26 order, the Court of Appeals also overturned the District Court's August 5, 2020 order that the pipeline be shut down and emptied of oil because of the lack of findings sufficient to satisfy the legal requirements for injunctive relief, including a finding of irreparable harm to the Tribes in the absence of an injunction. The District Court scheduled a status conference for February 10, 2021 to discuss the impact of the Court of Appeals' ruling on the pending motion for injunctive relief, as well as USACE's expectations as to how it will proceed in light of the Court of Appeals' recent vacatur ruling. USACE filed a motion for a continuance of the status conference until April 9, 2021, and this motion was approved by the District Court on February 9, 2021. For further information, see Note 11 to our consolidated financial statements included in "Item 8. Financial Statements and Supplementary Data" in this report.

Our interstate natural gas pipelines are subject to laws, regulations and policies governing the rates they are allowed to charge for their services, which may prevent us from fully recovering our costs.

Laws, regulations and policies governing interstate natural gas pipeline rates could affect the ability of our interstate pipelines to establish rates, to charge rates that would cover future increases in its costs, or to continue to collect rates that cover current costs.

We are required to file tariff rates (also known as recourse rates) with the FERC that shippers may pay for interstate natural gas transportation services. We may also agree to discount these rates on a not unduly discriminatory basis or negotiate rates with shippers who elect not to pay the recourse rates. The FERC must approve or accept all rate filings for us to be allowed to charge such rates.

The FERC may review existing tariff rates on its own initiative or upon receipt of a complaint filed by a third party. The FERC may, on a prospective basis, order refunds of amounts collected if it finds the rates to have been shown not to be just and reasonable or to have been unduly discriminatory. The FERC has recently exercised this authority with respect to several other pipeline companies. If the FERC were to initiate a proceeding against us and find that our rates were not just and reasonable or were unduly discriminatory, the maximum rates we are permitted to charge may be reduced and the reduction could have an adverse effect on our revenues and results of operations.

The costs of our interstate pipeline operations may increase, and we may not be able to recover all of those costs due to FERC regulation of our rates. If we propose to change our tariff rates, our proposed rates may be challenged by the FERC or third parties, and the FERC may deny, modify or limit our proposed changes if we are unable to persuade the FERC that changes would result in just and reasonable rates that are not unduly discriminatory. We also may be limited by the terms of rate case settlement agreements or negotiated rate agreements with individual customers from seeking future rate increases, or we may be constrained by competitive factors from charging our tariff rates.

To the extent our costs increase in an amount greater than our revenues increase, or there is a lag between our cost increases and our ability to file for and obtain rate increases, our operating results would be negatively affected. Even if a rate increase is permitted by the FERC to become effective, the rate increase may not be adequate. We cannot guarantee that our interstate pipelines will be able to recover all of our costs through existing or future rates.

The ability of interstate pipelines held in tax-pass-through entities, like us, to include an allowance for income taxes as a cost-of-service element in their regulated rates has been subject to extensive litigation before the FERC and the courts for a number of years. Effective January 2018, the 2017 Tax Cuts and Jobs Act (the "Tax Act") changed several provisions of the federal tax code, including a reduction in the maximum corporate tax rate. On March 15, 2018, in a set of related proposals, the FERC addressed treatment of federal income tax allowances in regulated entity rates. The FERC issued a Revised Policy Statement on Treatment of Income Taxes ("Revised Policy Statement") stating that it will no longer permit master limited partnerships to recover an income tax allowance in their cost-of-service rates. The FERC issued the Revised Policy Statement in response to a remand from the United States Court of Appeals for the District of Columbia Circuit in United Airlines v. FERC, in which the court determined that the FERC had not justified its conclusion that a pipeline organized as a master limited partnership would not "double recover" its taxes under the current policy by both including an income-tax allowance in its cost of service and earning a return on equity ("ROE") calculated using the discounted cash flow methodology. On July 18, 2018, the FERC issued an order denying requests for rehearing and clarification of its Revised Policy Statement because it is a non-binding policy and parties will have the opportunity to address the policy as applied in future cases. In the rehearing order, the FERC clarified that a pipeline organized as a master limited partnership will not be precluded in a future proceeding from arguing and providing evidentiary support that it is entitled to an income tax allowance and demonstrating that its recovery of an income tax allowance

does not result in a double-recovery of investors' income tax costs. On July 31, 2020, the United States Court of Appeals for the District of Columbia Circuit issued an opinion upholding FERC's decision denying a separate master limited partnership recovery of an income tax allowance and its decision not to require the master limited partnership to refund accumulated deferred income tax balances. In light of the rehearing order's clarification regarding individual entities' ability to argue in support of recovery of an income tax allowance and the court's subsequent opinion upholding denial of an income tax allowance to a master limited partnership, the impacts that FERC's policy on the treatment of income taxes may have on the rates an interstate pipeline held in a tax-pass-through entity can charge for the FERC regulated transportation services are unknown at this time.

Even without application of FERC's recent rate making-related policy statements and rulemakings, under the NGA, FERC or our shippers may challenge the cost-of-service rates we charge. The FERC's establishment of a just and reasonable rate is based on many components, including ROE and tax-related components, including the allowance for income taxes and the amount for accumulated deferred income taxes, but also other pipeline costs that will continue to affect the FERC's determination of just and reasonable cost-of-service rates. Moreover, we receive revenues from our pipelines based on a variety of rate structures, including cost-of-service rates, negotiated rates, discounted rates and market-based rates. Many of our interstate pipelines, such as ETC Tiger, Midcontinent Express and Fayetteville Express, have negotiated market rates that were agreed to by customers in connection with long-term contracts entered into to support the construction of the pipelines. Other systems, such as FGT, Transwestern and Panhandle, have a mix of tariff rate, discount rate, and negotiated rate agreements. The revenues we receive from natural gas transportation services we provide pursuant to cost-of-service based rates may decrease in the future as a result of changes to FERC policies, combined with the reduced corporate federal income tax rate established in the Tax Act. The extent of any revenue reduction related to our cost-of-service rates, if any, will depend on a detailed review of all of a pipeline's cost-of-service components and the outcomes of any challenges to our rates by the FERC or our shippers.

By order issued January 16, 2019, the FERC initiated a review of Panhandle's existing rates pursuant to Section 5 of the NGA to determine whether the rates currently charged by Panhandle are just and reasonable and set the matter for hearing. Panhandle filed a cost and revenue study on April 1, 2019 and an NGA Section 4 rate case on August 30, 2019. The Section 4 and section 5 proceedings were consolidated by order of the Chief Judge on October 1, 2019. A hearing in the combined proceedings commenced on August 25, 2020 and adjourned on September 15, 2020. By order dated January 19, 2021, the Chief Judge has extended the deadline for the initial decision to March 2021.

Our interstate natural gas pipelines are subject to laws, regulations and policies governing terms and conditions of service, which could adversely affect our business and results of operations.

In addition to rate oversight, the FERC's regulatory authority extends to many other aspects of the business and operations of our interstate natural gas pipelines, including:

- terms and conditions of service;
- the types of services interstate pipelines may or must offer their customers;
- construction of new facilities;
- acquisition, extension or abandonment of services or facilities;
- reporting and information posting requirements;
- accounts and records; and
- relationships with affiliated companies involved in all aspects of the natural gas and energy businesses.

Compliance with these requirements can be costly and burdensome. In addition, we cannot guarantee that the FERC will authorize tariff changes and other activities we might propose and to undertake in a timely manner and free from potentially burdensome conditions. Future changes to laws, regulations, policies and interpretations thereof may impair our access to capital markets or may impair the ability of our interstate pipelines to compete for business, may impair their ability to recover costs or may increase the cost and burden of operation.

In December 2017, the then-serving FERC Chairman announced that the FERC will review its policies on certification of natural gas pipelines, including an examination of its long-standing Policy Statement on Certification of New Interstate Natural Gas Pipeline Facilities, issued in 1999, that is used to determine whether to grant certificates for new pipeline projects. To that end, FERC issued a Notice of Inquiry on April 9, 2018, requesting comments on its certification policies, but no action has been taken in that docket. We are unable to predict what, if any, changes may be proposed that will affect our natural gas pipeline business or when such proposals, if any, might become effective. We do not expect that any change in this policy would affect us in a materially different manner than any other similarly sized natural gas pipeline company operating in the United States.

Rate regulation or market conditions may not allow us to recover the full amount of increases in the costs of our crude oil, NGL and refined products pipeline operations.

Transportation provided on our common carrier interstate crude oil, NGL and refined products pipelines is subject to rate regulation by the FERC, which requires that tariff rates for transportation on these oil pipelines be just and reasonable and not unduly discriminatory. If we propose new or changed rates, the FERC or interested persons may challenge those rates and the FERC is authorized to suspend the effectiveness of such rates for up to seven months and to investigate such rates. If, upon completion of an investigation, the FERC finds that the proposed rate is unjust or unreasonable, it is authorized to require the carrier to refund revenues in excess of the prior tariff during the term of the investigation. The FERC also may investigate, upon complaint or on its own motion, rates that are already in effect and may order a carrier to change its rates prospectively. Upon an appropriate showing, a shipper may obtain reparations for damages sustained for a period of up to two years prior to the filing of a complaint.

The primary ratemaking methodology used by the FERC to authorize increases in the tariff rates of petroleum pipelines is price indexing. The FERC's ratemaking methodologies may limit our ability to set rates based on our costs or may delay the use of rates that reflect increased costs. On March 25, 2020, the FERC issued a Notice of Inquiry seeking comment on a proposal to change the preliminary screen for complaints against oil pipeline index rate increases to a "Percentage Comparison Test" consistent with the preliminary screen used by the FERC for protests against oil pipeline index rate increases. The FERC also requested comment on whether the appropriate threshold for the screen is a 10% or more differential between a proposed index rate increase and the annual percentage change in cost of service reported by the pipeline. Initial comments were due June 16, 2020, and reply comments were due July 16, 2020. The FERC has not yet taken any further action on the Notice of Inquiry. At this time, we cannot determine the effect of a change in the FERC's preliminary screen for complaints against index rates changes, however, a revised screen would result in a threshold aligned with the existing threshold for protests against index rate increases. Any complaint or protest raised by a shipper could materially and adversely affect our financial condition, results of operations or cash flows.

On June 18, 2020, FERC issued a Notice of Inquiry requesting comments on a proposed oil pipeline index for the five-year period commencing July 1, 2021 and ending June 30, 2026, and requested comments on whether and how the index should reflect the Revised Policy Statement and FERC's treatment of accumulated deferred income taxes as well as FERC's revised ROE methodology. Comments on the indexing rate methodology Notice of Inquiry were due August 17, 2020, with reply comments due September 11, 2020.

On December 17, 2020, FERC issued an order establishing a new index of PPI-FG plus 0.78%. Rehearing of this order has been requested and remains pending before FERC.

Under the Energy Policy Act of 1992 (the "Energy Policy Act"), certain interstate pipeline rates were deemed just and reasonable or "grandfathered." Revenues are derived from such grandfathered rates on most of our FERC-regulated pipelines. A person challenging a grandfathered rate must, as a threshold matter, establish a substantial change since the date of enactment of the Energy Policy Act, in either the economic circumstances or the nature of the service that formed the basis for the rate. If the FERC were to find a substantial change in circumstances, then the existing rates could be subject to detailed review and there is a risk that some rates could be found to be in excess of levels justified by the pipeline's costs. In such event, the FERC could order us to reduce pipeline rates prospectively and to pay refunds to shippers.

If the FERC's petroleum pipeline ratemaking methodologies procedures changes, the new methodology or procedures could adversely affect our business and results of operations.

State regulatory measures could adversely affect the business and operations of our midstream and intrastate pipeline and storage assets.

Our midstream and intrastate transportation and storage operations are generally exempt from FERC regulation under the NGA, but FERC regulation still significantly affects our business and the market for our products. The rates, terms and conditions of service for the interstate services we provide in our intrastate gas pipelines and gas storage are subject to FERC regulation under Section 311 of the NGPA. Our HPL System, East Texas pipeline, Oasis pipeline and ET Fuel System provide such services. Under Section 311, rates charged for transportation and storage must be fair and equitable. Amounts collected in excess of fair and equitable rates are subject to refund with interest, and the terms and conditions of service, set forth in the pipeline's statement of operating conditions, are subject to FERC review and approval. Should the FERC determine not to authorize rates equal to or greater than our costs of service, our cash flow would be negatively affected.

Our midstream and intrastate gas and oil transportation pipelines and our intrastate gas storage operations are subject to state regulation. All of the states in which we operate midstream assets, intrastate pipelines or intrastate storage facilities have adopted some form of complaint-based regulation, which allow producers and shippers to file complaints with state regulators

in an effort to resolve grievances relating to the fairness of rates and terms of access. The states in which we operate have ratable take statutes, which generally require gatherers to take, without undue discrimination, production that may be tendered to the gatherer for handling. Similarly, common purchaser statutes generally require gatherers to purchase without undue discrimination as to source of supply or producer. These statutes have the effect of restricting our right as an owner of gathering facilities to decide with whom we contract to purchase or transport natural gas. Should a complaint be filed in any of these states or should regulation become more active, our business may be adversely affected.

Our intrastate transportation operations located in Texas are also subject to regulation as gas utilities by the Texas Railroad Commission ("TRRC"). Texas gas utilities must publish the rates they charge for transportation and storage services in tariffs filed with the TRRC, although such rates are deemed just and reasonable under Texas law unless challenged in a complaint.

We are subject to other forms of state regulation, including requirements to obtain operating permits, reporting requirements, and safety rules (see description of federal and state pipeline safety regulation below). Violations of state laws, regulations, orders and permit conditions can result in the modification, cancellation or suspension of a permit, civil penalties and other relief.

Certain of our assets may become subject to regulation.

The distinction between federally unregulated gathering facilities and FERC-regulated transmission pipelines under the NGA has been the subject of extensive litigation and may be determined by the FERC on a case-by-case basis, although the FERC has made no determinations as to the status of our facilities. Consequently, the classification and regulation of our gathering facilities could change based on future determinations by the FERC, the courts or Congress. If our gas gathering operations become subject to FERC jurisdiction, the result may adversely affect the rates we are able to charge and the services we currently provide, and may include the potential for a termination of our gathering agreements with our customers.

Intrastate transportation of NGLs is largely regulated by the state in which such transportation takes place. Lone Star's NGL Pipeline transports NGLs within the state of Texas and is subject to regulation by the TRRC. This NGLs transportation system offers services pursuant to an intrastate transportation tariff on file with the TRRC. In 2013, Lone Star's NGL pipeline also commenced the interstate transportation of NGLs, which is subject to the FERC's jurisdiction under the Interstate Commerce Act ("ICA") and the Energy Policy Act. Both intrastate and interstate NGL transportation services must be provided in a manner that is just, reasonable, and non-discriminatory. The tariff rates established for interstate services were based on a negotiated agreement; however, if the FERC's ratemaking methodologies were imposed, they may, among other things, delay the use of rates that reflect increased costs and subject us to potentially burdensome and expensive operational, reporting and other requirements. In addition, the rates, terms and conditions for shipments of crude oil, petroleum products and NGLs on our pipelines are subject to regulation by the FERC if the NGLs are transported in interstate or foreign commerce, whether by our pipelines or other means of transportation. Since we do not control the entire transportation path of all crude oil, petroleum products and NGLs on our pipelines, FERC regulation could be triggered by our customers' transportation decisions.

In addition, if any of our pipelines were found to have provided services or otherwise operated in violation of the NGA, Natural Gas Policy Act of 1978 ("NGPA"), or ICA, this could result in the imposition of administrative and criminal remedies and civil penalties, as well as a requirement to disgorge charges collected for such services in excess of the rate established by the FERC. Any of the foregoing could adversely affect revenues and cash flow related to these assets.

We may incur significant costs and liabilities resulting from performance of pipeline integrity programs and related repairs.

Pursuant to authority under the NGPSA and Hazardous Liquids Pipeline Safety Act of 1979, as amended ("HLPSA"), PHMSA has established a series of rules requiring pipeline operators to develop and implement integrity management programs for natural gas transmission and hazardous liquid pipelines that, in the event of a pipeline leak or rupture, could affect high consequence areas ("HCAs") which are areas where a release could have the most significant adverse consequences, including high population areas, certain drinking water sources, and unusually sensitive ecological areas. These regulations require operators of covered pipelines to:

- perform ongoing assessments of pipeline integrity;
- identify and characterize applicable threats to pipeline segments that could impact a high consequence area;
- improve data collection, integration and analysis;
- repair and remediate the pipeline as necessary; and
- implement preventive and mitigating actions.

In addition, states have adopted regulations similar to existing PHMSA regulations for intrastate gathering and transmission lines. At this time, we cannot predict the ultimate cost of compliance with applicable pipeline integrity management regulations, as the cost will vary significantly depending on the number and extent of any repairs found to be necessary as a result of the pipeline integrity testing. We will continue our pipeline integrity testing programs to assess and maintain the integrity of our pipelines. The results of these tests could cause us to incur significant and unanticipated capital and operating expenditures for repairs or upgrades deemed necessary to ensure the continued safe and reliable operation of our pipelines. Any changes to pipeline safety laws by Congress and regulations by PHMSA that result in more stringent or costly safety standards could have a significant adverse effect on us and similarly situated midstream operators. For example, in October 2019, PHMSA published the first of three expected regulations relating to new or more stringent requirements for certain natural gas lines and gathering lines, that had originally been proposed in 2016 as part of PHMSA's "Gas Megarule." The rulemaking imposed numerous requirements, including, among other things, expanding certain of PHMSA's current regulatory safety programs for natural gas pipelines in newly defined MCAs that contain as few as five dwellings within a potential impact area. PHMSA is still expected to issue the second and third parts of the Gas Megarule, but we cannot predict the timing of any such action. The safety and hazardous liquid pipelines rule would extend leak detection requirements to all non-gathering hazardous liquid pipelines and require operators to inspect affected pipelines following extreme weather events or natural disasters to address any resulting damage. Finally, the enhanced emergency procedures rule focuses on increased emergency safety measures. In particular, this rule increases the authority of PHMSA to issue an emergency order that addresses unsafe conditions or hazards that pose an imminent threat to pipeline safety. The changes adopted or proposed by these rulemakings or made in future legal requirements could have a material adverse effect on our results of operations and costs of transportation services.

Federal and state legislative and regulatory initiatives relating to pipeline safety that require the use of new or more stringent safety controls or result in more stringent enforcement of applicable legal requirements could subject us to increased capital costs, operational delays and costs of operation.

The NGPSA and HLPSA were amended by the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 ("2011 Pipeline Safety Act"). Among other things, the 2011 Pipeline Safety Act increased the penalties for safety violations and directed the Secretary of Transportation to promulgate rules or standards relating to expanded integrity management requirements, automatic or remote-controlled valve use, excess flow valve use, leak detection system installation, testing to confirm that the material strength of certain pipelines are above 30% of specified minimum yield strength, and operator verification of records confirming the MAOP of certain interstate natural gas transmission pipelines. In January 2021, PHMSA issued a final rule increasing the maximum administrative fines for safety violations were increased to account for inflation, with maximum civil penalties set at $222,504 per day, with a maximum of $2,225,034 for a series of violations. Upon reauthorization of PHMSA, Congress often directs the agency to complete certain rulemakings. For example, in the Consolidated Appropriations Bill for Fiscal Year 2021, Congress reauthorized PHMSA through fiscal year 2023 and directed the agency to move forward with several regulatory actions, including the "Pipeline Safety: Class Location Change Requirements" and the "Pipeline Safety: Safety of Gas Transmission and Gathering Pipelines" proposed rulemakings; Congress has also instructed PHMSA to issue final regulations to require operations of non-rural gas gathering lines and new existing transmission and distribution pipelines to conduct certain leak detection and repair programs to require facility inspection and maintenance plans to align with those regulations. The timing and scope of such future rulemakings is uncertain. The safety enhancement requirements and other provisions of Congressional mandates to PHMSA, as well as any implementation of PHMSA rules thereunder or any issuance or reinterpretation of guidance by PHMSA or any state agencies with respect thereto, could require us to install new or modified safety controls, pursue additional capital projects, or conduct maintenance programs on an accelerated basis, any or all of which tasks could result in our incurring increased operating costs that could be significant and have a material adverse effect on our results of operations or financial condition.

Our business involves the generation, handling and disposal of hazardous substances, hydrocarbons and wastes which activities are subject to environmental and worker health and safety laws and regulations that may cause us to incur significant costs and liabilities.

Our business is subject to stringent federal, tribal, state, and local laws and regulations governing the discharge of materials into the environment, worker health and safety and protection of the environment. These laws and regulations may require the acquisition of permits for the construction and operation of our pipelines, plants and facilities, result in capital expenditures to manage, limit or prevent emissions, discharges or releases of various materials from our pipelines, plants and facilities, impose specific health and safety standards addressing worker protection, and impose substantial liabilities for pollution resulting from our construction and operations activities. Several governmental authorities, such as the United States Environmental Protection Agency ("EPA") and analogous state agencies have the power to enforce compliance with these laws and regulations and the permits issued under them and frequently mandate difficult and costly remediation measures and other actions. Failure to comply with these laws, regulations and permits may result in the assessment of significant administrative, civil and criminal penalties, the imposition of investigatory remedial and corrective action obligations, the occurrence of delays in permitting and completion of projects, and the issuance of injunctive relief. For example, following an inadvertent return that occurred in

connection with the construction of our Mariner East 2 pipeline (“Mariner 2”), the Pennsylvania Department of Environmental Protection in September 2020 ordered the rerouting of a section of Mariner 2. We have challenged this order and cannot predict the final outcome; however, any rerouting of Mariner 2 or other of our pipeline projects may result in delays in the completion of these projects.

Certain environmental laws impose strict, joint and several liability for costs required to clean up and restore sites where hazardous substances, hydrocarbons or wastes have been disposed or released, even under circumstances where the substances, hydrocarbons or wastes have been released by a predecessor operator. Moreover, it is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property and natural resource damage allegedly caused by noise, odor or the release of hazardous substances, hydrocarbons or wastes into the environment.

We may incur substantial environmental costs and liabilities because of the underlying risk arising out of our operations. Although we have established financial reserves for our estimated environmental remediation liabilities, additional contamination or conditions may be discovered, resulting in increased remediation costs, liabilities or natural resource damages that could substantially increase our costs for site remediation projects. Accordingly, we cannot assure you that our current reserves are adequate to cover all future liabilities, even for currently known contamination.

Uncertainty about the future course of regulation exists because of the recent change in U.S. presidential administrations. In January 2021, the current administration issued an executive order directing all federal agencies to review and take action to address any federal regulations promulgated during the prior administration that may be inconsistent with the current administration’s policies. As a result, it is unclear the degree to which certain recent regulatory developments may be modified or rescinded. The executive order also established a Working Group that is called on to, among other things, develop methodologies for calculating the “social cost of carbon,” “social cost of nitrous oxide” and “social cost of methane.” Recommendations from the Working Group are due beginning June 1, 2021, and final recommendations no later than January 2022. Further regulation of air emissions, as well as uncertainty regarding the future course of regulation, could eventually reduce the demand for oil and natural gas and, in turn, have a material adverse effect on our business, financial condition or results of operations.

Changes in environmental laws and regulations occur frequently, and any such changes that result in more stringent and costly waste handling, emission standards, or storage, transport, disposal or remediation requirements could have a material adverse effect on our operations or financial position. For example, in October 2015, the EPA published a final rule under the Clean Air Act, lowering the National Ambient Air Quality Standard (“NAAQS”) for ground-level ozone to 70 parts per billion for the 8-hour primary and secondary ozone standards, and the EPA finalized its attainment/non-attainment designations in 2018, though these are subject to change. Reclassification of areas or imposition of more stringent standards may make it more difficult to construct new or modified sources of air pollution in newly designated non-attainment areas. Also, states are expected to implement more stringent requirements as a result of this new final rule, which could apply to our customers’ operations. Compliance with this final rule or any other new regulations could, among other things, require installation of new emission controls on some of our equipment, result in longer permitting timelines or new restrictions or prohibitions with respect to permits or projects, and significantly increase our capital expenditures and operating costs, which could adversely impact our business. Historically, we have been able to satisfy the more stringent nitrogen oxide emission reduction requirements that affect our compressor units in ozone non-attainment areas at reasonable cost, but there is no assurance that we will not incur material costs in the future to meet the new, more stringent ozone standard.

Regulations under the Clean Water Act, Oil Pollution Act of 1990, as amended (“OPA”), and state laws impose regulatory burdens on terminal operations. Spill prevention control and countermeasure requirements of federal and state laws require containment to mitigate or prevent contamination of waters in the event of a refined product overflow, rupture, or leak from above-ground pipelines and storage tanks. The Clean Water Act also requires us to maintain spill prevention control and countermeasure plans at our terminal facilities with above-ground storage tanks and pipelines. In addition, OPA requires that most fuel transport and storage companies maintain and update various oil spill prevention and oil spill contingency plans. Facilities that are adjacent to water require the engagement of Federally Certified Oil Spill Response Organizations to be available to respond to a spill on water from above-ground storage tanks or pipelines.

Transportation and storage of refined products over and adjacent to water involves risk and potentially subjects us to strict, joint, and potentially unlimited liability for removal costs and other consequences of an oil spill where the spill is into navigable waters, along shorelines or in the exclusive economic zone of the United States.

In the event of an oil spill into navigable waters, substantial liabilities could be imposed upon us. The Clean Water Act imposes restrictions and strict controls regarding the discharge of pollutants into navigable waters, with the potential of substantial liability for the violation of permits or permitting requirements.

Terminal operations and associated facilities are subject to the Clean Air Act as well as comparable state and local statutes. Under these laws, permits may be required before construction can commence on a new source of potentially significant air emissions, and operating permits may be required for sources that are already constructed. If regulations become more stringent, additional emission control technologies.

Climate change legislation or regulations restricting emissions of greenhouse gases ("GHGs") could result in increased operating costs and reduced demand for the services we provide.

Climate change continues to attract considerable public, governmental and scientific attention. As a result, numerous proposals have been made and are likely to continue to be made at the international, national, regional and state levels of government to monitor and limit emissions of GHGs. These efforts have included consideration of cap-and-trade programs, carbon taxes and GHG reporting and tracking programs, and regulations that directly limit GHG emissions from certain sources. In the United States, no comprehensive climate change legislation has been implemented at the federal level to date. However, Canada has implemented a federal carbon pricing regime, and, in the United States, President Biden has announced that he intends to pursue substantial reductions in greenhouse gas emissions, particularly from the oil and gas sector. For example, on January 27, 2021, President Biden signed an executive order that commits to substantial action on climate change, calling for, among other things, the increased use of zero-emissions vehicles by the federal government, the elimination of subsidies provided to the fossil fuel industry, an increase in the production of offshore wind energy, and an increased emphasis on climate-related risks across government agencies and economic sectors. Additionally, the EPA has adopted rules under authority of the Clean Air Act that, among other things, establish Potential for Significant Deterioration ("PSD") construction and Title V operating permit reviews for GHG emissions from certain large stationary sources that are also potential major sources of certain principal, or criteria, pollutant emissions, which reviews could require securing PSD permits at covered facilities emitting GHGs and meeting "best available control technology" standards for those GHG emissions. In addition, the EPA has adopted rules requiring the monitoring and annual reporting of GHG emissions from certain petroleum and natural gas system sources in the United States, including, among others, onshore processing, transmission, storage and distribution facilities. In October 2015, the EPA amended and expanded the GHG reporting requirements to all segments of the oil and natural gas industry, including gathering and boosting facilities and blowdowns of natural gas transmission pipelines.

Federal agencies also have begun directly regulating GHG emissions, such as methane, from oil and natural gas operations. In June 2016, the EPA published New Source Performance Standards ("NSPS"), known as Subpart OOOOa, that require certain new, modified or reconstructed facilities in the oil and natural gas sector to reduce these methane gas and volatile organic compound ("VOC") emissions. These Subpart OOOOa standards expand previously issued NSPS published by the EPA in 2012 and known as Subpart OOOO, by using certain equipment-specific emissions control practices, requiring additional controls for pneumatic controllers and pumps as well as compressors, and imposing leak detection and repair requirements for natural gas compressor and booster stations. In September 2020, the EPA finalized amendments to Subpart OOOOa that rescind the methane limits for new, reconstructed and modified oil and natural gas production sources while leaving in place the general emission limits for VOCs. In addition, the rulemaking removes from the oil and natural gas category the natural gas transmission and storage segment. However, President Biden has signed an executive order calling for the suspension, revision, or rescission of the September 2020 rule and the reinstatement or issuance of methane emissions standards for new, modified, and existing oil and gas facilities, including the transmission and storage. Methane emission standards imposed on the oil and gas sector could result in increased costs to our operations or those of our customers as well as result in delays or curtailment in such operations, which costs, delays or curtailment could adversely affect our business. Several states have also adopted, or are considering, adopting, regulations related to GHG emissions, some of which are more stringent than those implemented by the federal government.

Additionally, in December 2015, the United States joined the international community at the 21st Conference of the Parties of the United Nations Framework Convention on Climate Change in Paris, France in signing the "Paris Agreement," a treaty that requires member countries to submit individually-determined, non-binding GHG emission reduction goals every five years beginning in 2020. Although the United States had withdrawn from this agreement, President Biden has signed executive orders recommitting the United States to the Paris Agreement and calling for the federal government to formulate the United States' emissions reduction goal. However, the impacts of these orders are unclear at this time.

The adoption, strengthening and implementation of any international, federal or state legislation or regulations that require reporting of GHGs or otherwise restrict emissions of GHGs could result in increased compliance costs or additional operating restrictions, and could have a material adverse effect on our business, financial condition, demand for our services, results of operations, and cash flows. Litigation risks are also increasing, as several oil and gas companies have been sued for allegedly causing climate-related damages due to their production and sale of fossil fuel products or for allegedly being aware of the impacts of climate change for some time but failing to adequately disclose such risks to their investors or customers. There is also a risk that financial institutions could be required to adopt policies that have the effect of reducing the funding provided to the fossil fuel sector. For example, recently, the Federal Reserve announced that it has joined the Network for Greening the

Financial System, a consortium of financial regulators focused on addressing climate-related risks in the financial sector. Ultimately, this could make it more difficult to secure funding for exploration and production or midstream activities. Finally, most scientists have concluded that increasing concentrations of GHG in the atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, droughts, and floods and other climate events that could have an adverse effect on our assets.

The swaps regulatory provisions of the Dodd-Frank Act and the rules adopted thereunder could have an adverse effect on our ability to use derivative instruments to mitigate the risks of changes in commodity prices and interest rates and other risks associated with our business.

Provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and rules adopted by the Commodity Futures Trading Commission (the "CFTC"), the SEC and other prudential regulators establish federal regulation of the physical and financial derivatives, including over-the-counter derivatives market and entities, such as us, participating in that market. While most of these regulations are already in effect, the implementation process is still ongoing and the CFTC continues to review and refine its initial rulemakings through additional interpretations and supplemental rulemakings. As a result, any new regulations or modifications to existing regulations could significantly increase the cost of derivative contracts, materially alter the terms of derivative contracts, reduce the availability and/or liquidity of derivatives to protect against risks we encounter, reduce our ability to monetize or restructure our existing derivative contracts, and increase our exposure to less creditworthy counterparties. Any of these consequences could have a material adverse effect on our financial condition, results of operations and cash available for distribution to our Unitholders.

The CFTC has re-proposed speculative position limits for certain futures and option contracts in the major energy markets and for swaps that are their economic equivalents, although certain bona fide hedging transactions would be exempt from these position limits provided that various conditions are satisfied. The CFTC has also finalized a related aggregation rule that requires market participants to aggregate their positions with certain other persons under common ownership and control, unless an exemption applies, for purposes of determining whether the position limits have been exceeded. If adopted, the revised position limits rule and its finalized companion rule on aggregation may create additional implementation or operational exposure. In addition to the CFTC federal speculative position limit regime, designated contract markets ("DCMs") also maintain speculative position limit and accountability regimes with respect to contracts listed on their platform as well as aggregation requirements similar to the CFTC's final aggregation rule. Any speculative position limit regime, whether imposed at the federal-level or at the DCM-level may impose added operating costs to monitor compliance with such position limit levels, addressing accountability level concerns and maintaining appropriate exemptions, if applicable.

The Dodd-Frank Act requires that certain classes of swaps be cleared on a derivatives clearing organization and traded on a DCM or other regulated exchange, unless exempt from such clearing and trading requirements, which could result in the application of certain margin requirements imposed by derivatives clearing organizations and their members. The CFTC and prudential regulators have also adopted mandatory margin requirements for uncleared swaps entered into between swap dealers and certain other counterparties. We currently qualify for and rely upon an end-user exception from such clearing and margin requirements for the swaps we enter into to hedge our commercial risks. However, the application of the mandatory clearing and trade execution requirements and the uncleared swaps margin requirements to other market participants, such as swap dealers, may adversely affect the cost and availability of the swaps that we use for hedging.

In addition to the Dodd-Frank Act, the European Union and other foreign regulators have adopted and are implementing local reforms generally comparable with the reforms under the Dodd-Frank Act. Implementation and enforcement of these regulatory provisions may reduce our ability to hedge our market risks with non-U.S. counterparties and may make transactions involving cross-border swaps more expensive and burdensome. Additionally, the lack of regulatory equivalency across jurisdictions may increase compliance costs and make it more difficult to satisfy our regulatory obligations.

Additional deepwater drilling laws and regulations, delays in the processing and approval of drilling permits and exploration, development, oil spill-response and decommissioning plans, and other related developments may have a material adverse effect on our business, financial condition, or results of operations.

The Federal Bureau of Ocean Energy Management ("BOEM") and the federal Bureau of Safety and Environmental Enforcement ("BSEE"), each agencies of the United States Department of the Interior, have imposed more stringent permitting procedures and regulatory safety and performance requirements for new wells to be drilled in federal waters. Compliance with these more stringent regulatory requirements and with existing environmental and oil spill regulations, together with any uncertainties or inconsistencies in decisions and rulings by governmental agencies, delays in the processing and approval of drilling permits or exploration, development, oil spill-response and decommissioning plans, and possible additional regulatory initiatives could result in difficult and more costly actions and adversely affect or delay new drilling and ongoing development efforts. For instance, in January 2021, the Biden administration issued an executive order focused on climate change that,

among other things, directed the Secretary of the Interior to pause new oil and natural gas leasing on public lands or in offshore waters pending completion of a comprehensive review of the federal permitting and leasing practices, consider whether to adjust royalties associated with coal, oil, and gas resources extracted from public lands and offshore waters, or take other appropriate action, to account for corresponding climate costs.

In addition, new regulatory initiatives may be adopted or enforced by the BOEM or the BSEE in the future that could result in additional costs, delays, restrictions, or obligations with respect to oil and natural gas exploration and production operations conducted offshore by certain of our customers. Separately, in October 2020, BOEM and BSEE published a proposed rule regarding financial assurance requirements for offshore leases, particularly regarding requirements for bonds above base amounts prescribed by regulation. At this time, we cannot determine with any certainty the amount of any additional financial assurance that may be ordered by BOEM and required of us in the future, or that such additional financial assurance amounts can be obtained. The final publication or implementation of this rule, as well as any new rules, regulations, or legal initiatives, could delay or disrupt our customers' operations, increase the risk of expired leases due to the time required to develop new technology, result in increased supplemental bonding and costs, limit activities in certain areas, or cause our customers' to incur penalties, or shut-in production or lease cancellation. Also, if material spill events were to occur in the future, the United States or other countries could elect to issue directives to temporarily cease drilling activities offshore and, in any event, may from time to time issue further safety and environmental laws and regulations regarding offshore oil and gas exploration and development. The overall costs imposed on our customers to implement and complete any such spill response activities or any decommissioning obligations could exceed estimated accruals, insurance limits, or supplemental bonding amounts, which could result in the incurrence of additional costs to complete. Separately, in January 2021, the Biden Administration has issued orders temporarily suspending the issuance of new authorizations and suspending the issuance of new leases pending completion of a review of current practices, for oil and gas development on federal lands and waters. The Biden Administration also published an order calling for an increase in the production of offshore wind energy, which may impact the use of federal waters. We cannot predict with any certainty the full impact of any new laws or regulations on our customers' drilling operations or on the cost or availability of insurance to cover some or all of the risks associated with such operations. The occurrence of any one or more of these developments could result in decreased demand for our services, which could have a material adverse effect on our business as well as our financial position, results of operation and liquidity.

Our business is subject to federal, state and local laws and regulations that govern the product quality specifications of the petroleum products that we store and transport.

The petroleum products that we store and transport are sold by our customers for consumption into the public market. Various federal, state and local agencies have the authority to prescribe specific product quality specifications to commodities sold into the public market. Changes in product quality specifications could reduce our throughput volume, require us to incur additional handling costs or require the expenditure of significant capital. In addition, different product specifications for different markets impact the fungibility of products transported and stored in our pipeline systems and terminal facilities and could require the construction of additional storage to segregate products with different specifications. We may be unable to recover these costs through increased revenues.

In addition, our patented butane blending services are reliant upon gasoline vapor pressure specifications. Significant changes in such specifications could reduce butane blending opportunities, which would affect our ability to market our butane blending service licenses and which would ultimately affect our ability to recover the costs incurred to acquire and integrate our butane blending assets.

Risks Relating to Our Partnership Structure

Issuance of Limited Partner units or other classes of equity

We may issue an unlimited number of limited partner interests or other classes of equity without the consent of our Unitholders, which will dilute Unitholders' ownership interest in us and may increase the risk that we will not have sufficient available cash to maintain or increase our per unit distribution level.

Our partnership agreement allows us to issue an unlimited number of additional limited partner interests, including securities senior to the Common Units, without the approval of our Unitholders. The issuance of additional Common Units or other equity securities by us will have the following effects:

- our Unitholders' current proportionate ownership interest in us will decrease;
- the amount of cash available for distribution on each Common Unit or partnership security may decrease;
- the ratio of taxable income to distributions may increase;
- the relative voting strength of each previously outstanding Common Unit may be diminished; and

- the market price of our Common Units may decline.

Cash Distributions to Unitholders and Governance

Cash distributions are not guaranteed and may fluctuate with our performance and other external factors.

Our principal source of earnings and cash flow is cash distributions from ETO. In addition, ETO's earnings and cash flows are generated by its subsidiaries, including ETO's investments in Sunoco LP and USAC. Therefore, the amount of distributions we are currently able to make to our Unitholders may fluctuate based on the level of distributions ETO and its subsidiaries, including Sunoco LP and USAC, make to their partners. ETO may not be able to continue to make quarterly distributions at its current level or increase its quarterly distributions in the future. In addition, while we would expect to increase or decrease distributions to our Unitholders if ETO increases or decreases distributions to us, the timing and amount of such increased or decreased distributions, if any, will not necessarily be comparable to the timing and amount of the increase or decrease in distributions made by ETO to us.

Our ability to distribute cash received from ETO to our Unitholders is limited by a number of factors, including:

- interest expense and principal payments on our indebtedness;
- restrictions on distributions contained in any current or future debt agreements;
- our general and administrative expenses;
- expenses of our subsidiaries other than ETO and its subsidiaries, including tax liabilities of our corporate subsidiaries, if any; and
- reserves our general partner believes prudent for us to maintain for the proper conduct of our business or to provide for future distributions.

We cannot guarantee that in the future we will be able to pay distributions or that any distributions we do make will be at or above our current quarterly distribution. The actual amount of cash that is available for distribution to our Unitholders will depend on numerous factors, many of which are beyond our control or the control of our general partner.

Our general partner's absolute discretion in determining the level of cash reserves may adversely affect our ability to make cash distributions to our preferred unitholders.

Our partnership agreement requires our general partner to deduct from operating surplus cash reserves that in its reasonable discretion are necessary to fund our future operating expenditures. In addition, our partnership agreement permits our general partner to reduce available cash by establishing cash reserves for the proper conduct of our business, to comply with applicable law or agreements to which we are a party or to provide funds for future distributions to partners. These cash reserves will affect the amount of cash available for distribution to unitholders.

Unitholders may have liability to repay distributions.

Under certain circumstances, Unitholders may have to repay us amounts wrongfully distributed to them. Under Delaware law, we may not make a distribution to Unitholders if the distribution causes our liabilities to exceed the fair value of our assets. Liabilities to partners on account of their partnership interests and non-recourse liabilities are not counted for purposes of determining whether a distribution is permitted. Delaware law provides that a limited partner who receives such a distribution and knew at the time of the distribution that the distribution violated Delaware law, will be liable to the limited partnership for the distribution amount for three years from the distribution date.

The NYSE does not require a publicly traded partnership like us to comply with certain corporate governance requirements.

We have preferred units that are listed on the NYSE. Because we are a publicly traded partnership, the NYSE does not require us to have a majority of independent directors on our general partner's board of directors or to establish a compensation committee or a nominating and corporate governance committee. Accordingly, our Unitholders do not have the same protections afforded to stockholders of corporations that are subject to all of the corporate governance requirements of the applicable stock exchange.

Our General Partner

The control of our general partner may be transferred to a third party without Unitholder consent.

The general partner may transfer its general partner interest to a third party without the consent of the Unitholders. Furthermore, the general partner of our general partner may transfer its general partner interest in our general partner to a third party without

the consent of the Unitholders. Any new owner of the general partner or the general partner of the general partner would be in a position to replace the officers of the general partner with its own choices and to control the decisions taken by such officers.

Cost reimbursements due to our general partner may be substantial and may reduce our ability to pay the distributions to Unitholders.

Prior to making any distributions to our Unitholders, we will reimburse our general partner for all expenses it has incurred on our behalf. In addition, our general partner and its affiliates may provide us with services for which we will be charged reasonable fees as determined by the general partner. The reimbursement of these expenses and the payment of these fees could adversely affect our ability to make distributions to the Unitholders. Our general partner has sole discretion to determine the amount of these expenses and fees.

Our general partner has a limited call right that may require Unitholders to sell their units at an undesirable time or price.

If at any time our general partner and its affiliates own more than 90% of our outstanding units, our general partner will have the right, but not the obligation, which it may assign to any of its affiliates or to us, to acquire all, but not less than all, of the units held by unaffiliated persons at a price not less than their then-current market price. As a result, Unitholders may be required to sell their units at an undesirable time or price and may not receive any return on their investment. Unitholders may also incur a tax liability upon a sale of their units. As of December 31, 2020, the directors and executive officers of our general partner owned approximately 14% of our Common Units.

Our Subsidiaries

We are dependent on third parties, including key personnel of ETO under a shared services agreement, to provide the financial, accounting, administrative and legal services necessary to operate our business.

We rely on the services of key personnel of ETO, including the ongoing involvement and continued leadership of Kelcy L. Warren, one of the founders of ETO's midstream business. Mr. Warren has been integral to the ETO's success because of his ability to identify and develop strategic business opportunities. Losing the leadership of Mr. Warren could make it difficult for ETO to identify internal growth projects and accretive acquisitions, which could have a material adverse effect on ETO's ability to increase the cash distributions paid on its partnership interests.

ETO's executive officers that provide services to us pursuant to a shared services agreement allocate their time between us and ETO. To the extent that these officers face conflicts regarding the allocation of their time, we may not receive the level of attention from them that the management of our business requires. If ETO is unable to provide us with a sufficient number of personnel with the appropriate level of technical accounting and financial expertise, our internal accounting controls could be adversely impacted.

We have a holding company structure in which our subsidiaries conduct our operations and own our operating assets.

We are a holding company, and our subsidiaries conduct all of our operations and own all of our operating assets. We do not have significant assets other than the partnership interests and the equity in our subsidiaries. As a result, our ability to pay distributions to our Unitholders and to service our debt depends on the performance of our subsidiaries and their ability to distribute funds to us. The ability of our subsidiaries to make distributions to us may be restricted by, among other things, credit facilities and applicable state partnership laws and other laws and regulations. If we are unable to obtain funds from our subsidiaries, we may not be able to pay distributions to our Unitholders or to pay interest or principal on our debt when due.

The interruption of distributions to us from our operating subsidiaries and equity investees may affect our ability to satisfy our obligations and to make distributions to our partners.

We are a holding company with no business operations other than that of our operating subsidiaries. Our only significant assets are the equity interests we own in our operating subsidiaries and equity investees. As a result, we depend upon the earnings and cash flow of our operating subsidiaries and equity investees and any interruption of distributions to us may affect our ability to meet our obligations, including any obligations under our debt agreements, and to make distributions to our partners.

Our subsidiaries are not prohibited from competing with us.

Neither our partnership agreement nor the partnership agreements of our subsidiaries, including ETO, Sunoco LP and USAC, prohibit our subsidiaries from owning assets or engaging in businesses that compete directly or indirectly with us. In addition, our subsidiaries may acquire, construct or dispose of any assets in the future without any obligation to offer us the opportunity to purchase or construct any of those assets.

ETO may issue additional preferred equity, and Sunoco LP and USAC may issue additional common units, which may increase the risk that each Partnership will not have sufficient available cash to maintain or increase its per unit distribution level.

The partnership agreements of ETO, Sunoco LP and USAC allow each partnership to issue an unlimited number of additional limited partner interests. The issuance of additional preferred units, common units or other equity securities by each respective partnership will have the following effects:

- Unitholders' current proportionate ownership interest in each partnership will decrease;
- the amount of cash available for distribution on each common unit or partnership security may decrease;
- the ratio of taxable income to distributions may increase;
- the relative voting strength of each previously outstanding common unit may be diminished; and
- the market price of each partnership's common units may decline.

The payment of distributions on any additional units issued by ETO, Sunoco LP and USAC may increase the risk that either partnership may not have sufficient cash available to maintain or increase its per unit distribution level, which in turn may impact the available cash that we have to meet our obligations

A significant decrease in demand for motor fuel, including increased consumer preference for alternative motor fuels or improvements in fuel efficiency, in the areas Sunoco LP serves would reduce their ability to make distributions to its unitholders.

For the year ended December 31, 2020, sales of refined motor fuels accounted for approximately 96% of Sunoco LP's total revenues and 72% of gross profit. A significant decrease in demand for motor fuel in the areas Sunoco LP serves could significantly reduce revenues and Sunoco LP's ability to make distributions to its unitholders, including ETO. Sunoco LP revenues are dependent on various trends, such as trends in commercial truck traffic, travel and tourism in their areas of operation, and these trends can change. Regulatory action, including government imposed fuel efficiency standards, may also affect demand for motor fuel. Because certain of Sunoco LP's operating costs and expenses are fixed and do not vary with the volumes of motor fuel distributed, their costs and expenses might not decrease ratably or at all should they experience such a reduction. As a result, Sunoco LP may experience declines in their profit margin if fuel distribution volumes decrease.

Any technological advancements, regulatory changes or changes in consumer preferences causing a significant shift toward alternative motor fuels could reduce demand for the conventional petroleum based motor fuels Sunoco LP currently sells. Additionally, a shift toward electric, hydrogen, natural gas or other alternative-power vehicles could fundamentally change customers' shopping habits or lead to new forms of fueling destinations or new competitive pressures.

New technologies have been developed and governmental mandates have been implemented to improve fuel efficiency, which may result in decreased demand for petroleum-based fuel. Any of these outcomes could result in fewer visits to Sunoco LP's convenience stores or independently operated commission agents and dealer locations, a reduction in demand from their wholesale customers, decreases in both fuel and merchandise sales revenue, or reduced profit margins, any of which could have a material adverse effect on Sunoco LP's business, financial condition, results of operations and cash available for distribution to its unitholders.

Sunoco LP's financial condition and results of operations are influenced by changes in the prices of motor fuel, which may adversely impact margins, customers' financial condition and the availability of trade credit.

Sunoco LP's operating results are influenced by prices for motor fuel. General economic and political conditions, acts of war or terrorism and instability in oil producing regions, particularly in the Middle East and South America, could significantly impact crude oil supplies and petroleum costs. Significant increases or high volatility in petroleum costs could impact consumer demand for motor fuel and convenience merchandise. Such volatility makes it difficult to predict the impact that future petroleum costs fluctuations may have on Sunoco LP's operating results and financial condition. Sunoco LP is subject to dealer tank wagon pricing structures at certain locations further contributing to margin volatility. A significant change in any of these factors could materially impact both wholesale and retail fuel margins, the volume of motor fuel distributed or sold at retail, and overall customer traffic, each of which in turn could have a material adverse effect on Sunoco LP's business, financial condition, results of operations and cash available for distribution to its unitholders.

Significant increases in wholesale motor fuel prices could impact Sunoco LP as some of their customers may have insufficient credit to purchase motor fuel from us at their historical volumes. Higher prices for motor fuel may also reduce access to trade credit support or cause it to become more expensive.

The industries in which Sunoco LP operates are subject to seasonal trends, which may cause its operating costs to fluctuate, affecting its cash flow.

Sunoco LP relies in part on customer travel and spending patterns and may experience more demand for gasoline in the late spring and summer months than during the fall and winter. Travel, recreation and construction are typically higher in these months in the geographic areas in which Sunoco LP or its commission agents and dealers operate, increasing the demand for motor fuel that they sell and distribute. Therefore, Sunoco LP's revenues and cash flows are typically higher in the second and third quarters of our fiscal year. As a result, Sunoco LP's results from operations may vary widely from period to period, affecting Sunoco LP's cash flow.

The dangers inherent in the storage and transportation of motor fuel could cause disruptions in Sunoco LP's operations and could expose them to potentially significant losses, costs or liabilities.

Sunoco LP stores motor fuel in underground and aboveground storage tanks. Sunoco LP transports the majority of its motor fuel in its own trucks, instead of by third-party carriers. Sunoco LP's operations are subject to significant hazards and risks inherent in transporting and storing motor fuel. These hazards and risks include, but are not limited to, traffic accidents, fires, explosions, spills, discharges, and other releases, any of which could result in distribution difficulties and disruptions, environmental pollution, governmentally-imposed fines or clean-up obligations, personal injury or wrongful death claims, and other damage to its properties and the properties of others. Any such event not covered by Sunoco LP's insurance could have a material adverse effect on its business, financial condition, results of operations and cash available for distribution to its unitholders.

Sunoco LP's fuel storage terminals are subject to operational and business risks which may adversely affect their financial condition, results of operations, cash flows and ability to make distributions to its unitholders.

Sunoco LP's fuel storage terminals are subject to operational and business risks, the most significant of which include the following:

- the inability to renew a ground lease for certain of their fuel storage terminals on similar terms or at all;
- the dependence on third parties to supply their fuel storage terminals;
- outages at their fuel storage terminals or interrupted operations due to weather-related or other natural causes;
- the threat that the nation's terminal infrastructure may be a future target of terrorist organizations;
- the volatility in the prices of the products stored at their fuel storage terminals and the resulting fluctuations in demand for storage services;
- the effects of a sustained recession or other adverse economic conditions;
- the possibility of federal and/or state regulations that may discourage their customers from storing gasoline, diesel fuel, ethanol and jet fuel at their fuel storage terminals or reduce the demand by consumers for petroleum products;
- competition from other fuel storage terminals that are able to supply their customers with comparable storage capacity at lower prices; and
- climate change legislation or regulations that restrict emissions of GHGs could result in increased operating and capital costs and reduced demand for our storage services.

The occurrence of any of the above situations, amongst others, may affect operations at their fuel storage terminals and may adversely affect Sunoco LP's business, financial condition, results of operations, cash flows and ability to make distributions to its unitholders.

Negative events or developments associated with Sunoco LP's branded suppliers could have an adverse impact on its revenues.

Sunoco LP believes that the success of its operations is dependent, in part, on the continuing favorable reputation, market value, and name recognition associated with the motor fuel brands sold at Sunoco LP's convenience stores and at stores operated by its independent, branded dealers and commission agents. Erosion of the value of those brands could have an adverse impact on the volumes of motor fuel Sunoco LP distributes, which in turn could have a material adverse effect on its business, financial condition, results of operations and ability to make distributions to its unitholders.

Sunoco LP currently depends on a limited number of principal suppliers in each of its operating areas for a substantial portion of its merchandise inventory and its products and ingredients for its food service facilities. A disruption in supply or a change in either relationship could have a material adverse effect on its business.

Sunoco LP currently depends on a limited number of principal suppliers in each of its operating areas for a substantial portion of its merchandise inventory and its products and ingredients for its food service facilities. If any of Sunoco LP's principal suppliers elect not to renew their contracts, Sunoco LP may be unable to replace the volume of merchandise inventory and products and ingredients currently purchased from them on similar terms or at all in those operating areas. Further, a disruption in supply or a significant change in Sunoco LP's relationship with any of these suppliers could have a material adverse effect on Sunoco LP's business, financial condition and results of operations and cash available for distribution to its unitholders.

The wholesale motor fuel distribution industry and convenience store industry are characterized by intense competition and fragmentation and impacted by new entrants. Failure to effectively compete could result in lower margins.

The market for distribution of wholesale motor fuel is highly competitive and fragmented, which results in narrow margins. Sunoco LP has numerous competitors, some of which may have significantly greater resources and name recognition than it does. Sunoco LP relies on its ability to provide value-added, reliable services and to control its operating costs in order to maintain our margins and competitive position. If Sunoco LP fails to maintain the quality of its services, certain of its customers could choose alternative distribution sources and margins could decrease. While major integrated oil companies have generally continued to divest retail sites and the corresponding wholesale distribution to such sites, such major oil companies could shift from this strategy and decide to distribute their own products in direct competition with Sunoco LP, or large customers could attempt to buy directly from the major oil companies. The occurrence of any of these events could have a material adverse effect on Sunoco LP's business, financial condition, results of operations and cash available for distribution to its unitholders.

The geographic areas in which Sunoco LP operates and supplies independently operated commission agent and dealer locations are highly competitive and marked by ease of entry and constant change in the number and type of retailers offering products and services of the type we and our independently operated commission agents and dealers sell in stores. Sunoco LP competes with other convenience store chains, independently owned convenience stores, motor fuel stations, supermarkets, drugstores, discount stores, dollar stores, club stores, mass merchants and local restaurants. Over the past two decades, several non-traditional retailers, such as supermarkets, hypermarkets, club stores and mass merchants, have impacted the convenience store industry, particularly in the geographic areas in which Sunoco LP operates, by entering the motor fuel retail business. These non-traditional motor fuel retailers have captured a significant share of the motor fuels market, and Sunoco LP expects their market share will continue to grow.

In some of Sunoco LP's markets, its competitors have been in existence longer and have greater financial, marketing, and other resources than they or their independently operated commission agents and dealers do. As a result, Sunoco LP's competitors may be able to better respond to changes in the economy and new opportunities within the industry. To remain competitive, Sunoco LP must constantly analyze consumer preferences and competitors' offerings and prices to ensure that they offer a selection of convenience products and services at competitive prices to meet consumer demand. Sunoco LP must also maintain and upgrade our customer service levels, facilities and locations to remain competitive and attract customer traffic to our stores. Sunoco LP may not be able to compete successfully against current and future competitors, and competitive pressures faced by Sunoco LP could have a material adverse effect on its business, results of operations and cash available for distribution to its unitholders.

Sunoco LP may be subject to adverse publicity resulting from concerns over food quality, product safety, health or other negative events or developments that could cause consumers to avoid its retail locations or independently operated commission agent or dealer locations.

Sunoco LP may be the subject of complaints or litigation arising from food-related illness or product safety which could have a negative impact on its business. Negative publicity, regardless of whether the allegations are valid, concerning food quality, food safety or other health concerns, food service facilities, employee relations or other matters related to its operations may materially adversely affect demand for its food and other products and could result in a decrease in customer traffic to its retail stores or independently operated commission agent or dealer locations.

It is critical to Sunoco LP's reputation that they maintain a consistent level of high quality at their food service facilities and other franchise or fast food offerings. Health concerns, poor food quality or operating issues stemming from one store or a limited number of stores could materially and adversely affect the operating results of some or all of their stores and harm the company-owned brands, continuing favorable reputation, market value and name recognition.

Sunoco LP does not own all of the land on which its retail service stations are located, and Sunoco LP leases certain facilities and equipment, and Sunoco LP is subject to the possibility of increased costs to retain necessary land use which could disrupt its operations.

Sunoco LP does not own all of the land on which its retail service stations are located. Sunoco LP has rental agreements for approximately 38% of the company, commission agent or dealer operated retail service stations where Sunoco LP currently

controls the real estate. Sunoco LP also has rental agreements for certain logistics facilities. As such, Sunoco LP is subject to the possibility of increased costs under rental agreements with landowners, primarily through rental increases and renewals of expired agreements. Sunoco LP is also subject to the risk that such agreements may not be renewed. Additionally, certain facilities and equipment (or parts thereof) used by Sunoco LP are leased from third parties for specific periods. Sunoco LP's inability to renew leases or otherwise maintain the right to utilize such facilities and equipment on acceptable terms, or the increased costs to maintain such rights, could have a material adverse effect on its financial condition, results of operations and cash flows.

Sunoco LP is subject to federal laws related to the Renewable Fuel Standard.

New laws, new interpretations of existing laws, increased governmental enforcement of existing laws or other developments could require us to make additional capital expenditures or incur additional liabilities. For example, certain independent refiners have initiated discussions with the EPA to change the way the Renewable Fuel Standard ("RFS") is administered in an attempt to shift the burden of compliance from refiners and importers to blenders and distributors. Under the RFS, which requires an annually increasing amount of biofuels to be blended into the fuels used by U.S. drivers, refiners/importers are obligated to obtain renewable identification numbers ("RINS") either by blending biofuel into gasoline or through purchase in the open market. If the obligation was shifted from the importer/refiner to the blender/distributor, the Partnership would potentially have to utilize the RINS it obtains through its blending activities to satisfy a new obligation and would be unable to sell RINS to other obligated parties, which may cause an impact on the fuel margins associated with Sunoco LP's sale of gasoline. In addition, the RFS regulations are highly complex and evolving, and the RINS market is subject to significant price volatility as a result. The price of RINS to meet compliance obligations under the RFS could be substantial and adversely impact our financial condition.

The occurrence of any of the events described above could have a material adverse effect on Sunoco LP's business, financial condition, results of operations and cash available for distribution to its unitholders.

Sunoco LP is subject to federal, state and local laws and regulations that govern the product quality specifications of refined petroleum products it purchases, stores, transports, and sells to its distribution customers.

Various federal, state, and local government agencies have the authority to prescribe specific product quality specifications for certain commodities, including commodities that Sunoco LP distributes. Changes in product quality specifications, such as reduced sulfur content in refined petroleum products, or other more stringent requirements for fuels, could reduce Sunoco LP's ability to procure product, require it to incur additional handling costs and/or require the expenditure of capital. If Sunoco LP is unable to procure product or recover these costs through increased selling price, it may not be able to meet its financial obligations. Failure to comply with these regulations could result in substantial penalties for Sunoco LP.

USAC's customers may choose to vertically integrate their operations by purchasing and operating their own compression fleet, increasing the number of compression units they currently own or using alternative technologies for enhancing crude oil production.

USAC's customers that are significant producers, processors, gatherers and transporters of natural gas and crude oil may choose to vertically integrate their operations by purchasing and operating their own compression fleets in lieu of using USAC's compression services. The historical availability of attractive financing terms from financial institutions and equipment manufacturers facilitates this possibility by making the purchase of individual compression units increasingly affordable to USAC's customers. In addition, there are many technologies available for the artificial enhancement of crude oil production, and USAC's customers may elect to use these alternative technologies instead of the gas lift compression services USAC provides. Such vertical integration, increases in vertical integration or use of alternative technologies could result in decreased demand for USAC's compression services, which may have a material adverse effect on its business, results of operations, financial condition and reduce its cash available for distribution.

A significant portion of USAC's services are provided to customers on a month-to-month basis, and USAC cannot be sure that such customers will continue to utilize its services.

USAC's contracts typically have an initial term of between six months and five years, depending on the application and location of the compression unit. After the expiration of the initial term, the contract continues on a month-to-month or longer basis until terminated by USAC or USAC's customers upon notice as provided for in the applicable contract. For the year ended December 31, 2020, approximately 30% of USAC's compression services on a revenue basis were provided on a month-to-month basis to customers who continue to utilize its services following expiration of the primary term of their contracts. These customers can generally terminate their month-to-month compression services contracts on 30-days' written notice. If a significant number of these customers were to terminate their month-to-month services, or attempt to renegotiate their month-

to-month contracts at substantially lower rates, it could have a material adverse effect on USAC's business, results of operations, financial condition and cash available for distribution.

USAC's preferred units have rights, preferences and privileges that are not held by, and are preferential to the rights of, holders of its common units.

USAC's preferred units rank senior to all of its other classes or series of equity securities with respect to distribution rights and rights upon liquidation. These preferences could adversely affect the market price for its common units or could make it more difficult for USAC to sell its common units in the future.

In addition, distributions on USAC's preferred units accrue and are cumulative, at the rate of 9.75% per annum on the original issue price, which amounts to a quarterly distribution of $24.375 per preferred unit. If USAC does not pay the required distributions on its preferred units, USAC will be unable to pay distributions on its common units. Additionally, because distributions on USAC's preferred units are cumulative, USAC will have to pay all unpaid accumulated distributions on the preferred units before USAC can pay any distributions on its common units. Also, because distributions on USAC's common units are not cumulative, if USAC does not pay distributions on its common units with respect to any quarter, USAC's common unitholders will not be entitled to receive distributions covering any prior periods if USAC later recommences paying distributions on its common units.

USAC's preferred units are convertible into common units by the holders of USAC's preferred units or by USAC in certain circumstances. USAC's obligation to pay distributions on USAC's preferred units, or on the common units issued following the conversion of USAC's preferred units, could impact USAC's liquidity and reduce the amount of cash flow available for working capital, capital expenditures, growth opportunities, acquisitions and other general Partnership purposes. USAC's obligations to the holders of USAC's preferred units could also limit its ability to obtain additional financing or increase its borrowing costs, which could have an adverse effect on its financial condition.

Risks Related to Conflicts of Interest

The fiduciary duties of our general partner's officers and directors may conflict with those of ETO's, Sunoco LP's or USAC's respective general partners.

Conflicts of interest may arise because of the relationships among ETO, Sunoco LP, USAC, their general partners and us. Our General Partner's directors and officers have fiduciary duties to manage our business in a manner beneficial to us and our Unitholders. Some of our general partner's directors or officers are also directors and/or officers of ETO's general partner, Sunoco LP's general partner or USAC's general partner, and have fiduciary duties to manage the respective businesses of ETO, Sunoco LP and USAC in a manner beneficial to ETO, Sunoco LP, USAC and their respective unitholders. The resolution of these conflicts may not always be in our best interest or that of our Unitholders.

Potential conflicts of interest may arise among our general partner, its affiliates and us. Our general partner and its affiliates have limited fiduciary duties to us, which may permit them to favor their own interests to the detriment of us.

Conflicts of interest may arise among our general partner and its affiliates, on the one hand, and us, on the other hand. As a result of these conflicts, our general partner may favor its own interests and the interests of its affiliates over our interests. These conflicts include, among others, the following:

- our general partner is allowed to take into account the interests of parties other than us, including ETO, and its subsidiaries, including Sunoco LP and USAC, and their respective affiliates and any general partners and limited partnerships acquired in the future, in resolving conflicts of interest, which has the effect of limiting its fiduciary duties to us.
- our general partner has limited its liability and reduced its fiduciary duties under the terms of our partnership agreement, while also restricting the remedies available for actions that, without these limitations, might constitute breaches of fiduciary duty. As a result of purchasing our units, Unitholders consent to various actions and conflicts of interest that might otherwise constitute a breach of fiduciary or other duties under applicable state law.
- our general partner determines the amount and timing of our investment transactions, borrowings, issuances of additional partnership securities and reserves, each of which can affect the amount of cash that is available for distribution.
- our general partner determines which costs it and its affiliates have incurred are reimbursable by us.
- our partnership agreement does not restrict our general partner from causing us to pay it or its affiliates for any services rendered, or from entering into additional contractual arrangements with any of these entities on our behalf, so long as the terms of any such payments or additional contractual arrangements are fair and reasonable to us.
- our general partner controls the enforcement of obligations owed to us by it and its affiliates.

- our general partner decides whether to retain separate counsel, accountants or others to perform services for us.

Our partnership agreement limits our general partner's fiduciary duties to us and restricts the remedies available for actions taken by our general partner that might otherwise constitute breaches of fiduciary duty.

Our partnership agreement contains provisions that reduce the standards to which our general partner would otherwise be held by state fiduciary duty law. For example, our partnership agreement:

- permits our general partner to make a number of decisions in its individual capacity, as opposed to in its capacity as our general partner. This entitles our general partner to consider only the interests and factors that it desires, and it has no duty or obligation to give any consideration to any interest of, or factors affecting, us, our affiliates or any limited partner;
- provides that our general partner is entitled to make other decisions in "good faith" if it reasonably believes that the decisions are in our best interests;
- generally provides that affiliated transactions and resolutions of conflicts of interest not approved by a conflicts committee of the board of directors of our general partner and not involving a vote of Unitholders must be on terms no less favorable to us than those generally being provided to or available from unrelated third parties or be "fair and reasonable" to us and that, in determining whether a transaction or resolution is "fair and reasonable," our general partner may consider the totality of the relationships among the parties involved, including other transactions that may be particularly favorable or advantageous to us;
- provides that unless our general partner has acted in bad faith, the action taken by our general partner shall not constitute a breach of its fiduciary duty;
- provides that our general partner may resolve any conflicts of interest involving us and our general partner and its affiliates, and any resolution of a conflict of interest by our general partner that is "fair and reasonable" to us will be deemed approved by all partners, including the Unitholders, and will not constitute a breach of the partnership agreement;
- provides that our general partner may, but is not required, in connection with its resolution of a conflict of interest, to seek "special approval" of such resolution by appointing a conflicts committee of the general partner's board of directors composed of two or more independent directors to consider such conflicts of interest and to recommend action to the board of directors, and any resolution of the conflict of interest by the conflicts committee shall be conclusively deemed "fair and reasonable" to us; and
- provides that our general partner and its officers and directors will not be liable for monetary damages to us, our limited partners or assignees for any acts or omissions unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that the general partner or those other persons acted in bad faith or engaged in fraud, willful misconduct or gross negligence.

Our general partner's absolute discretion in determining the level of cash reserves may adversely affect our ability to make cash distributions to our Unitholders.

Our partnership agreement requires our general partner to deduct from operating surplus cash reserves that in its reasonable discretion are necessary to fund our future operating expenditures. In addition, our partnership agreement permits our general partner to reduce available cash by establishing cash reserves for the proper conduct of our business, to comply with applicable law or agreements to which we are a party or to provide funds for future distributions to partners. These cash reserves will affect the amount of cash available for distribution to Unitholders.

Although we control Sunoco LP and USAC through our ownership of Sunoco LP's and USAC's general partners, Sunoco LP's and USAC's general partners owe duties to Sunoco LP and Sunoco LP's unitholders and USAC and USAC's unitholders, respectively, which may conflict with our interests.

Conflicts of interest exist and may arise in the future as a result of the relationships between us and our affiliates, on the one hand, and Sunoco LP and USAC and their respective limited partners, on the other hand. The directors and officers of Sunoco LP's and USAC's general partners have duties to manage Sunoco LP and USAC, respectively, in a manner beneficial to us. At the same time, the general partners have fiduciary duties to manage Sunoco LP and USAC in a manner beneficial to Sunoco LP and USAC and their respective limited partners. The boards of directors of Sunoco LP's and USAC's general partner will resolve any such conflict and have broad latitude to consider the interests of all parties to the conflict. The resolution of these conflicts may not always be in our best interest.

For example, conflicts of interest with Sunoco LP and USAC may arise in the following situations:

- the allocation of shared overhead expenses to Sunoco LP, USAC and us;

- the interpretation and enforcement of contractual obligations between us and our affiliates, on the one hand, and Sunoco LP and USAC, on the other hand;
- the determination of the amount of cash to be distributed to Sunoco LP's and USAC's partners and the amount of cash to be reserved for the future conduct of Sunoco LP's and USAC's businesses;
- the determination whether to make borrowings under Sunoco LP's and USAC's revolving credit facilities to pay distributions to their respective partners;
- the determination of whether a business opportunity (such as a commercial development opportunity or an acquisition) that we may become aware of independently of Sunoco LP and USAC is made available for Sunoco LP and USAC to pursue; and
- any decision we make in the future to engage in business activities independent of Sunoco LP and USAC.

Some of our executive officers and directors face potential conflicts of interest in managing our business.

Certain of our executive officers and directors are also officers and/or directors of ETO. These relationships may create conflicts of interest regarding corporate opportunities and other matters. The resolution of any such conflicts may not always be in our or our Unitholders' best interests. In addition, these overlapping executive officers and directors allocate their time among us and ETO. These officers and directors face potential conflicts regarding the allocation of their time, which may adversely affect our business, results of operations and financial condition.

Affiliates of our general partner may compete with us.

Except as provided in our partnership agreement, affiliates and related parties of our general partner are not prohibited from engaging in other businesses or activities, including those that might be in direct competition with us.

Tax Risks to Unitholders

Our tax treatment depends on our continuing status as a partnership for federal income tax purposes, as well as our not being subject to a material amount of entity-level taxation. If the IRS were to treat us, ETO or its subsidiaries, including Sunoco LP and USAC as a corporation for federal income tax purposes or if we, ETO, Sunoco LP or USAC become subject to a material amount of entity-level taxation for state tax purposes, then our cash available for distribution would be substantially reduced.

The anticipated after-tax economic benefit of an investment in our Common Units depends largely on our being treated as a partnership for federal income tax purposes. We have not requested, and do not plan to request, a ruling from the IRS on this matter. The value of our investments in ETO and its subsidiaries, including Sunoco LP and USAC, depend largely on ETO, Sunoco LP and USAC being treated as partnerships for federal income tax purposes. Despite the fact that we, ETO, Sunoco LP and USAC are each a limited partnership under Delaware law, we would each be treated as a corporation for federal income tax purposes unless we satisfy a "qualifying income" requirement. Based upon our current operations and current Treasury Regulations, we believe we, ETO, Sunoco LP and USAC satisfy the qualifying income requirement. Failing to meet the qualifying income requirement or a change in current law could cause us, ETO, Sunoco LP or USAC to be treated as a corporation for federal income tax purposes or otherwise subject us to taxation as an entity.

If we, ETO, Sunoco LP or USAC were treated as a corporation for federal income tax purposes, we would pay federal income tax at the corporate tax rate and we would likely pay additional state income taxes at varying rates. Distributions to Unitholders would generally be taxed again as corporate distributions, and none of our income, gains, losses or deductions would flow through to Unitholders. Because a tax would be imposed upon us as a corporation, our cash available for distribution to Unitholders would be substantially reduced. Therefore, treatment of us as a corporation would result in a material reduction in the anticipated cash flow and after-tax return to the Unitholders, likely causing a substantial reduction in the value of our Common Units.

At the state level, several states have been evaluating ways to subject partnerships to entity-level taxation through the imposition of state income, franchise, or other forms of taxation. We currently own property or conduct business in many states that impose a margin or franchise tax. In the future, we may expand our operations. Imposition of a similar tax on us in the jurisdictions in which we operate or in other jurisdictions to which we may expand could substantially reduce our cash available for distribution to our Unitholders. Our partnership agreement provides that if a law is enacted or existing law is modified or interpreted in a manner that subjects us to taxation as a corporation or otherwise subjects us to entity-level taxation for U.S. federal, state, local or foreign income tax purposes, the target distribution amounts may be adjusted to reflect the impact of that law or interpretation on us.

The tax treatment of publicly traded partnerships or an investment in our units could be subject to potential legislative, judicial or administrative changes or differing interpretations, possibly applied on a retroactive basis.

The present United States federal income tax treatment of publicly traded partnerships, including us, or an investment in our Common Units may be modified by administrative, legislative or judicial changes or differing interpretations at any time. Members of Congress have frequently proposed and considered substantive changes to the existing United States federal income tax laws that affect publicly traded partnerships, including proposals that would eliminate our ability to qualify for partnership tax treatment.

Any modification to the United States federal income tax laws and interpretations thereof may or may not be retroactively applied and could make it more difficult or impossible for us to meet the exception for certain publicly traded partnerships to be treated as partnerships for United States federal income tax purposes. We are unable to predict whether any changes or other proposals will ultimately be enacted. Any future legislative changes could negatively impact the value of an investment in our Common Units. You are urged to consult with your own tax advisor with respect to the status of regulatory or administrative developments and proposals and their potential effect on your investment in our Common Units.

If the IRS contests the federal income tax positions we take, the market for our Common Units may be adversely affected and the costs of any such contest will reduce cash available for distributions to our Unitholders.

We have not requested a ruling from the IRS with respect to our treatment as a partnership for federal income tax purposes. The IRS may adopt positions that differ from the positions we take. It may be necessary to resort to administrative or court proceedings to sustain some or all of the positions we take. A court may not agree with some or all of the positions we take. Any contest with the IRS may materially and adversely impact the market for our Common Units and the prices at which they trade. In addition, the costs of any contest between us and the IRS will result in a reduction in our cash available for distribution to our Unitholders and thus will be borne indirectly by our Unitholders.

If the IRS makes audit adjustments to our income tax returns for tax years beginning after December 31, 2017, it (and some states) may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustments directly from us, in which case our cash available for distribution to our Unitholders might be substantially reduced.

Pursuant to the Bipartisan Budget Act of 2015, for tax years beginning after December 31, 2017, if the IRS makes audit adjustments to our income tax returns, it (and some states) may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustment directly from us. To the extent possible under the new rules, our general partner may elect to either pay the taxes (including any applicable penalties and interest) directly to the IRS or, if we are eligible, issue an information statement to each Unitholder and former Unitholder with respect to an audited and adjusted return. Although our general partner may elect to have our Unitholders and former Unitholders take such audit adjustment into account and pay any resulting taxes (including applicable penalties or interest) in accordance with their interests in us during the tax year under audit, there can be no assurance that such election will be practical, permissible or effective in all circumstances. As a result, our current Unitholders may bear some or all of the tax liability resulting from such audit adjustment, even if such Unitholders did not own units in us during the tax year under audit. If, as a result of any such audit adjustment, we are required to make payments of taxes, penalties and interest, our cash available for distribution to our Unitholders might be substantially reduced.

Unitholders are required to pay taxes on their share of our income even if they do not receive any cash distributions from us.

Our Unitholders are required to pay any federal income taxes and, in some cases, state and local income taxes on their share of our taxable income whether or not they receive cash distributions from us. Our Unitholders may not receive cash distributions from us equal to their share of our taxable income or even equal to the actual tax liability that results from that income.

Tax gain or loss on disposition of our Common Units could be more or less than expected.

If a Unitholder sells their Common Units, the Unitholder will recognize a gain or loss equal to the difference between the amount realized and that Unitholder’s tax basis in those units. Because distributions in excess of a Unitholder’s allocable share of our net taxable income decrease such Unitholder’s tax basis in their Common Units, the amount, if any, of such prior excess distributions with respect to the units a Unitholder sells will, in effect, become taxable income to a Unitholder if such units are sold at a price greater than their tax basis in those units, even if the price such Unitholder receives is less than their original costs. In addition, because the amount realized includes a Unitholder’s share of our nonrecourse liabilities, if a Unitholder sells their Common Units, a Unitholder may incur a tax liability in excess of the amount of cash received from the sale.

A substantial portion of the amount realized from a Unitholder's sale of their Common Units, whether or not representing gain, may be taxed as ordinary income to such Unitholder due to potential recapture items, including depreciation recapture.Thus, a Unitholder may recognize both ordinary income and capital loss from the sale of Common Units if the amount realized on a sale of such units is less than such Unitholder's adjusted basis in the units. Net capital loss may only offset capital gains and, in the case of individuals, up to $3,000 of ordinary income per year. In the taxable period in which a Unitholder sells their Common Units, such Unitholder may recognize ordinary income from our allocations of income and gain to such Unitholder prior to the sale and from recapture items that generally cannot be offset by any capital loss recognized upon the sale of Common Units.

Tax-exempt entities face unique tax issues from owning our units that may result in adverse tax consequences to them.

Investment in our units by tax-exempt entities, such as employee benefit plans and individual retirement accounts (known as IRAs) raises issues unique to them. For example, virtually all of our income allocated to organizations that are exempt from United States federal income tax, including IRAs and other retirement plans, will be unrelated business taxable income and will be taxable to them. Tax-exempt entities should consult a tax advisor before investing in our units.

Non-United States Unitholders will be subject to United States taxes and withholding with respect to their income and gain from owning our units.

Non-United States Unitholders are generally taxed and subject to income tax filing requirements by the United States on income effectively connected with a United States trade or business ("effectively connected income"). Income allocated to our Unitholders and any gain from the sale of our units will generally be considered to be "effectively connected" with a United States trade or business. As a result, distributions to a non-United States Unitholder will be subject to withholding at the highest applicable effective tax rate and a non-United States Unitholder who sells or otherwise disposes of a unit will also be subject to United States federal income tax on the gain realized from the sale or disposition of that unit.

Moreover, the transferee of an interest in a partnership that is engaged in a United States trade or business is generally required to withhold 10% of the "amount realized" by the transferor unless the transferor certifies that it is not a foreign person. While the determination of a partner's "amount realized" generally includes any decrease of a partner's share of the partnership's liabilities, recently issued Treasury regulations provide that the "amount realized" on a transfer of an interest in a publicly traded partnership, such as our Common Units, will generally be the amount of gross proceeds paid to the broker effecting the applicable transfer on behalf of the transferor, and thus will be determined without regard to any decrease in that partner's share of a publicly traded partnership's liabilities. The Treasury regulations further provide that withholding on a transfer of an interest in a publicly traded partnership will not be imposed on a transfer that occurs prior to January 1, 2022, and after that date, if effected through a broker, the obligation to withhold is imposed on the transferor's broker.

We have subsidiaries that will be treated as corporations for federal income tax purposes and subject to corporate-level income taxes.

Even though we (as a partnership for United States federal income tax purposes) are not subject to United States federal income tax, some of our operations are conducted through subsidiaries that are organized as corporations for United States federal income tax purposes. The taxable income, if any, of subsidiaries that are treated as corporations for United States federal income tax purposes, is subject to corporate-level United States federal income taxes, which may reduce the cash available for distribution to us and, in turn, to our Unitholders. If the IRS or other state or local jurisdictions were to successfully assert that these corporations have more tax liability than we anticipate or legislation was enacted that increased the corporate tax rate, the cash available for distribution could be further reduced. The income tax return filings positions taken by these corporate subsidiaries require significant judgment, use of estimates, and the interpretation and application of complex tax laws. Significant judgment is also required in assessing the timing and amounts of deductible and taxable items. Despite our belief that the income tax return positions taken by these subsidiaries are fully supportable, certain positions may be successfully challenged by the IRS, state or local jurisdictions.

We treat each purchaser of Common Units as having the same tax benefits without regard to the actual Common Units purchased. The IRS may challenge this treatment, which could result in a Unitholder owing more tax and may adversely affect the value of the Common Units.

Because we cannot match transferors and transferees of Common Units and because of other reasons, we have adopted certain methods for allocating depreciation, depletion and amortization that may not conform to all aspects of existing Treasury Regulations. A successful IRS challenge to the use of these methods could adversely affect the amount of tax benefits available to our Unitholders. It also could affect the timing of these tax benefits or the amount of gain from the sale of Common Units and could have a negative impact on the value of our Common Units or result in audit adjustments to tax returns of our Unitholders. Moreover, because we have subsidiaries that are organized as C corporations for federal income tax purposes owns

units in us, a successful IRS challenge could result in this subsidiary having a greater tax liability than we anticipate and, therefore, reduce the cash available for distribution to our partnership and, in turn, to our Unitholders.

We generally prorate our items of income, gain, loss and deduction between transferors and transferees of our units each month based upon the ownership of our units on the first business day of each month, instead of on the basis of the date a particular unit is transferred. The IRS may challenge aspects of our proration method, and if successful, we would be required to change the allocation of items of income, gain, loss and deduction among our Unitholders.

We generally prorate our items of income, gain, loss and deduction between transferors and transferees of our units each month based upon the ownership of our units on the first business day of each month (the "Allocation Date"), instead of on the basis of the date a particular unit is transferred. Similarly, we generally allocate (i) certain deductions for depreciation of capital additions, (ii) gain or loss realized on a sale or other disposition of our assets and (iii) in the discretion of the general partner, any other extraordinary item of income, gain, loss or deduction based upon ownership on the Allocation Date. Treasury Regulations allow a similar monthly simplifying convention, but such regulations do not specifically authorize all aspects of the proration method we have adopted. If the IRS were to challenge our proration method, we may be required to change the allocation of items of income, gain, loss and deduction among our Unitholders.

A Unitholder whose units are the subject of a securities loan (e.g. a loan to a short seller to cover a short sale of units) may be considered as having disposed of those units. If so, such Unitholder would no longer be treated for tax purposes as a partner with respect to those units during the period of the loan and may recognize gain or loss from the disposition.

Because there are no specific rules governing the federal income tax consequences of loaning a partnership interest, a Unitholder whose units are the subject of a securities loan may be considered as having disposed of the loaned units. In that case, the Unitholder may no longer be treated for tax purposes as a partner with respect to those units during the period of the loan to the short seller, and the Unitholder and may recognize gain or loss from such disposition. Moreover, during the period of the loan, any of our income, gain, loss or deduction with respect to those units may not be reportable by the Unitholder and any cash distributions received by the Unitholder as to those units could be fully taxable as ordinary income. Unitholders desiring to assure their status as partners and avoid the risk of gain recognition from a securities loan are urged to consult a tax advisor to determine whether it is advisable to modify any applicable brokerage account agreements to prohibit their brokers from borrowing their units.

We have adopted certain valuation methodologies in determining Unitholder's allocations of income, gain, loss and deduction. The IRS may challenge these methods or the resulting allocations, and such a challenge could adversely affect the value of our Common Units.

When we issue additional units or engage in certain other transactions, we determine the fair market value of our assets and allocate any unrealized gain or loss attributable to such assets to the capital accounts of our Unitholders and our general partner. Although we may from time to time consult with professional appraisers regarding valuation matters, including the valuation of our assets, we make many of the fair market value estimates of our assets ourselves using a methodology based on the market value of our Common Units as a means to measure the fair market value of our assets. Our methodology may be viewed as understating the value of our assets. In that case, there may be a shift of income, gain, loss and deduction between certain Unitholders and our general partner, which may be unfavorable to such Unitholders. Moreover, under our current valuation methods, subsequent purchasers of our Common Units may have a greater portion of their Internal Revenue Code Section 743(b) adjustment allocated to our tangible assets and a lesser portion allocated to our intangible assets. The IRS may challenge our valuation methods, or our allocation of Section 743(b) adjustment attributable to our tangible and intangible assets, and allocations of income, gain, loss and deduction between our general partner and certain of our Unitholders.

A successful IRS challenge to these methods or allocations could adversely affect the amount of taxable income or loss being allocated to our Unitholders. It also could affect the amount of gain on the sale of Common Units by our Unitholders and could have a negative impact on the value of our Common Units or result in audit adjustments to the tax returns of our Unitholders without the benefit of additional deductions.

Unitholders will likely be subject to state and local taxes and income tax return filing requirements in jurisdictions where they do not live as a result of investing in our units.

In addition to United States federal income taxes, the Unitholders may be subject to other taxes, including state and local taxes, unincorporated business taxes and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which we or our subsidiaries conduct business or own property now or in the future, even if they do not live in any of those jurisdictions. Unitholders will likely be required to file state and local income tax returns and pay state and local income taxes in some or all of these various jurisdictions. Further, Unitholders may be subject to penalties for failure to comply with those requirements. It is the responsibility of each Unitholder to file all federal, state and local tax returns.

Unitholders may be subject to limitation on their ability to deduct interest expense incurred by us.

In general, our Unitholders are entitled to a deduction for the interest we have paid or accrued on indebtedness properly allocable to our trade or business during our taxable year. However, subject to the exceptions in the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), under the Tax Cuts and Jobs Act, for taxable years beginning after December 31, 2017, our deduction for "business interest" is generally limited to the sum of our business interest income and 30% of our "adjusted taxable income." For the 2020 taxable year, the CARES Act generally increases the 30% adjusted taxable income limitation to 50%. For the purposes of this limitation, adjusted taxable income is computed without regard to any business interest expense or business interest income, and in the case of taxable years beginning before January 1, 2022, any deduction allowable for depreciation, amortization, or depletion. The interest limitation does not apply to regulated pipeline businesses and, therefore, we believe that our interest expense is fully deductible. If the IRS contests this position or if further guidance is issued contrary to the positions taken, the unitholder's ability to deduct this interest expense could be limited.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

A description of our properties is included in "Item 1. Business." In addition, we own office buildings for our executive offices in Dallas, Texas and office buildings in Newton Square, Pennsylvania; Houston, Texas and San Antonio, Texas. While we may require additional office space as our business expands, we believe that our existing facilities are adequate to meet our needs for the immediate future, and that additional facilities will be available on commercially reasonable terms as needed.

We believe that we have satisfactory title to or valid rights to use all of our material properties. Although some of our properties are subject to liabilities and leases, liens for taxes not yet due and payable, encumbrances securing payment obligations under non-competition agreements and immaterial encumbrances, easements and restrictions, we do not believe that any such burdens will materially interfere with our continued use of such properties in our business, taken as a whole. In addition, we believe that we have, or are in the process of obtaining, all required material approvals, authorizations, orders, licenses, permits, franchises and consents of, and have obtained or made all required material registrations, qualifications and filings with, the various state and local government and regulatory authorities which relate to ownership of our properties or the operations of our business.

Substantially all of our pipelines, which are described in "Item 1. Business," are constructed on rights-of-way granted by the apparent record owners of the property. Lands over which pipeline rights-of-way have been obtained may be subject to prior liens that have not been subordinated to the right-of-way grants. We have obtained, where necessary, easement agreements from public authorities and railroad companies to cross over or under, or to lay facilities in or along, watercourses, county roads, municipal streets, railroad properties and state highways, as applicable. In some cases, properties on which our pipelines were built were purchased in fee. We also own and operate multiple natural gas and NGL storage facilities and own or lease other processing, treating and conditioning facilities in connection with our midstream operations.

ITEM 3. LEGAL PROCEEDINGS

ETC Sunoco Holdings LLC and Sunoco (R&M), LLC (collectively, "Sunoco Defendants") are defendants in lawsuits alleging MTBE contamination of groundwater. The plaintiffs, state-level governmental entities, assert product liability, nuisance, trespass, negligence, violation of environmental laws, and/or deceptive business practices claims. The plaintiffs seek to recover compensatory damages, and in some cases also seek natural resource damages, injunctive relief, punitive damages, and attorneys' fees.

As of December 31, 2020, Sunoco Defendants are defendants in five cases, including one case each initiated by the States of Maryland and Rhode Island, one by the Commonwealth of Pennsylvania and two by the Commonwealth of Puerto Rico. The more recent Puerto Rico action is a companion case alleging damages for additional sites beyond those at issue in the initial Puerto Rico action. The actions brought by the State of Maryland and Commonwealth of Pennsylvania have also named as defendants ETO, ETP Holdco Corporation, and Sunoco Partners Marketing & Terminals L.P. ("SPMT").

It is reasonably possible that a loss may be realized in the remaining cases; however, we are unable to estimate the possible loss or range of loss in excess of amounts accrued. An adverse determination with respect to one or more of the MTBE cases could have a significant impact on results of operations during the period in which any such adverse determination occurs, but such an adverse determination likely would not have a material adverse effect on the Partnership's consolidated financial position.

In April 2016, PHMSA issued a Notice of Probable Violation, Proposed Compliance Order, and Proposed Civil Penalty related to certain welding practices and procedures followed during construction of ETO's Permian Express 2 pipeline system in

Texas. PHMSA subsequently issued a Final Order, and the related civil penalty has been paid. Additional penalties could be assessed related to ongoing compliance actions; however, the Partnership does not currently anticipate additional penalties.

In late 2016, FERC Enforcement Staff began a non-public investigation of Rover's removal of the Stoneman House, a potential historic structure, in connection with Rover's application for permission to construct a new interstate natural gas pipeline and related facilities. In mid-2017, FERC Enforcement Staff began a non-public investigation regarding allegations that diesel fuel may have been included in the drilling mud at the Tuscarawas River horizontal directional drilling ("HDD") operations. Rover and the Partnership are cooperating with the investigations. Enforcement Staff has provided Rover its non-public preliminary findings regarding those investigations. The company disagrees with those findings and intends to vigorously defend against any potential penalty. Given the stage of the proceedings, and the non-public nature of the investigation, the Partnership is unable at this time to provide an assessment of the potential outcome or range of potential liability, if any.

On November 3, 2017, the State of Ohio and the Ohio Environmental Protection Agency ("Ohio EPA") filed suit against Rover and other defendants (collectively, the "Defendants") seeking to recover approximately $2.6 million in civil penalties allegedly owed and certain injunctive relief related to permit compliance. The Defendants filed several motions to dismiss, which were granted on all counts. The Ohio EPA appealed, and on December 9, 2019, the Fifth District court of appeals entered a unanimous judgment affirming the trial court. The Ohio EPA sought review from the Ohio Supreme Court. On April 22, 2020, the Ohio Supreme Court granted the review. Briefing has concluded and oral arguments were held on January 26, 2021, but no opinion has yet been issued.

Energy Transfer received an Administrative Compliance Order from the New Mexico Environmental Department on August 28, 2020 to settle the outstanding NOVs at its Jal 3 gas plant. The NOVs covered emission events that occurred January 1, 2017 through August 31, 2018. The Compliance Order includes an assessed civil penalty of $4,023,779.80. The proceedings in this case are stayed until May 17, 2021 to allow the parties to discuss possible settlement of this matter. Negotiations with the NMED are ongoing.

In January 2019, we received notice from the DOJ on behalf of the EPA that a civil penalty enforcement action was being pursued under the Clean Water Act for an estimated 450 barrel crude oil release from the Mid-Valley Pipeline operated by SPLP and owned by Mid-Valley Pipeline Corporation. The release purportedly occurred in October 2014 on a nature preserve located in Hamilton County, Ohio, near Cincinnati, Ohio. After discovery and notification of the release, SPLP conducted substantial emergency response, remedial work and primary restoration in three phases and the primary restoration has been acknowledged to be complete. Operation and maintenance (O&M) activities will continue for several years. In December of 2019, SPLP reached an agreement in principal with the EPA regarding payment of a civil penalty which will be subject to public comment. The DOJ, on behalf of United States Department of Interior Fish and Wildlife, and the Ohio Attorney General, on behalf of the Ohio EPA, along with technical representatives from those agencies have been discussing natural resource damage assessment claims related to state endangered species and compensatory restoration. The timing and outcome of these matters cannot be reasonably determined at this time; however, we do not expect there to be a material impact to our results of operations, cash flows or financial position.

On September 10, 2018, a pipeline release and fire (the "Incident") occurred on the Revolution pipeline, a natural gas gathering line located in Center Township, Beaver County, Pennsylvania. There were no injuries. On February 8, 2019, the Pennsylvania Department of Environmental Protection ("PADEP") issued a Permit Hold on any requests for approvals/permits or permit amendments for any project in Pennsylvania pursuant to the state's water laws. The Partnership filed an appeal of the Permit Hold with the Pennsylvania Environmental Hearing Board. On January 3, 2020, the Partnership entered into a Consent Order and Agreement with the Department in which, among other things, the Permit Hold was lifted, the Partnership agreed to pay a $28.6 million civil penalty and fund a $2 million community environmental project, and all related appeals were withdrawn. On November 11, 2020, the PADEP issued an Order, which requires additional approvals and work prior to placing the Revolution Pipeline back in service. The Partnership filed an appeal of this Order with the Environmental Hearing Board on December 8, 2020.

The Pennsylvania Office of Attorney General has commenced an investigation regarding the Incident, and the United States Attorney for the Western District of Pennsylvania has issued a federal grand jury subpoena for documents relevant to the Incident. The scope of these investigations is not further known at this time.

On June 4, 2019, the Oklahoma Corporation Commission's ("OCC") Transportation Division filed a complaint against SPLP seeking a penalty of up to $1 million related to a May 2018 rupture near Edmond, Oklahoma. The rupture occurred on the Noble to Douglas 8" pipeline in an area of external corrosion and caused the release of approximately fifteen barrels of crude oil. SPLP responded immediately to the release and remediated the surrounding environment and pipeline in cooperation with the OCC. The OCC filed the complaint alleging that SPLP failed to provide adequate cathodic protection to the pipeline causing the failure. SPLP is negotiating a settlement agreement with the OCC for a lesser penalty.

Additionally, we have received notices of violations and potential fines under various federal, state and local provisions relating to the discharge of materials into the environment or protection of the environment. While we believe that even if any one or more of the environmental proceedings listed above were decided against us, it would not be material to our financial position, results of operations or cash flows, we are required to report environmental governmental proceedings if we reasonably believe that such proceedings will result in monetary sanctions in excess of $300,000.

For a description of other legal proceedings, see Note 11 to our consolidated financial statements included in “Item 8. Financial Statements and Supplementary Data.”

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON UNITS, RELATED UNITHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Parent Company

Description of Units

As of February 18, 2021, there were approximately 13,375 holders of record of our common units, which number does not separately account for individual participants in securities positions listings. Common units represent limited partner interests in us that entitle the holders to the rights and privileges specified in the Parent Company's Third Amended and Restated Agreement of Limited Partnership, as amended to date (the "Partnership Agreement").

As of December 31, 2020, limited partners own an aggregate 99.9% limited partner interest in us. Our General Partner owns an aggregate 0.1% general partner interest in us. Our common units are registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and are listed for trading on the NYSE under the ticker symbol "ET." Each holder of a common unit is entitled to one vote per unit on all matters presented to the limited partners for a vote. In addition, if at any time any person or group (other than our General Partner and its affiliates) owns beneficially 20% or more of all common units, any Common Units owned by that person or group may not be voted on any matter and are not considered to be outstanding when sending notices of a meeting of unitholders (unless otherwise required by law), calculating required votes, determining the presence of a quorum or for other similar purposes under our Partnership Agreement. The common units are entitled to distributions of Available Cash as described below under "Cash Distribution Policy."

ET Class A Units

In October 2018, in connection with merger of ETO with a wholly-owned subsidiary of the Partnership in a unit-for-unit exchange (the "Energy Transfer Merger"), the Partnership issued 647,745,099 Class A units ("ET Class A Units") representing limited partner interests in the Partnership to the General Partner. The number of ET Class A Units issued allows the General Partner and its affiliates to retain a voting interest in the Partnership that is identical to their voting interest in the Partnership prior to the completion of the Energy Transfer Merger. The ET Class A Units are entitled to vote together with the Partnership's common units, as a single class, except as required by law. Additionally, ET's partnership agreement provides that, under certain circumstances, upon the issuance by the Partnership of additional common units or any securities that have voting rights that are pari passu with the Partnership common units, the Partnership will issue to any holder of ET Class A Units additional ET Class A Units such that the holder maintains a voting interest in the Partnership that is identical to its voting interest in the Partnership prior to such issuance of common units. In connection with the SemGroup Transaction, we issued an additional 14,246,973 ET Class A Units in December 2019. The ET Class A Units are not entitled to distributions and otherwise have no economic attributes.

Cash Distribution Policy

General. The Parent Company will distribute all of its "Available Cash" to its unitholders and its General Partner within 50 days following the end of each fiscal quarter.

Definition of Available Cash. Available Cash is defined in the Partnership Agreement and generally means, with respect to any calendar quarter, all cash on hand at the end of such quarter less the amount of cash reserves that are necessary or appropriate in the reasonable discretion of the General Partner to:

- provide for the proper conduct of its business;
- comply with applicable law and/or debt instrument or other agreement; and
- provide funds for distributions to unitholders and its General Partner in respect of any one or more of the next four quarters.

Recent Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

None.

Securities Authorized for Issuance Under Equity Compensation Plans

For information on the securities authorized for issuance under ET's equity compensation plans, see "Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Unitholder Matters."

ITEM 6. SELECTED FINANCIAL DATA

The selected historical financial data should be read in conjunction with "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical consolidated financial statements and accompanying notes thereto included elsewhere in this report. The amounts in the table below, except per unit data, are in millions.

As discussed in Note 2 to the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data" the Partnership's consolidated financial statements for all periods presented have been retrospectively adjusted to reflect the change in the accounting policy related to certain barrels of crude oil.

	Years Ended December 31,				
	2020	2019	2018	2017	2016
Statement of Operations Data:					
Total revenues	$ 38,954	$ 54,213	$ 54,087	$ 40,523	$ 31,792
Operating income	2,980	7,203	5,403	2,670	1,809
Income from continuing operations	140	4,825	3,685	2,492	420
Loss from discontinued operations	—	—	(265)	(177)	(462)
Net income (loss)	140	4,825	3,420	2,315	(42)
Basic income (loss) from continuing operations per limited partner unit	(0.24)	1.34	1.21	0.81	0.91
Diluted income (loss) from continuing operations per limited partner unit	(0.24)	1.33	1.20	0.79	0.89
Basic loss from discontinued operations per limited partner unit	—	—	(0.01)	(0.01)	(0.01)
Diluted loss from discontinued operations per limited partner unit	—	—	(0.01)	(0.01)	(0.01)
Cash distribution per common unit	0.92	1.22	1.22	1.17	1.14
Balance Sheet Data (at period end):					
Assets held for sale	—	—	—	3,313	3,588
Total assets	95,144	98,973	88,413	86,358	79,088
Liabilities associated with assets held for sale	—	—	—	75	48
Long-term debt, less current maturities	51,417	51,028	43,373	43,671	42,608
Total equity	31,388	33,938	31,017	30,092	22,594

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Tabular dollar and unit amounts, except per unit data, are in millions)

Energy Transfer LP is a Delaware limited partnership whose common units are publicly traded on the NYSE under the ticker symbol "ET."

The following discussion of our historical consolidated financial condition and results of operations should be read in conjunction with our historical consolidated financial statements and accompanying notes thereto included in "Item 8. Financial Statements and Supplementary Data" of this report. This discussion includes forward-looking statements that are subject to risk and uncertainties. Actual results may differ substantially from the statements we make in this section due to a number of factors that are discussed in "Item 1A. Risk Factors" of this report.

Unless the context requires otherwise, references to "we," "us," "our," the "Partnership" and "ET" mean Energy Transfer LP and its consolidated subsidiaries, which include ETO, ETP GP, ETP LLC, Panhandle, Sunoco LP and Lake Charles LNG. References to the "Parent Company" mean Energy Transfer LP on a stand-alone basis.

OVERVIEW

Energy Transfer LP directly and indirectly owns equity interests in ETO, Sunoco LP and USAC, all of which are limited partnerships engaged in diversified energy-related services. Sunoco LP and USAC have publicly traded common units.

We control ETO through our ownership of its general partner.

The Parent Company's principal sources of cash flow are derived from its direct and indirect investments in the limited partner and general partner interests in ETO. ETO's earnings and cash flows are generated by its subsidiaries, including ETO's investments in Sunoco LP and USAC. The amount of cash that ETO, Sunoco LP and USAC distribute to their respective partners, including the Parent Company, each quarter is based on earnings from their respective business activities and the amount of available cash, as discussed below.

In order to fully understand the financial condition and results of operations of the Parent Company on a stand-alone basis, we have included discussions of Parent Company matters apart from those of our consolidated group.

General

Our primary objective is to increase the level of our distributable cash flow to our Unitholders over time by pursuing a business strategy that is currently focused on growing our subsidiaries' natural gas and liquids businesses through, among other things, pursuing certain construction and expansion opportunities relating to our subsidiaries' existing infrastructure and acquiring certain strategic operations and businesses or assets. The actual amounts of cash that we will have available for distribution will primarily depend on the amount of cash our subsidiaries generate from their operations.

Our reportable segments are as follows:

- intrastate transportation and storage;
- interstate transportation and storage;
- midstream;
- NGL and refined products transportation and services;
- crude oil transportation and services;
- investment in Sunoco LP;
- investment in USAC; and
- all other.

Recent Developments

COVID-19

In 2020, the COVID-19 pandemic prompted several states and municipalities in which we operate to take extraordinary and wide-ranging actions to contain and combat the outbreak and spread of the virus, including mandates for many individuals to substantially restrict daily activities and for many businesses to curtail or cease normal operations. To the extent COVID-19 continues or worsens, governments may impose additional similar restrictions. As a provider of critical energy infrastructure, our business has been designated as a "critical infrastructure sector" and our employees as "essential critical infrastructure workers" pursuant to the Department of Homeland Security Guidance on Essential Critical Infrastructure Workforce(s). To date, our field operations have continued uninterrupted, and remote work and other COVID-19 related conditions have not significantly impacted our ability to maintain operations or caused us to incur significant additional expenses; however, we are unable to predict the magnitude or duration of current and potential future COVID-19 mitigation measures. As an essential business providing critical energy infrastructure, the safety of our employees and the continued operation of our assets are our top priorities and we will continue to operate in accordance with federal and state health guidelines and safety protocols. We have implemented several new policies and provided employee training to help maintain the health and safety of our workforce.

Pending Enable Acquisition

On February 17, 2021, the Partnership announced its entry into a definitive merger agreement to acquire Enable. Under the terms of the merger agreement, Enable's common unitholders will receive 0.8595 of an ET common unit in exchange for each Enable common unit. In addition, each outstanding Enable Series A preferred unit will be exchanged for 0.0265 of an ET Series G preferred unit, and ET will make a $10 million cash payment for Enable's general partner. The transaction is subject to the approval of Enable's unitholders and other customary regulatory approvals.

ET Contribution of SemGroup Assets to ETO

On December 5, 2019, ET completed the acquisition of SemGroup. During the first and second quarters of 2020, ET contributed former SemGroup assets to ETO through sale and contribution transactions.

ETO Series F and Series G Preferred Units Issuance

On January 22, 2020, ETO issued 500,000 of its 6.750% Series F Preferred Units at a price of $1,000 per unit and 1,100,000 of its 7.125% Series G Preferred Units at a price of $1,000 per unit. The net proceeds were used to repay amounts outstanding under ETO's revolving credit facility and for general partnership purposes.

ETO January 2020 Senior Notes Offering and Redemption

Utilizing proceeds from the January 2020 Senior Notes Offering, ETO redeemed its $400 million aggregate principal amount of 5.75% Senior Notes due September 1, 2020, its $1.05 billion aggregate principal amount of 4.15% Senior Notes due October 1, 2020, its $1.14 billion aggregate principal amount of 7.50% Senior Notes due October 15, 2020, its $250 million aggregate principal amount of 5.50% Senior Notes due February 15, 2020, ET's $52 million aggregate principal amount of 7.50% Senior Notes due October 15, 2020 and Transwestern's $175 million aggregate principal amount of 5.36% Senior Notes due December 9, 2020. See "Liquidity and Capital Resources - Recent Financing Transactions" below for more information on the January 2020 Senior Notes Offering.

Lake Charles LNG

On March 30, 2020, Shell announced that it would not proceed with a proposed equity interest in the Lake Charles LNG liquefaction project due to adverse market factors affecting Shell's business following the onset of the COVID-19 pandemic. We intend to continue to develop the project, possibly in conjunction with one or more equity partners, and we plan to evaluate a variety of alternatives to advance the project, including the possibility of reducing the size of the project from three trains (16.45 million tonnes per annum of LNG capacity) to two trains (11.0 million tonnes per annum). The project as currently designed is fully permitted by federal, state and local authorities, has all necessary export licenses and benefits from the infrastructure related to the existing regasification facility at the same site, including four LNG storage tanks, two deep water docks and other assets. In light of the existing brownfield infrastructure and the advanced state of the development of the project, we plan to continue to pursue the project on a disciplined, cost effective basis, and ultimately we will determine whether to make a final investment decision to proceed with the project based on market conditions, capital expenditure considerations and our success in securing equity participation by third parties as well as long-term LNG offtake commitments on satisfactory terms.

Sunoco LP November 2020 Senior Notes Offering and Repurchase

On November 9, 2020, Sunoco LP completed a private offering of $800 million in aggregate principal amount of 4.500% senior notes due 2029. Sunoco LP used the proceeds to fund the tender offer on its 4.875% $1 billion senior notes due 2023. Approximately 56% of the 2023 senior notes were tendered. On January 15, 2021, Sunoco LP repurchased the remaining outstanding portion of its 2023 senior notes.

Regulatory Update

Interstate Natural Gas Transportation Regulation

Rate Regulation

Effective January 2018, the 2017 Tax Cuts and Jobs Act (the "Tax Act") changed several provisions of the federal tax code, including a reduction in the maximum corporate tax rate. On March 15, 2018, in a set of related proposals, the FERC addressed treatment of federal income tax allowances in regulated entity rates. The FERC issued a Revised Policy Statement on Treatment of Income Taxes ("Revised Policy Statement") stating that it will no longer permit master limited partnerships to recover an income tax allowance in their cost-of-service rates. The FERC issued the Revised Policy Statement in response to a remand

from the United States Court of Appeals for the District of Columbia Circuit in United Airlines v. FERC, in which the court determined that the FERC had not justified its conclusion that a pipeline organized as a master limited partnership would not "double recover" its taxes under the current policy by both including an income-tax allowance in its cost of service and earning a return on equity calculated using the discounted cash flow methodology. On July 18, 2018, the FERC issued an order denying requests for rehearing and clarification of its Revised Policy Statement. In the rehearing order, the FERC clarified that a pipeline organized as a master limited partnership will not be precluded in a future proceeding from arguing and providing evidentiary support that it is entitled to an income tax allowance and demonstrating that its recovery of an income tax allowance does not result in a double-recovery of investors' income tax costs. On July 31, 2020, the United States Court of Appeals for the District of Columbia Circuit issued an opinion upholding the FERC's decision denying a separate master limited partnership recovery of an income tax allowance and its decision not to require the master limited partnership to refund accumulated deferred income tax balances. In light of the rehearing order's clarification regarding individual entities' ability to argue in support of recovery of an income tax allowance and the court's subsequent opinion upholding denial of an income tax allowance to a master limited partnership, the impacts that FERC's policy on the treatment of income taxes may have on the rates ETO can charge for FERC-regulated transportation services are unknown at this time.

Even without application of the FERC's recent rate making-related policy statements and rulemakings, the FERC or our shippers may challenge the cost-of-service rates we charge. The FERC's establishment of a just and reasonable rate is based on many components, including ROE and tax-related components, although changes in these components may tend to decrease our cost-of-service rate, other components in the cost-of-service rate calculation may increase and result in a newly calculated cost-of-service rate that is less than, the same as, or greater than the prior cost-of-service rate. Moreover, we receive revenues from our pipelines based on a variety of rate structures, including cost-of-service rates, negotiated rates, discounted rates and market-based rates. Many of our interstate pipelines, such as ETC Tiger Pipeline, LLC, Midcontinent Express and Fayetteville Express, have negotiated market rates that were agreed to by customers in connection with long-term contracts entered into to support the construction of the pipelines. Other systems, such as FGT, Transwestern and Panhandle, have a mix of tariff rate, discount rate, and negotiated rate agreements. The revenues we receive from natural gas transportation services we provide pursuant to cost-of-service based rates may decrease in the future as a result of the Revised Policy Statement, changes to ROE methodology, or other FERC policies, combined with the reduced corporate federal income tax rate established in the Tax Act. The extent of any revenue reduction related to our cost-of-service rates, if any, will depend on a detailed review of all of ETO's cost-of-service components and the outcomes of any challenges to our rates by the FERC or our shippers.

On July 18, 2018, the FERC issued a final rule establishing procedures to evaluate rates charged by the FERC-jurisdictional gas pipelines in light of the Tax Act and the FERC's Revised Policy Statement. By order issued January 16, 2019, the FERC initiated a review of Panhandle's existing rates pursuant to Section 5 of the NGA to determine whether the rates currently charged by Panhandle are just and reasonable and set the matter for hearing. Panhandle filed a cost and revenue study on April 1, 2019 and an NGA Section 4 rate case on August 30, 2019. The Section 4 and Section 5 proceedings were consolidated by order of the Chief Judge on October 1, 2019. A hearing in the combined proceedings commenced on August 25, 2020 and adjourned on September 15, 2020. By order dated January 19, 2021, the Chief Judge has extended the deadline for the initial decision to March 26, 2021.

Pipeline Certification

The FERC issued a Notice of Inquiry on April 19, 2018 ("Pipeline Certification NOI"), thereby initiating a review of its policies on certification of natural gas pipelines, including an examination of its long-standing Policy Statement on Certification of New Interstate Natural Gas Pipeline Facilities, issued in 1999, that is used to determine whether to grant certificates for new pipeline projects. We are unable to predict what, if any, changes may be proposed as a result of the Pipeline Certification NOI that will affect our natural gas pipeline business or when such proposals, if any, might become effective. Comments in response to the Pipeline Certification NOI were due on or before July 25, 2018. We do not expect that any change in this policy would affect us in a materially different manner than any other natural gas pipeline company operating in the United States.

Interstate Common Carrier Regulation

The FERC utilizes an indexing rate methodology which, as currently in effect, allows common carriers to change their rates within prescribed ceiling levels that are tied to changes in the Producer Price Index for Finished Goods, or PPI-FG. Many existing pipelines utilize the FERC liquids index to change transportation rates annually. The indexing methodology is applicable to existing rates, with the exclusion of market-based rates. The FERC's indexing methodology is subject to review every five years. In a December 2020 order, FERC determined that during the five-year period commencing July 1, 2021 and ending June 30, 2026, common carriers charging indexed rates will be permitted to adjust their indexed ceilings annually by PPI-FG plus 0.78 percent. Requests for rehearing of the December 2020 order were filed on January 19, 2021, and remain pending before FERC. Accordingly, the FERC's final determination of the index rate coupled with the anticipated and subsequent appeals of the December 2020 order could adversely impact the final determination of the FERC approved index.

FERC has also implemented changes related to its treatment of federal income taxes. The change in treatment impacts two rate components. Those components are the allowance for income taxes and the amount for accumulated deferred income taxes. These changes will primarily impact any cost-of-service related filing and our revenues associated with any cost-based service could be adversely affected by future FERC or judicial rulings. However, we believe that these impacts, if any, will be minimal.

Trends and Outlook

Recent market disruptions involving the COVID-19 pandemic have negatively impacted our earnings and cash flows from operations and may continue to do so. Reduced demand for natural gas, NGLs, refined products and/or crude oil caused by the COVID-19 pandemic and low WTI crude oil prices may result in the continued shut-in of production from U.S. oil and gas wells, which in turn may result in decreased volumes transported on our pipeline systems and decreased overall utilization of our midstream services.

With respect to commodity prices, natural gas prices have strengthened in recent months as a reduction in crude oil production has led to decreased supplies of associated natural gas from these wells. Meanwhile, crude oil prices saw a sharp decline as a result of actions by foreign oil-producing nations and a decrease in global demand as result of the COVID-19 pandemic but have subsequently risen and stabilized. We cannot predict the future impacts, or the duration of such impacts, from the COVID-19 pandemic.

The outlook for commodity prices is mixed and could have a varying impact on our business. Reduced demand and increased supply of crude oil has resulted in an increase in worldwide crude oil storage inventories, which is expected to keep crude oil prices depressed for the near term. With respect to natural gas markets, a relatively more moderate decrease in demand, coupled with the previously mentioned decreases in gas production associated with wells drilled to produce crude oil, have more than counterbalanced the reduction in demand. The overall outlook for our midstream services will depend, in part, on the timing and extent of recovery in the commodity markets.

While we anticipate that current and projected commodity prices and the related impact to activity levels in both the upstream and midstream sectors will impact our business, we cannot predict the ultimate magnitude of that impact and expect it to be varied across our operations, depending on the region, customer, type of service, contract term and other factors.

While the vast majority of our counterparties are investment grade rated companies, recent market disruptions increased the likelihood that some of our counterparties may be forced to file for bankruptcy protection. However, we believe that the recent increases in commodity prices, along with recent expense-cutting initiatives by many companies, have generally strengthened the credit profile for the majority of our producer counterparties.

Ultimately, the extent to which our business will be impacted by recent market developments depends on the factors described above as well as future developments beyond our control, which are highly uncertain and cannot be predicted. In response to these market events and uncertainties, we reduced 2020 growth capital spending, and we expect to continue to a lower level of growth capital spending going forward. See “Liquidity and Capital Resources” below for additional information on our forecasted capital expenditures. In 2020, we also reduced operating expenses, and we expect that our operating expenses going forward will continue to be lower relative to pre-2020 levels. While current market volatility makes the near-term unpredictable, we believe that overall the long-term demand for our services will continue given the essential nature of the midstream natural gas, NGLs, refined products and crude oil businesses, although we cannot predict any possible changes in such demand with reasonable certainty.

We currently have ample liquidity to fund our business and we do not anticipate any liquidity concerns in the immediate future (see “Liquidity and Capital Resources” below). In addition, while the trading price of ET common units declined significantly during the first nine months of 2020, thereby making equity capital market transactions less attractive in the near term, we continue to have access to the debt capital markets on generally favorable terms. In the event we seek additional equity or debt capital, our blended cost of capital for equity and debt is expected to be modestly higher in the near term; however, we will continue to evaluate growth projects and acquisitions as such opportunities may be identified in the future in light of this higher cost of capital.

In addition to the trends and outlook discussed above with respect to the Partnership’s existing business and finances, we also anticipate that the Partnership will continue to increase its focus on the development of alternative energy projects aimed at continuing to reduce its environmental footprint throughout its operations. In February 2021, the Partnership announced the creation of a new group focused on these efforts. The Partnership also recently announced its first-ever dedicated solar power contract, which will reduce the Partnership’s environmental footprint by integrating alternative energy sources when economically beneficial.

Results of Operations

We report Segment Adjusted EBITDA and consolidated Adjusted EBITDA as measures of segment performance. We define Segment Adjusted EBITDA and consolidated Adjusted EBITDA as total Partnership earnings before interest, taxes, depreciation, depletion, amortization and other non-cash items, such as non-cash compensation expense, gains and losses on disposals of assets, the allowance for equity funds used during construction, unrealized gains and losses on commodity risk management activities, inventory valuation adjustments, non-cash impairment charges, losses on extinguishments of debt and other non-operating income or expense items. Segment Adjusted EBITDA and consolidated Adjusted EBITDA reflect amounts for unconsolidated affiliates based on the same recognition and measurement methods used to record equity in earnings of unconsolidated affiliates. Adjusted EBITDA related to unconsolidated affiliates excludes the same items with respect to the unconsolidated affiliate as those excluded from the calculation of Segment Adjusted EBITDA and consolidated Adjusted EBITDA, such as interest, taxes, depreciation, depletion, amortization and other non-cash items. Although these amounts are excluded from Adjusted EBITDA related to unconsolidated affiliates, such exclusion should not be understood to imply that we have control over the operations and resulting revenues and expenses of such affiliates. We do not control our unconsolidated affiliates; therefore, we do not control the earnings or cash flows of such affiliates. The use of Segment Adjusted EBITDA or Adjusted EBITDA related to unconsolidated affiliates as an analytical tool should be limited accordingly.

Segment Adjusted EBITDA, as reported for each segment in the table below, is analyzed for each segment in the section titled “Segment Operating Results.” Adjusted EBITDA is a non-GAAP measure used by industry analysts, investors, lenders and rating agencies to assess the financial performance and the operating results of the Partnership’s fundamental business activities and should not be considered in isolation or as a substitution for net income, income from operations, cash flows from operating activities or other GAAP measures.

As discussed in Note 2 to the consolidated financial statements in “Item 8. Financial Statements and Supplementary Data” the Partnership’s consolidated financial statements for all periods presented have been retrospectively adjusted to reflect the change in the accounting policy related to certain barrels of crude oil.

Year Ended December 31, 2020 Compared to the Year Ended December 31, 2019

Consolidated Results

	Years Ended December 31,		
	2020	2019	Change
Segment Adjusted EBITDA:			
Intrastate transportation and storage	$ 863	$ 999	$ (136)
Interstate transportation and storage	1,680	1,792	(112)
Midstream	1,670	1,602	68
NGL and refined products transportation and services	2,802	2,666	136
Crude oil transportation and services	2,258	2,898	(640)
Investment in Sunoco LP	739	665	74
Investment in USAC	414	420	(6)
All other	105	98	7
Total Segment Adjusted EBITDA	10,531	11,140	(609)
Depreciation, depletion and amortization	(3,678)	(3,147)	(531)
Interest expense, net of interest capitalized	(2,327)	(2,331)	4
Impairment losses	(2,880)	(74)	(2,806)
Losses on interest rate derivatives	(203)	(241)	38
Non-cash compensation expense	(121)	(113)	(8)
Unrealized losses on commodity risk management activities	(71)	(5)	(66)
Inventory valuation adjustments	(82)	79	(161)
Losses on extinguishments of debt	(75)	(18)	(57)
Adjusted EBITDA related to unconsolidated affiliates	(628)	(626)	(2)
Equity in earnings of unconsolidated affiliates	119	302	(183)
Impairment of investments in unconsolidated affiliates	(129)	—	(129)
Other, net	(79)	54	(133)
Income before income tax expense	377	5,020	(4,643)
Income tax expense	(237)	(195)	(42)
Net income	$ 140	$ 4,825	$ (4,685)

Adjusted EBITDA (*consolidated*). For the year ended December 31, 2020 compared to the prior year, Adjusted EBITDA decreased 5.5%, primarily due to the impacts of lower volumes and market prices among several of our core operating segments resulting primarily from COVID-19 related demand reductions. These decreases were partially offset by an increase of $136 million from our NGL and refined products transportation and services segment primarily due to higher throughput volumes, an increase of $68 million from our midstream segment primarily due to the restructuring and assignment of certain gathering and processing contracts, and an increase of $74 million from our investment in Sunoco LP segment primarily due to increased gross profit per gallon sold and a decrease in operating costs. The decrease in Adjusted EBITDA was also offset by a net increase of approximately $569 million from recent acquisitions and assets placed in service.

Depreciation, Depletion and Amortization. Depreciation, depletion and amortization expense increased primarily due to additional depreciation from assets recently placed in service and recent acquisitions.

Interest Expense, Net of Interest Capitalized. Interest expense, net of interest capitalized, decreased primarily due to the following:

- interest expenses recognized by the Partnership (excluding Sunoco LP and USAC) decreased by $8 million due to lower borrowing costs on both recently refinanced and floating rate debt, and higher capitalized interest offsetting a higher consolidated debt balance;
- an increase of $2 million recognized by USAC was primarily due to a full year of interest expense incurred in the current period on its senior notes 2027 issued in March 2019, partially offset by reduced borrowings and lower weighted average interest rates under its credit agreement; and
- an increase of $2 million recognized by Sunoco LP due to a slight increase in average long-term debt.

Impairment Losses. During the year ended December 31, 2020, the Partnership recognized goodwill impairments totaling $2.2 billion and fixed asset impairments totaling $58 million, primarily due to decreases in projected future cash flows as a result of overall market demand decline. In addition, USAC recognized a goodwill impairment of $619 million as well as an equipment impairment of $8 million based on changes in market conditions.

During the year ended December 31, 2019, the Partnership recognized goodwill impairments totaling $21 million primarily due to changes in assumptions related to projected future revenues and cash flows. Also during the year ended December 31, 2019, Sunoco LP recognized a $47 million write-down on assets held for sale related to its ethanol plant in Fulton, New York, and USAC recognized a $6 million fixed asset impairment related to certain idle compressor assets.

Losses on Interest Rate Derivatives. Our interest rate derivatives are not designated as hedges for accounting purposes; therefore, changes in fair value are recorded in earnings each period. Losses on interest rate derivatives decreased by $38 million during the year ended December 31, 2020, compared to the prior year primarily due to a $400 million reduction in notional amount of outstanding forward-starting interest rate derivatives, which was partially offset by lower average interest rates and expenses related to the early termination and settlement of forward-starting interest rate derivatives.

Unrealized Gains (Losses) on Commodity Risk Management Activities. The unrealized gains and losses on our commodity risk management activities include changes in fair value of commodity derivatives and the hedged inventory included in designated fair value hedging relationships. Information on the unrealized gains and losses within each segment are included in "Segment Operating Results" below, and additional information on the commodity-related derivatives, including notional volumes, maturities and fair values, is available in "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" and in Note 14 to our consolidated financial statements included in "Item 8. Financial Statements and Supplementary Data."

Inventory Valuation Adjustments. Inventory valuation reserve adjustments were recorded for the inventory associated with Sunoco LP primarily driven by changes in fuel prices between periods.

Losses on Extinguishments of Debt. Year ended December 31, 2020 amounts were related to ETO Senior Note redemption in January 2020. In addition, Sunoco LP recognized a $13 million loss on extinguishment of debt related to the repurchase of its outstanding 2023 senior notes in 2020.

Impairment of Investments in Unconsolidated Affiliate. During the year ended December 31, 2020, the Partnership recorded an impairment to its investment in White Cliffs of $129 million due to a decrease in projected future revenues and cash flows as a result of the overall market demand decline that occurred subsequent to the SemGroup acquisition and related purchase price allocation in December 2019.

Adjusted EBITDA Related to Unconsolidated Affiliates and *Equity in Earnings of Unconsolidated Affiliates.* See additional information in "Supplemental Information on Unconsolidated Affiliates" and "Segment Operation Results" below.

Other, net. Other, net primarily includes amortization of regulatory assets and other income and expense amounts.

Income Tax Expense. For the year ended December 31, 2020 compared to the same period in the prior year, income tax expense increased due to higher earnings from the Partnership's consolidated corporate subsidiaries in 2020 and the impact of a current state tax benefit (net of federal benefit) of $17 million in the prior year, which was primarily due to a change in estimate related to state income taxes in 2019.

Supplemental Information on Unconsolidated Affiliates

The following table presents financial information related to unconsolidated affiliates:

	Years Ended December 31,		
	2020	2019	Change
Equity in earnings (losses) of unconsolidated affiliates:			
Citrus	$ 162	$ 148	$ 14
FEP [1]	(139)	59	(198)
MEP	(6)	15	(21)
White Cliffs	20	4	16
Other	82	76	6
Total equity in earnings of unconsolidated affiliates	$ 119	$ 302	$ (183)
Adjusted EBITDA related to unconsolidated affiliates[2]:			
Citrus	$ 347	$ 342	$ 5
FEP	76	75	1
MEP	28	60	(32)
White Cliffs	44	—	44
Other	133	149	(16)
Total Adjusted EBITDA related to unconsolidated affiliates	$ 628	$ 626	$ 2
Distributions received from unconsolidated affiliates:			
Citrus	$ 191	$ 178	$ 13
FEP	75	73	2
MEP	26	36	(10)
White Cliffs	29	—	29
Other	85	101	(16)
Total distributions received from unconsolidated affiliates	$ 406	$ 388	$ 18

[1] For the year ended December 31, 2020, equity in earnings (losses) of unconsolidated affiliates includes the impact of non-cash impairments recorded by FEP, which reduced the Partnership's equity in earnings by $208 million.

[2] These amounts represent our proportionate share of the Adjusted EBITDA of our unconsolidated affiliates and are based on our equity in earnings or losses of our unconsolidated affiliates adjusted for our proportionate share of the unconsolidated affiliates' interest, depreciation, depletion, amortization, non-cash items and taxes.

Segment Operating Results

We evaluate segment performance based on Segment Adjusted EBITDA, which we believe is an important performance measure of the core profitability of our operations. This measure represents the basis of our internal financial reporting and is one of the performance measures used by senior management in deciding how to allocate capital resources among business segments.

The tables below identify the components of Segment Adjusted EBITDA, which is calculated as follows:

- *Segment margin*, *operating expenses*, and *selling, general and administrative expenses*. These amounts represent the amounts included in our consolidated financial statements that are attributable to each segment.
- *Unrealized gains or losses on commodity risk management activities* and *inventory valuation adjustments*. These are the unrealized amounts that are included in cost of products sold to calculate segment margin. These amounts are not included in Segment Adjusted EBITDA; therefore, the unrealized losses are added back and the unrealized gains are subtracted to calculate the segment measure.

- *Non-cash compensation expense*. These amounts represent the total non-cash compensation recorded in operating expenses and selling, general and administrative expenses. This expense is not included in Segment Adjusted EBITDA and therefore is added back to calculate the segment measure.
- *Adjusted EBITDA related to unconsolidated affiliates*. Adjusted EBITDA related to unconsolidated affiliates excludes the same items with respect to the unconsolidated affiliate as those excluded from the calculation of Segment Adjusted EBITDA, such as interest, taxes, depreciation, depletion, amortization and other non-cash items. Although these amounts are excluded from Adjusted EBITDA related to unconsolidated affiliates, such exclusion should not be understood to imply that we have control over the operations and resulting revenues and expenses of such affiliates. We do not control our unconsolidated affiliates; therefore, we do not control the earnings or cash flows of such affiliates.

In the following analysis of segment operating results, a measure of segment margin is reported for segments with sales revenues. Segment margin is a non-GAAP financial measure and is presented herein to assist in the analysis of segment operating results and particularly to facilitate an understanding of the impacts that changes in sales revenues have on the segment performance measure of Segment Adjusted EBITDA. Segment margin is similar to the GAAP measure of gross margin, except that segment margin excludes charges for depreciation, depletion and amortization. Among the GAAP measures reported by the Partnership, the most directly comparable measure to segment margin is Segment Adjusted EBITDA; a reconciliation of segment margin to Segment Adjusted EBITDA is included in the following tables for each segment where segment margin is presented.

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

For additional information regarding our business segments, see “Item 1. Business” and Notes 1 and 16 to our consolidated financial statements in “Item 8. Financial Statements and Supplementary Data.”

Segment Operating Results

Intrastate Transportation and Storage

	Years Ended December 31,		
	2020	2019	Change
Natural gas transported (BBtu/d)	12,649	12,442	207
Revenues	$ 2,544	$ 3,099	$ (555)
Cost of products sold	1,478	1,909	(431)
Segment margin	1,066	1,190	(124)
Unrealized (gains) losses on commodity risk management activities	(25)	2	(27)
Operating expenses, excluding non-cash compensation expense	(177)	(190)	13
Selling, general and administrative expenses, excluding non-cash compensation expense	(28)	(29)	1
Adjusted EBITDA related to unconsolidated affiliates	25	25	—
Other	2	1	1
Segment Adjusted EBITDA	$ 863	$ 999	$ (136)

Volumes. For the year ended December 31, 2020 compared to the prior year, transported volumes increased primarily due to increased utilization of our Texas pipelines, partially offset by a decrease in volumes as a result of the bankruptcy filing of a transportation customer.

Segment Margin. The components of our intrastate transportation and storage segment margin were as follows:

	Years Ended December 31,		
	2020	2019	Change
Transportation fees	$ 617	$ 614	$ 3
Natural gas sales and other (excluding unrealized gains and losses)	317	505	(188)
Retained fuel revenues (excluding unrealized gains and losses)	48	50	(2)
Storage margin, including fees (excluding unrealized gains and losses)	59	23	36
Unrealized gains (losses) on commodity risk management activities	25	(2)	27
Total segment margin	$ 1,066	$ 1,190	$ (124)

Segment Adjusted EBITDA. For the year ended December 31, 2020 compared to the prior year, Segment Adjusted EBITDA related to our intrastate transportation and storage segment decreased due to the net impacts of the following:

- a decrease of $188 million in realized natural gas sales and other due to lower realized gains from pipeline optimization activity; and
- a decrease of $2 million in retained fuel revenues primarily due to lower natural gas prices; offset by
- an increase of $36 million in realized storage margin primarily due to higher realized gains on financial derivatives used to hedge physical storage gas;
- a decrease of $13 million in operating expenses primarily due to a $5 million decrease in outside services, a $4 million decrease in employee costs, a $3 million decrease in maintenance project costs and a $2 million decrease in ad valorem taxes; and
- an increase of $3 million in transportation fees primarily due to volume ramp-ups on Red Bluff Express pipeline and new contracts partially offset by the expansion of certain contracts on Regency Intrastate Gas Systems,

Interstate Transportation and Storage

	Years Ended December 31,		
	2020	2019	Change
Natural gas transported (BBtu/d)	10,325	11,346	(1,021)
Natural gas sold (BBtu/d)	16	17	(1)
Revenues	$ 1,861	$ 1,963	$ (102)
Operating expenses, excluding non-cash compensation, amortization and accretion expenses	(567)	(569)	2
Selling, general and administrative expenses, excluding non-cash compensation, amortization and accretion expenses	(59)	(72)	13
Adjusted EBITDA related to unconsolidated affiliates	451	477	(26)
Other	(6)	(7)	1
Segment Adjusted EBITDA	$ 1,680	$ 1,792	$ (112)

Volumes. For the year ended December 31, 2020 compared to the prior year, transported volumes decreased primarily due to lower crude production resulting in lower associated gas production and contract expirations on our Tiger Pipeline, as well as multiple weather events and maintenance of third-party facilities impacting our assets along the Gulf Coast.

Segment Adjusted EBITDA. For the year ended December 31, 2020 compared to the prior year, Segment Adjusted EBITDA related to our interstate transportation and storage segment decreased due to the net impacts of the following:

- a decrease of $102 million in revenues primarily due to a decrease of $63 million from a contractual rate adjustment on commitments at our Lake Charles LNG facility effective January 2020, a decrease of $30 million due to additional revenue recognized in 2019 associated with a shipper bankruptcy, a decrease of $28 million due to lower utilization and lower rates on our Panhandle and Trunkline systems, a decrease of $12 million in transportation fees as a result of multiple weather events and maintenance on third-party facilities connected to our systems, and a decrease of $8 million resulting from contract expirations on ETC Tiger. These decreases were partially offset by higher reservation revenue on Transwestern and Rover resulting from higher contracted capacity and higher parking revenue resulting from timing of transactions; and

- a decrease of $26 million in Adjusted EBITDA related to unconsolidated affiliates primarily due to lower earnings from our Midcontinent Express Pipeline primarily as a result of lower rates received following the expiration of certain contracts, partially offset by an increase from Citrus primarily due to higher revenues resulting from new contracts, rate increases on existing contracts, the recognition of a contract exit fee and lower operating expenses; partially offset by
- a decrease of $2 million in operating expense primarily due to $22 million in refunds of ad valorem taxes on Transwestern and lower current year assessments, a $13 million decrease in employee costs and a $9 million decrease in maintenance project costs resulting from cost-cutting initiatives, partially offset by $38 million in bad debt expense associated with a shipper bankruptcy and a $5 million increase related to the valuation of inventory on Panhandle; and
- a decrease of $13 million in selling, general and administrative expenses primarily resulting from a $17 million favorable settlement related to excise taxes on Rover and a $5 million decrease in employee costs due to cost-cutting initiatives, partially offset by a $4 million increase in legal and consulting fees related to an ongoing rate case and shipper bankruptcies and a $3 million increase in allocated overhead costs.

Midstream

	Years Ended December 31,		
	2020	2019	Change
Gathered volumes (BBtu/d)	12,961	13,468	(507)
NGLs produced (MBbls/d)	611	571	40
Equity NGLs (MBbls/d)	35	31	4
Revenues	$ 5,026	$ 6,031	$ (1,005)
Cost of products sold	2,598	3,577	(979)
Segment margin	2,428	2,454	(26)
Operating expenses, excluding non-cash compensation expense	(705)	(791)	86
Selling, general and administrative expenses, excluding non-cash compensation expense	(87)	(90)	3
Adjusted EBITDA related to unconsolidated affiliates	31	27	4
Other	3	2	1
Segment Adjusted EBITDA	$ 1,670	$ 1,602	$ 68

Volumes. For the year ended December 31, 2020 compared to the prior year, gathered volumes decreased primarily in the South Texas and Northeast regions, partially offset by the impact of the SemGroup acquisition in the Mid-Continent/Panhandle region and volume growth in the Ark-La-Tex and Permian regions. NGL production increased due to the impact of the SemGroup acquisition in the Mid-Continent/Panhandle region and ethane uplift in the Permian, South Texas and North Texas regions.

Segment Margin. The table below presents the components of our midstream segment margin.

	Years Ended December 31,		
	2020	2019	Change
Gathering and processing fee-based revenues	$ 2,187	$ 2,132	$ 55
Non-fee-based contracts and processing	241	322	(81)
Total segment margin	$ 2,428	$ 2,454	$ (26)

Segment Adjusted EBITDA. For the year ended December 31, 2020 compared to the prior year, Segment Adjusted EBITDA related to our midstream segment increased due to the net impacts of the following:

- an increase of $55 million in fee-based margin due to the impact of the SemGroup acquisition in the Mid-Continent/Panhandle region and recognized $103 million related to the restructuring and assignment of certain gathering and processing contracts in the Ark-La-Tex region, which included the recognition of $75 million of deferred revenue received in prior periods. This increase was partially offset by the impact of volume declines in the South Texas region;
- a decrease of $86 million in operating expenses due to cost-saving initiatives, including a decrease of $39 million in outside services, $25 million in materials, $14 million in employee costs and $8 million in office expenses; and
- a decrease of $3 million in selling, general and administrative expenses due to a decrease in allocated overhead costs resulting from overall corporate cost reductions; partially offset by

- a decrease of $70 million in non-fee-based margin due to unfavorable NGL prices of $75 million and favorable natural gas prices of $5 million; and
- a decrease of $11 million in non-fee-based margin due to decreased throughput volume, primarily in the South Texas region.

NGL and Refined Products Transportation and Services

	Years Ended December 31,		
	2020	2019	Change
NGL transportation volumes (MBbls/d)	1,436	1,289	147
Refined products transportation volumes (MBbls/d)	461	583	(122)
NGL and refined products terminal volumes (MBbls/d)	825	844	(19)
NGL fractionation volumes (MBbls/d)	835	706	129
Revenues	$ 10,513	$ 11,641	$ (1,128)
Cost of products sold	7,139	8,393	(1,254)
Segment margin	3,374	3,248	126
Unrealized losses on commodity risk management activities	78	81	(3)
Operating expenses, excluding non-cash compensation expense	(650)	(656)	6
Selling, general and administrative expenses, excluding non-cash compensation expense	(82)	(93)	11
Adjusted EBITDA related to unconsolidated affiliates	82	86	(4)
Segment Adjusted EBITDA	$ 2,802	$ 2,666	$ 136

Volumes. For the year ended December 31, 2020 compared to the prior year, NGL transportation volumes increased due to higher throughput volumes on our Mariner East pipeline system. In addition, throughput barrels on our Texas NGL pipeline system increased due to higher receipt of liquids production from both wholly-owned and third-party gas plants primarily in the Permian and North Texas regions, as well as higher export volumes feeding into our Nederland Terminal resulting from the initiation of service on our propane export pipeline in the fourth quarter of 2020.

Refined products transportation volumes decreased for the year ended December 31, 2020 compared to prior year due to the closure of a third-party refinery during the third quarter of 2019, which negatively impacted supply to our refined products transportation system, and less domestic demand for jet fuel and other refined products. These decreases in volumes were partially offset by the initiation of service of our JC Nolan diesel fuel pipeline in the third quarter of 2019.

NGL and refined products terminal volumes decreased for the year ended December 31, 2020 compared to the prior year primarily due to the closure of a third-party refinery during the third quarter of 2019 and less domestic demand for jet fuel and other refined products. These decreases were partially offset by higher volumes from our Mariner East system, an increase in loaded vessels at our Nederland Terminal, and the initiation of service on our JC Nolan diesel fuel pipeline and natural gasoline export project, both of which commences service in the third quarter of 2019.

Average fractionated volumes at our Mont Belvieu, Texas fractionation facility increased for the year ended December 31, 2020 compared to the prior year primarily due to the commissioning of our sixth and seventh fractionators in February 2019 and February 2020, respectively.

Segment Margin. The components of our NGL and refined products transportation and services segment margin were as follows:

	Years Ended December 31,		
	2020	2019	Change
Fractionators and refinery services margin	$ 726	$ 664	$ 62
Transportation margin	1,895	1,716	179
Storage margin	250	223	27
Terminal Services margin	541	630	(89)
Marketing margin	40	96	(56)
Unrealized gains on commodity risk management activities	(78)	(81)	3
Total segment margin	$ 3,374	$ 3,248	$ 126

Segment Adjusted EBITDA. For the year ended December 31, 2020 compared to the prior year, Segment Adjusted EBITDA related to our NGL and refined products transportation and services segment increased due to the net impacts of the following:

- an increase of $179 million in transportation margin primarily due to a $128 million increase from higher throughput volumes on our Mariner East pipeline system, a $53 million increase from higher throughput volumes received from the Permian region, a $17 million increase due to the initiation of service on our JC Nolan diesel fuel pipeline in the third quarter of 2019, a $14 million increase from higher throughput volumes from the Barnett region, a $12 million increase from higher volumes from the South Texas region and a $3 million increase due to higher throughput on our Mariner West pipeline. These increases were partially offset by a $17 million decrease from lower throughput volumes received from the Eagle Ford region, a $16 million decrease due to less demand for jet fuel and other refined products, and a $13 million decrease resulting from the closure of a third-party refinery during the third quarter of 2019;
- an increase of $62 million in fractionators and refinery services margin primarily due to a $57 million increase resulting from the commissioning of our sixth and seventh fractionators in February 2019 and February 2020, respectively, and higher NGL volumes from the Permian and Barnett regions feeding our Mont Belvieu fractionation facility, and a $9 million increase in rail and truck volumes feeding our refinery services facility. These increases were partially offset by a $7 million decrease due primarily to an expiration of a third-party blending contract during the second quarter of 2020;
- an increase of $27 million in storage margin primarily due to a $16 million increase from throughput fees generated from exported volumes and an $11 million increase from component product storage fees; and
- a decrease of $11 million in selling, general and administrative expenses primarily due to lower allocated overhead costs and lower employee costs resulting from cost-cutting initiatives; partially offset by
- a decrease of $89 million in terminal services margin primarily due to a $90 million decrease resulting from an expiration of a third-party contract at our Nederland Terminal in the second quarter of 2020, a $29 million decrease due to lower third-party and intercompany volumes feeding our Marcus Hook Terminal, a $16 million decrease due to lower expense reimbursements in 2020, and a $14 million decrease due to less domestic demand for jet fuel and other refined products. These decreases were partially offset by a $60 million increase due to higher throughput on our Mariner East system; and
- a decrease of $56 million in marketing margin primarily due to an $87 million decrease due to lower margin from our butane blending business, a $37 million decrease in gasoline blending and optimization due primarily to unfavorable market conditions primarily attributable to the COVID-19 pandemic. These decreases were partially offset by a $47 million increase due to higher optimization gains from the sale of NGL component products at our Mont Belvieu facility and a $21 million increase in NGL export and rack volumes.

Crude Oil Transportation and Services

	Years Ended December 31,		
	2020	2019	Change
Crude transportation volumes (MBbls/d)	3,763	4,217	(454)
Crude terminals volumes (MBbls/d)	2,553	2,513	40
Revenue	$ 11,679	$ 18,447	$ (6,768)
Cost of products sold	8,838	14,832	(5,994)
Segment margin	2,841	3,615	(774)
Unrealized (gains) losses on commodity risk management activities	12	(69)	81
Operating expenses, excluding non-cash compensation expense	(526)	(570)	44
Selling, general and administrative expenses, excluding non-cash compensation expense	(118)	(85)	(33)
Adjusted EBITDA related to unconsolidated affiliates	37	8	29
Other	12	(1)	13
Segment Adjusted EBITDA	$ 2,258	$ 2,898	$ (640)

Volumes. For the year ended December 31, 2020 compared to the prior year, crude transportation volumes were lower on our Texas pipeline system and our Bakken pipeline, driven by lower production in these regions due to lower crude oil prices as well as lower refinery utilization caused by COVID-19 demand destruction, partially offset by contributions from assets acquired in 2019. Crude terminal volumes were higher due to contributions from assets acquired in 2019, partially offset by lower Permian and Bakken pipeline volumes, reduced refinery utilization, and reduced export demand at our Nederland Terminal.

Segment Adjusted EBITDA. For the year ended December 31, 2020 compared to the prior year, Segment Adjusted EBITDA related to our crude oil transportation and services segment decreased due to the net impacts of the following:

- a decrease of $693 million in segment margin (excluding unrealized gains and losses on commodity risk management activities) primarily due to a $430 million decrease from our Texas crude pipeline system due to lower utilization and lower average tariff rates realized, a $286 million decrease (excluding a net change of $84 million in unrealized gains and losses on commodity risk management activities) from our crude oil acquisition and marketing business primarily due to a significant contraction in spreads in 2020 as compared to 2019 primarily impacting our Permian to Gulf Coast and Bakken to Gulf Coast trading operations, a $224 million decrease due to lower volumes on our Bakken Pipeline due to lower basin production, and a $35 million decrease in throughput at our crude terminals primarily driven by lower Permian and Bakken volumes, reduced refinery utilization from COVID-19 demand destruction, reduced export demand, and hurricanes impacting operations in the third quarter of 2020; partially offset by a $285 million increase related to assets acquired in 2019; and
- an increase of $33 million in selling, general and administrative expenses primarily due to legal expenses, higher insurance expenses, and an increase related to assets acquired in 2019; partially offset by
- a decrease of $44 million in operating expenses primarily due to lower volume-driven pipeline expenses and corporate cost-cutting initiatives, partially offset by increased costs related to assets acquired in 2019; and
- an increase of $29 million in Adjusted EBITDA related to unconsolidated affiliates due to assets acquired in 2019.

Investment in Sunoco LP

	Years Ended December 31,		
	2020	2019	Change
Revenues	$ 10,710	$ 16,596	$ (5,886)
Cost of products sold	9,654	15,380	(5,726)
Segment margin	1,056	1,216	(160)
Unrealized (gains) losses on commodity risk management activities	6	(5)	11
Operating expenses, excluding non-cash compensation expense	(336)	(365)	29
Selling, general and administrative, excluding non-cash compensation expense	(98)	(123)	25
Adjusted EBITDA related to unconsolidated affiliates	10	4	6
Inventory valuation adjustments	82	(79)	161
Other, net	19	17	2
Segment Adjusted EBITDA	$ 739	$ 665	$ 74

The Investment in Sunoco LP segment reflects the consolidated results of Sunoco LP.

Segment Adjusted EBITDA. For the year ended December 31, 2020 compared to the prior year, Segment Adjusted EBITDA related to the Investment in Sunoco LP segment increased due to the net impacts of the following:

- an increase in the gross profit on motor fuel sales of $32 million, primarily due to a 18% increase in gross profit per gallon sold and the receipt of a $13 million make-up payment under Sunoco LP's fuel supply agreement with 7-Eleven, Inc., partially offset by a 13% decrease in gallons sold; and
- a decrease in operating expenses and selling, general and administrative expenses, excluding non-cash compensation expense of $54 million, primarily attributable to lower employee costs, maintenance, advertising, credit card fees and utilities, which was partially offset by a $12 million charge for current expected credit losses on Sunoco LP's accounts receivable in connection with the financial impact from COVID-19; and
- an increase of $6 million in Adjusted EBITDA related to unconsolidated affiliates due to Sunoco LP's investment in the JC Nolan joint venture; partially offset by
- a decrease of $18 million in non-motor fuel sales and lease gross profit primarily due to reduced credit card transactions related to the COVID-19 pandemic and rent concessions in 2020.

Investment in USAC

	Years Ended December 31,		
	2020	2019	Change
Revenues	$ 667	$ 698	$ (31)
Cost of products sold	82	91	(9)
Segment margin	585	607	(22)
Operating expenses, excluding non-cash compensation expense	(124)	(134)	10
Selling, general and administrative, excluding non-cash compensation expense	(51)	(53)	2
Other, net	4	—	4
Segment Adjusted EBITDA	$ 414	$ 420	$ (6)

The investment in USAC segment reflects the consolidated results of USAC.

Segment Adjusted EBITDA. For the year ended December 31, 2020 compared to last year, Segment Adjusted EBITDA related to our investment in USAC segment increased due to the net impacts of the following:

- a decrease of $10 million in operating expenses primarily driven by a decrease in average revenue generating horsepower and reduced headcount; partially offset by
- a decrease of $22 million in segment margin primarily driven by a decrease in revenues primarily due to a decrease in average revenue generating horsepower as a result of a decline in demand for compression services primarily driven by a

decrease in U.S. crude oil and natural gas activities and a reduction of ancillary maintenance work, offset by a decrease in costs of products sold of $9 million.

All Other

	Years Ended December 31,		
	2020	2019	Change
Revenue	$ 1,838	$ 1,689	$ 149
Cost of products sold	1,527	1,504	23
Segment margin	311	185	126
Unrealized (gains) losses on commodity risk management activities	1	(4)	5
Operating expenses, excluding non-cash compensation expense	(133)	(77)	(56)
Selling, general and administrative expenses, excluding non-cash compensation expense	(101)	(66)	(35)
Adjusted EBITDA related to unconsolidated affiliates	2	2	—
Other and eliminations	25	58	(33)
Segment Adjusted EBITDA	$ 105	$ 98	$ 7

Amounts reflected in our all other segment primarily include:

- our natural gas marketing operations;
- our wholly-owned natural gas compression operations;
- our investment in coal handling facilities.
- our Canadian operations, which were acquired in the SemGroup acquisition in December 2019 and include natural gas gathering and processing assets.

Segment Adjusted EBITDA. For the year ended December 31, 2020 compared to the prior year, Segment Adjusted EBITDA increased due to the net impacts of the following:

- an increase of $97 million from the acquisition of Energy Transfer Canada; and
- an increase of $26 million primarily due to insurance proceeds received on settled claims related to our MTBE litigation; partially offset by
- a decrease of $22 million due to lower coal royalties and producer demand from our natural resources business;
- a decrease of $35 million due to lower revenue from our compressor equipment business;
- a decrease of $12 million from adverse market conditions due to COVID-19 related demand destruction;
- a decrease of $28 million due to higher merger and acquisition expenses;
- a decrease of $10 million due to intercompany eliminations; and
- a decrease of $6 million due to the elimination of Sunoco LP’s interest in the JC Nolan Joint Venture.

Year Ended December 31, 2019 Compared to the Year Ended December 31, 2018

Consolidated Results

	Years Ended December 31,		
	2019	2018	Change
Segment Adjusted EBITDA:			
Intrastate transportation and storage	$ 999	$ 927	$ 72
Interstate transportation and storage	1,792	1,680	112
Midstream	1,602	1,627	(25)
NGL and refined products transportation and services	2,666	1,979	687
Crude oil transportation and services	2,898	2,385	513
Investment in Sunoco LP	665	638	27
Investment in USAC	420	289	131
All other	98	40	58
Total	11,140	9,565	1,575
Depreciation, depletion and amortization	(3,147)	(2,859)	(288)
Interest expense, net of interest capitalized	(2,331)	(2,055)	(276)
Impairment losses	(74)	(431)	357
Gains (losses) on interest rate derivatives	(241)	47	(288)
Non-cash compensation expense	(113)	(105)	(8)
Unrealized losses on commodity risk management activities	(5)	(11)	6
Inventory valuation adjustments	79	(85)	164
Losses on extinguishments of debt	(18)	(112)	94
Adjusted EBITDA related to unconsolidated affiliates	(626)	(655)	29
Equity in earnings of unconsolidated affiliates	302	344	(42)
Adjusted EBITDA related to discontinued operations	—	25	(25)
Other, net	54	21	33
Income from continuing operations before income tax expense	5,020	3,689	1,331
Income tax expense from continuing operations	(195)	(4)	(191)
Income from continuing operations	4,825	3,685	1,140
Loss from discontinued operations, net of income taxes	—	(265)	265
Net income	$ 4,825	$ 3,420	$ 1,405

Adjusted EBITDA (*consolidated*). For the year ended December 31, 2019 compared to the prior year, Adjusted EBITDA increased approximately $1.58 billion, or 16%. The increase was primarily due to the impact of multiple revenue-generating assets being placed in service and recent acquisitions, as well as increased demand for services on existing assets. The impact of new assets and acquisitions was approximately $784 million, of which the largest increases were from increased volumes to our Mariner East pipeline and terminal assets due to the addition of pipeline capacity in the fourth quarter of 2018 (a $274 million impact to the NGL and refined products transportation and services segment), the commissioning of our fifth and sixth fractionators (a $131 million impact to the NGL and refined products transportation and services segment), the ramp up of volumes on our Bayou Bridge system due to placing phase II in service in the second quarter of 2019 (a $60 million impact to our crude oil transportation and services segment), the Rover pipeline (a $78 million impact to the interstate transportation and storage segment), the addition of gas processing capacity to our Arrowhead gas plant (a $31 million impact to our midstream segment), placing our Permian Express 4 pipeline in service in October 2019 (a $26 million impact to our crude oil transportation and services segment) and the acquisition of USAC (a net impact of $131 million among the investment in USAC and all other segments). The remainder of the increase in Adjusted EBITDA was primarily due to stronger demand on existing assets, particularly due to increased throughput on our Bakken Pipeline system as well as increased production in the Permian, which impacted multiple segments. Additional discussion of these and other factors affecting Adjusted EBITDA is included in the analysis of Segment Adjusted EBITDA in the “Segment Operating Results” section below.

Depreciation, Depletion and Amortization. Depreciation, depletion and amortization increased primarily due to additional depreciation and amortization from assets recently placed in service.

Interest Expense, Net of Interest Capitalized. Interest expense, net of interest capitalized, increased primarily due to the following:

- an increase of $198 million recognized by the Partnership (excluding Sunoco LP and USAC, which are discussed below) primarily due to increases in ETO's long-term debt.
- an increase of $49 million recognized by USAC primarily attributable to higher overall debt balances and higher interest rates on borrowings under the credit agreement. These increases were partially offset by the decrease in borrowings under the credit agreement; and
- an increase of $29 million recognized by Sunoco LP due to an increase in total long-term debt.

Impairment Losses. During the year ended December 31, 2019, the Partnership recognized goodwill impairments of $12 million related to the Southwest Gas operations within the interstate transportation and storage segment and $9 million related to our North Central operations within the midstream segment, both of which were primarily due to changes in assumptions related to projected future revenues and cash flows. Also during the year ended December 31, 2019, Sunoco LP recognized a $47 million write-down on assets held for sale related to its ethanol plant in Fulton, New York, and USAC recognized a $6 million fixed asset impairment related to certain idle compressor assets.

During the year ended December 31, 2018, the Partnership recognized goodwill impairments of $378 million and asset impairments of $4 million related to our midstream operations and asset impairments of $9 million related to idle leased assets in our crude operations. Sunoco LP recognized a $30 million indefinite-lived intangible asset impairment related to contractual rights. USAC recognized a $9 million fixed asset impairment related to certain idle compressor assets. Additional discussion on these impairments is included in "Critical Accounting Estimates" below.

Gains (Losses) on Interest Rate Derivatives. Our interest rate derivatives are not designated as hedges for accounting purposes; therefore, changes in fair value are recorded in earnings each period. Losses on interest rate derivatives during the year ended December 31, 2019 resulted from a decrease in forward interest rates and gains in 2018 resulted from an increase in forward interest rates.

Unrealized Gains (Losses) on Commodity Risk Management Activities. The unrealized losses on our commodity risk management activities include changes in fair value of commodity derivatives and the hedged inventory included in designated fair value hedging relationships. Information on the unrealized gains and losses within each segment are included in "Segment Operating Results" below, and additional information on the commodity-related derivatives, including notional volumes, maturities and fair values, is available in "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" and in Note 13 to our consolidated financial statements included in "Item 8. Financial Statements and Supplementary Data."

Inventory Valuation Adjustments. Inventory valuation reserve adjustments were recorded for the inventory associated with Sunoco LP primarily driven by changes in fuel prices between periods.

Losses on Extinguishments of Debt. Amounts were related to Sunoco LP's senior note and term loan redemption in January 2018.

Adjusted EBITDA Related to Unconsolidated Affiliates and *Equity in Earnings of Unconsolidated Affiliates.* See additional information in "Supplemental Information on Unconsolidated Affiliates" and "Segment Operation Results" below.

Adjusted EBITDA Related to Discontinued Operations. Amounts were related to the operations of Sunoco LP's retail business that were disposed of in January 2018.

Other, net. Other, net primarily includes amortization of regulatory assets and other income and expense amounts.

Income Tax Expense. For the year ended December 31, 2019 compared to the prior year, income tax expense increased due to an increase in income at our corporate subsidiaries and the recognition of a favorable state tax rate change in the prior period.

Supplemental Information on Unconsolidated Affiliates

The following table presents financial information related to unconsolidated affiliates:

	Years Ended December 31,		
	2019	2018	Change
Equity in earnings of unconsolidated affiliates:			
Citrus	$ 148	$ 141	$ 7
FEP	59	55	4
MEP	15	31	(16)
White Cliffs	4	—	4
Other	76	117	(41)
Total equity in earnings of unconsolidated affiliates	$ 302	$ 344	$ (42)
Adjusted EBITDA related to unconsolidated affiliates[(1)]:			
Citrus	$ 342	$ 337	$ 5
FEP	75	74	1
MEP	60	81	(21)
Other	149	163	(14)
Total Adjusted EBITDA related to unconsolidated affiliates	$ 626	$ 655	$ (29)
Distributions received from unconsolidated affiliates:			
Citrus	$ 178	$ 171	$ 7
FEP	73	68	5
MEP	36	48	(12)
Other	101	110	(9)
Total distributions received from unconsolidated affiliates	$ 388	$ 397	$ (9)

(1) These amounts represent our proportionate share of the Adjusted EBITDA of our unconsolidated affiliates and are based on our equity in earnings or losses of our unconsolidated affiliates adjusted for our proportionate share of the unconsolidated affiliates' interest, depreciation, depletion, amortization, non-cash items and taxes.

Segment Operating Results

Intrastate Transportation and Storage

	Years Ended December 31,		
	2019	2018	Change
Natural gas transported (BBtu/d)	12,442	10,873	1,569
Revenues	$ 3,099	$ 3,737	$ (638)
Cost of products sold	1,909	2,665	(756)
Segment margin	1,190	1,072	118
Unrealized losses on commodity risk management activities	2	38	(36)
Operating expenses, excluding non-cash compensation expense	(190)	(189)	(1)
Selling, general and administrative, excluding non-cash compensation expense	(29)	(27)	(2)
Adjusted EBITDA related to unconsolidated affiliates	25	32	(7)
Other	1	1	—
Segment Adjusted EBITDA	$ 999	$ 927	$ 72

Volumes. For the year ended December 31, 2019 compared to the prior year, transported volumes increased primarily due to the impact of reflecting RIGS as a consolidated subsidiary beginning April 2018 and the impact of the Red Bluff Express pipeline coming online in May 2018, as well as the impact of favorable market pricing spreads.

Segment Margin. The components of our intrastate transportation and storage segment margin were as follows:

	Years Ended December 31,		
	2019	2018	Change
Transportation fees	$ 614	$ 525	$ 89
Natural gas sales and other (excluding unrealized gains and losses)	505	510	(5)
Retained fuel revenues (excluding unrealized gains and losses)	50	59	(9)
Storage margin, including fees (excluding unrealized gains and losses)	23	16	7
Unrealized losses on commodity risk management activities	(2)	(38)	36
Total segment margin	$ 1,190	$ 1,072	$ 118

Segment Adjusted EBITDA. For the year ended December 31, 2019 compared to the prior year, Segment Adjusted EBITDA related to our intrastate transportation and storage segment increased due to the net impacts of the following:

- an increase of $64 million in transportation fees, excluding the impact of consolidating RIGS beginning April 2018 as discussed below, primarily due to the Red Bluff Express pipeline coming online in May 2018, as well as new contracts;
- a net increase of $11 million primarily due to the consolidation of RIGS beginning April 2018, resulting in increases in transportation fees, retained fuel revenues and operating expenses of $24 million, $2 million and $6 million, respectively, partially offset by a decrease in Adjusted EBITDA related to unconsolidated affiliates of $9 million; and
- an increase of $7 million in realized storage margin primarily due to a realized adjustment to the Bammel storage inventory of $25 million in 2018 and higher storage fees, partially offset by a $20 million decrease due to lower physical withdrawals; partially offset by
- a decrease of $9 million in retained fuel revenues primarily due to lower gas prices; and
- a decrease of $5 million in realized natural gas sales and other due to lower realized gains from pipeline optimization activity.

Interstate Transportation and Storage

	Years Ended December 31,		
	2019	2018	Change
Natural gas transported (BBtu/d)	11,346	9,542	1,804
Natural gas sold (BBtu/d)	17	17	—
Revenues	$ 1,963	$ 1,682	$ 281
Operating expenses, excluding non-cash compensation, amortization and accretion expenses	(569)	(431)	(138)
Selling, general and administrative, excluding non-cash compensation, amortization and accretion expenses	(72)	(63)	(9)
Adjusted EBITDA related to unconsolidated affiliates	477	492	(15)
Other	(7)	—	(7)
Segment Adjusted EBITDA	$ 1,792	$ 1,680	$ 112

Volumes. For the year ended December 31, 2019 compared to the prior year, transported volumes increased as a result of the addition of new contracted volumes for delivery out of the Haynesville Shale, higher volumes on our Rover pipeline as a result of the full year availability of new supply connections, and higher throughput on Trunkline and Panhandle due to increased utilization of higher contracted capacity.

Segment Adjusted EBITDA. For the year ended December 31, 2019 compared to the prior year, Segment Adjusted EBITDA related to our interstate transportation and storage segment increased due to the net impacts of the following:

- an increase in margin of $231 million from the Rover pipeline due to higher reservation and usage resulting from additional connections and utilization of additional compression;
- an increase of $40 million in reservation and usage fees due to improved market conditions allowing us to successfully bring new volumes to the system at improved rates, primarily on our Transwestern, Tiger and Panhandle systems; and
- an increase of $6 million from the Sea Robin pipeline due to higher rates resulting from the rate case filed in June 2019, as well as fewer third-party supply interruptions on the Sea Robin system; partially offset by
- an increase of $138 million in operating expense primarily due to an increase in ad valorem taxes of $126 million on the Rover pipeline system resulting from placing the final portions of this asset into service in November 2018, an increase of $24 million in transportation expense on Rover due to an increase in transportation volumes, an increase of $5 million in allocated overhead costs and additional operating expense of $4 million for assets acquired in June 2019, partially offset by lower gas imbalance and system gas activity of $15 million and lower storage capacity leased on the Panhandle system of $8 million;
- an increase of $9 million in selling, general and administrative expenses primarily due to an increase in insurance expense of $8 million, an increase in employee cost of $4 million, and an increase in allocated overhead costs of $3 million, partially offset by lower Ohio excise tax on our Rover system; and
- a decrease of $15 million in adjusted EBITDA related to unconsolidated affiliates primarily resulting from a $20 million decrease due to lower earnings from MEP as a result of lower capacity being re-contracted at lower rates on expiring contracts, partially offset by a $5 million increase from our Citrus joint venture as we brought new volumes to the system in 2019.

Midstream

	Years Ended December 31,		
	2019	2018	Change
Gathered volumes (BBtu/d):	13,468	12,126	1,342
NGLs produced (MBbls/d):	571	540	31
Equity NGLs (MBbls/d):	31	29	2
Revenues	$ 6,031	$ 7,522	$ (1,491)
Cost of products sold	3,577	5,145	(1,568)
Segment margin	2,454	2,377	77
Operating expenses, excluding non-cash compensation expense	(791)	(705)	(86)
Selling, general and administrative, excluding non-cash compensation expense	(90)	(81)	(9)
Adjusted EBITDA related to unconsolidated affiliates	27	33	(6)
Other	2	3	(1)
Segment Adjusted EBITDA	$ 1,602	$ 1,627	$ (25)

Volumes. For the year ended December 31, 2019 compared to the prior year, gathered volumes increased primarily due to increases in the Northeast, Permian, Ark-La-Tex, South Texas and North Texas regions. NGL production increased due to increases in the Permian and North Texas regions partially offset by ethane rejection in the South Texas region.

Segment Margin. The table below presents the components of our midstream segment margin. For the year ended December 31, 2018, the amounts previously reported for fee-based and non-fee-based margin have been adjusted to reflect reclassification of

certain contractual minimum fees from fee-based margin to non-fee-based margin in order to conform to the current period classification.

	Years Ended December 31,		
	2019	2018	Change
Gathering and processing fee-based revenues	$ 2,132	$ 1,855	$ 277
Non-fee-based contracts and processing (excluding unrealized gains and losses)	322	522	(200)
Total segment margin	$ 2,454	$ 2,377	$ 77

Segment Adjusted EBITDA. For the year ended December 31, 2019 compared to the prior year, Segment Adjusted EBITDA related to our midstream segment decreased due to the net impacts of the following:

- a decrease of $200 million in non-fee-based margin due to lower NGL prices of $183 million and lower gas prices of $50 million, offset by an increase of $33 million in non-fee-based margin due to increased throughput volume in North Texas and Permian regions;
- an increase of $86 million in operating expenses due to increases of $33 million in outside services, $29 million in maintenance project costs, $17 million in employee costs and $6 million in office expenses and materials; and
- an increase of $9 million in selling, general and administrative expenses primarily due to a decrease of $5 million in capitalized overhead and an increase of $4 million in insurance expense; partially offset by
- an increase of $277 million in fee-based margin due to volume growth in the Northeast, Permian, Ark-La-Tex, North Texas and South Texas regions.

NGL and Refined Products Transportation and Services

	Years Ended December 31,		
	2019	2018	Change
NGL transportation volumes (MBbls/d)	1,289	1,027	262
Refined products transportation volumes (MBbls/d)	583	621	(38)
NGL and refined products terminal volumes (MBbls/d)	844	812	32
NGL fractionation volumes (MBbls/d)	706	527	179
Revenues	$ 11,641	$ 11,123	$ 518
Cost of products sold	8,393	8,462	(69)
Segment margin	3,248	2,661	587
Unrealized gains (losses) on commodity risk management activities	81	(86)	167
Operating expenses, excluding non-cash compensation expense	(656)	(604)	(52)
Selling, general and administrative expenses, excluding non-cash compensation expense	(93)	(74)	(19)
Adjusted EBITDA related to unconsolidated affiliates	86	82	4
Segment Adjusted EBITDA	$ 2,666	$ 1,979	$ 687

Volumes. For the year ended December 31, 2019 compared to the prior year, throughput barrels on our Texas NGL pipeline system increased due to higher receipt of liquids production from both wholly-owned and third-party gas plants primarily in the Permian and North Texas regions. In addition, NGL transportation volumes on our Northeast assets increased due to the initiation of service on the Mariner East 2 pipeline system.

Refined products transportation volumes decreased for the year ended December 31, 2019 compared to prior year due to the closure of a third-party refinery during the third quarter of 2019, negatively impacting supply to our refined products transportation system. These decreases in volumes are partially offset by the initiation of service on the JC Nolan Pipeline in the third quarter of 2019.

NGL and refined products terminal volumes increased for the year ended December 31, 2019 compared to the prior year primarily due to the initiation of service on our Mariner East 2 pipeline system which commenced operations in the fourth quarter of 2018.

Average volumes fractionated at our Mont Belvieu, Texas fractionation facility increased for the year ended December 31, 2019 compared to the prior year primarily due to the commissioning of our fifth and sixth fractionators in July 2018 and February 2019, respectively.

Segment Margin. The components of our NGL and refined products transportation and services segment margin were as follows:

	Years Ended December 31,		
	2019	2018	Change
Fractionators and refinery services margin	$ 664	$ 511	$ 153
Transportation margin	1,716	1,233	483
Storage margin	223	211	12
Terminal Services margin	630	494	136
Marketing margin	96	126	(30)
Unrealized gains (losses) on commodity risk management activities	(81)	86	(167)
Total segment margin	$ 3,248	$ 2,661	$ 587

Segment Adjusted EBITDA. For the year ended December 31, 2019 compared to the prior year, Segment Adjusted EBITDA related to our NGL and refined products transportation and services segment increased due to the net impacts of the following:

- an increase of $483 million in transportation margin primarily due to a $265 million increase resulting from the initiation of service on our Mariner East 2 pipeline in the fourth quarter of 2018, a $212 million increase resulting from higher throughput volumes received from the Permian region on our Texas NGL pipelines, a $29 million increase due to higher throughput volumes from the Barnett region, a $9 million increase from the Eagle Ford region, and a $9 million increase due to the initiation of service on the JC Nolan Pipeline. These increases were partially offset by a $21 million decrease resulting from Mariner East 1 pipeline downtime, a $13 million decrease due to the closure of a third-party refinery during the third quarter of 2019, negatively impacting refined product supply to our system, and a $5 million decrease due to the timing of deficiency fees on Mariner West;
- an increase of $153 million in fractionation and refinery services margin primarily due to a $167 million increase resulting from the commissioning of our fifth and sixth fractionators in July 2018 and February 2019, respectively, and higher NGL volumes from the Permian region feeding our Mont Belvieu fractionation facility. This increase was partially offset by a reclassification between our fractionation and storage margins;
- an increase of $136 million in terminal services margin primarily due to a $171 million increase from the initiation of service of our Mariner East 2 pipeline which commenced operations in the fourth quarter of 2018 and a $7 million increase due to increased tank lease revenue from third-party customers. These increases were partially offset by a $16 million decrease in volumes and expense reimbursements from third parties on Mariner East 1, a $16 million decrease due to lower volumes from third-party pipeline, truck and rail deliveries into our Marcus Hook Terminal, a $5 million decrease due to fewer vessels exported out of our Nederland Terminal, and a $4 million decrease due to the closure of a third-party refinery during the third quarter of 2019; and
- an increase of $12 million in storage margin primarily due to a reclassification between our storage and fractionation margins; partially offset by
- a decrease of $30 million in marketing margin primarily due to capacity lease fees incurred by our marketing affiliate on our Mariner East 2 pipeline, offset by increased gains from our butane blending business due to more favorable market conditions and increased volumes, as well as increased optimization gains from the sale of NGL component products at our Mont Belvieu facility;
- an increase of $52 million in operating expenses primarily due to a $26 million increase in employee and ad valorem tax expenses on our terminals, fractionation, and transportation operations, a $14 million increase in utility costs to operate our pipelines and our fifth and sixth fractionators which commenced July 2018 and February 2019, respectively, and an $8 million increase in maintenance project costs due to the timing of multiple projects on our transportation assets; and
- an increase of $19 million in general and administrative expenses primarily due to a $10 million increase in allocated overhead costs, a $5 million increase in insurance expenses, a $4 million increase in legal fees, and a $2 million increase in employee costs.

Crude Oil Transportation and Services

	Years Ended December 31,		
	2019	2018	Change
Crude Transportation Volumes (MBbls/d)	4,217	3,713	504
Crude Terminals Volumes (MBbls/d)	2,513	2,555	(42)
Revenue	$ 18,447	$ 17,332	$ 1,115
Cost of products sold	14,832	14,384	448
Segment margin	3,615	2,948	667
Unrealized (gains) losses on commodity risk management activities	(69)	55	(124)
Operating expenses, excluding non-cash compensation expense	(570)	(547)	(23)
Selling, general and administrative expenses, excluding non-cash compensation expense	(85)	(86)	1
Adjusted EBITDA related to unconsolidated affiliates	8	15	(7)
Other	(1)	—	(1)
Segment Adjusted EBITDA	$ 2,898	$ 2,385	$ 513

Segment Adjusted EBITDA. For the year ended December 31, 2019 compared to the prior year, Segment Adjusted EBITDA related to our crude oil transportation and services segment increased due to the net impacts of the following:

- an increase of $543 million in segment margin (excluding unrealized gains and losses on commodity risk management activities) primarily due to a $282 million increase resulting from higher throughput on our Texas crude pipeline system primarily due to increased production from the Permian region and contributions from capacity expansion projects placed into service, a $219 million increase in throughput on our Bakken pipeline, a favorable change due to inventory valuation adjustment of $75 million, partially offset by a $90 million reduction due to lower pipeline basis spreads net of hedges. We also realized a $66 million increase from higher volumes on our Bayou Bridge Pipeline, a $31 million increase due to the inclusion of assets acquired in 2019, and a $26 million increase primarily from higher throughput, ship loading and tank rental fees at our Nederland Terminal; partially offset by a $54 million decrease from our Oklahoma assets resulting from lower volumes to the system as well as from the timing of a deficiency payment made in the prior year, a $12 million decrease due to the closure of a third-party refinery which was the primary customer utilizing one of our northeast crude terminals. The remainder of the offsetting decrease was primarily attributable to a change in the presentation of certain intrasegment transactions, which were eliminated in the current period presentation but were shown on a gross basis in revenues and operating expenses in the prior period; partially offset by
- an increase of $23 million in operating expenses primarily due to a $30 million increase in throughput-related costs on existing assets, partially offset by a $14 million decrease in management fees as well as the impact of certain intrasegment transactions discussed above; and
- a decrease of $7 million in Adjusted EBITDA related to unconsolidated affiliates due to lower margin from jet fuel sales by our joint ventures.

Investment in Sunoco LP

	Years Ended December 31,		
	2019	2018	Change
Revenues	$ 16,596	$ 16,994	$ (398)
Cost of products sold	15,380	15,872	(492)
Segment margin	1,216	1,122	94
Unrealized (gains) losses on commodity risk management activities	(5)	6	(11)
Operating expenses, excluding non-cash compensation expense	(365)	(435)	70
Selling, general and administrative, excluding non-cash compensation expense	(123)	(129)	6
Adjusted EBITDA related to unconsolidated affiliates	4	—	4
Inventory valuation adjustments	(79)	85	(164)
Adjusted EBITDA from discontinued operations	—	(25)	25
Other, net	17	14	3
Segment Adjusted EBITDA	$ 665	$ 638	$ 27

The Investment in Sunoco LP segment reflects the consolidated results of Sunoco LP.

Segment Adjusted EBITDA. For the year ended December 31, 2019 compared to the prior year, Segment Adjusted EBITDA related to the Investment in Sunoco LP segment increased due to the net impacts of the following:

- a decrease in operating costs of $76 million, primarily as a result of the conversion of 207 retail sites to commission agent sites during April 2018. These expenses include other operating expense, general and administrative expense and lease expense; and
- an increase of $25 million related to Adjusted EBITDA from discontinued operations related to the divestment of 1,030 company-operated fuel sites to 7-Eleven in January 2018; and
- an increase of $4 million in Adjusted EBITDA related to unconsolidated affiliates due to Sunoco LP's investment in the JC Nolan joint venture; partially offset by
- a decrease in the gross profit on motor fuel sales of $76 million (excluding the change in inventory fair value adjustments and unrealized gains and losses on commodity risk management activities) primarily due to lower fuel margins, a one-time benefit of approximately $25 million related to a cash settlement with a fuel supplier recorded in 2018 and an $8 million one-time charge related to a reserve for an open contractual dispute recorded in 2019, partially offset by an increase in gallons sold.

Investment in USAC

	Years Ended December 31,		
	2019	2018	Change
Revenues	$ 698	$ 508	$ 190
Cost of products sold	91	67	24
Segment margin	607	441	166
Operating expenses, excluding non-cash compensation expense	(134)	(110)	(24)
Selling, general and administrative, excluding non-cash compensation expense	(53)	(50)	(3)
Other, net	—	8	(8)
Segment Adjusted EBITDA	$ 420	$ 289	$ 131

The investment in USAC segment reflects the consolidated results of USAC from April 2, 2018, the date ET obtained control of USAC, through December 31, 2019. Changes between periods are due to the consolidation of USAC beginning April 2, 2018.

All Other

	Years Ended December 31,		
	2019	2018	Change
Revenue	$ 1,689	$ 2,228	$ (539)
Cost of products sold	1,504	2,006	(502)
Segment margin	185	222	(37)
Unrealized gains on commodity risk management activities	(4)	(2)	(2)
Operating expenses, excluding non-cash compensation expense	(77)	(56)	(21)
Selling, general and administrative expenses, excluding non-cash compensation expense	(66)	(124)	58
Adjusted EBITDA related to unconsolidated affiliates	2	1	1
Other and eliminations	58	(1)	59
Segment Adjusted EBITDA	$ 98	$ 40	$ 58

Amounts reflected in our all other segment during the periods presented above primarily include:

- our natural gas marketing operations;
- our wholly-owned natural gas compression operations;
- a noncontrolling interest in PES. Prior to PES's reorganization in August 2018, ETO's 33% interest in PES was reflected as an unconsolidated affiliate; for the period subsequent to the August 2018 reorganization through 2019, ETO held an approximately 7.4% interest in PES and no longer reflected PES as an affiliate;
- our investment in coal handling facilities; and
- our Canadian operations, which were acquired in the SemGroup acquisition in December 2019 and include natural gas gathering and processing assets.

Segment Adjusted EBITDA. For the year ended December 31, 2019 compared to the prior year, Segment Adjusted EBITDA increased due to the net impacts of the following:

- an increase of $8 million in gains from park and loan and storage activity;
- an increase of $11 million in optimized gains on residue gas sales;
- an increase of $7 million from settled derivatives;
- an increase of $15 million from a legal settlement;
- an increase of $12 million from payments related to the PES bankruptcy;
- an increase of $6 million from the recognition of deferred revenue related to a bankruptcy;
- an increase of $3 million from power trading activities;
- an increase of $3 million from the Energy Transfer Canada joint venture for the period subsequent to our acquisition of SemGroup on December 5, 2019, net of an increase due to SemGroup related corporate expenses; and
- a decrease of $21 million in merger and acquisition expenses; partially offset by
- a decrease of $36 million due to the contribution of CDM to USAC in April 2018, subsequent to which CDM is reflected in the Investment in USAC segment;
- a decrease of $8 million due to lower gas prices and increased power costs; and
- a decrease of $11 million due to lower revenue from our compressor equipment business.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Parent Company Only

Subsequent to the Energy Transfer Merger in October 2018, substantially all of the Partnership's cash flows are derived from distributions related to its investment in ETO, whose cash flows are derived from its subsidiaries, including ETO's investments in Sunoco LP and USAC.

The Parent Company's primary cash requirements are for general and administrative expenses, debt service requirements and distributions to its partners. The Parent Company currently expects to fund its short-term needs for such items with cash flows from its direct and indirect investments in ETO. The Parent Company distributes its available cash remaining after satisfaction of the aforementioned cash requirements to its Unitholders on a quarterly basis.

The Parent Company expects ETO and its respective subsidiaries and investments in Sunoco LP and USAC to utilize their resources, along with cash from their operations, to fund their announced growth capital expenditures and working capital needs; however, the Parent Company may issue debt or equity securities from time to time as it deems prudent to provide liquidity for new capital projects of its subsidiaries or for other partnership purposes.

ETO

ETO's ability to satisfy its obligations and pay distributions to the Parent Company will depend on its future performance, which will be subject to prevailing economic, financial, business and weather conditions, and other factors, many of which are beyond the control of ETO's management.

ETO currently expects capital expenditures in 2021 to be within the following ranges (excluding capital expenditures related to our investments in Sunoco LP and USAC):

	Growth		Maintenance	
	Low	High	Low	High
Intrastate transportation and storage	$ 5	$ 10	$ 35	$ 40
Interstate transportation and storage [(1)]	25	50	120	125
Midstream	265	290	110	115
NGL and refined products transportation and services [(1)]	700	800	90	100
Crude oil transportation and services [(1)]	280	305	100	110
All other (including eliminations)	75	100	55	60
Total capital expenditures	$ 1,350	$ 1,555	$ 510	$ 550

[(1)] Includes capital expenditures related to ETO's proportionate ownership of the Bakken, Rover, and Bayou Bridge pipeline projects and our proportionate ownership of the Orbit Gulf Coast NGL export project.

The assets used in our natural gas and liquids operations, including pipelines, gathering systems and related facilities, are generally long-lived assets and do not require significant maintenance capital expenditures. Accordingly, we do not have any significant financial commitments for maintenance capital expenditures in our businesses. From time to time we experience increases in pipe costs due to a number of reasons, including but not limited to, delays from steel mills, limited selection of mills capable of producing large diameter pipe timely, higher steel prices and other factors beyond our control. However, we include these factors in our anticipated growth capital expenditures for each year.

ETO generally funds maintenance capital expenditures and distributions with cash flows from operating activities. ETO generally expects to funds growth capital expenditures with proceeds of borrowings under our credit facilities, along with cash from operations.

Sunoco LP expects to invest approximately $120 million in growth capital expenditures and approximately $45 million on maintenance capital expenditures in 2021.

USAC currently plans to spend approximately $22 million in maintenance capital expenditures and currently has budgeted between $30 million and $40 million in expansion capital expenditures in 2021.

Cash Flows

Our cash flows may change in the future due to a number of factors, some of which we cannot control. These include regulatory changes, the price of our products and services, the demand for such products and services, margin requirements resulting from significant changes in commodity prices, operational risks, the successful integration of our acquisitions, and other factors.

Operating Activities

Changes in cash flows from operating activities between periods primarily result from changes in earnings (as discussed in "Results of Operations" above), excluding the impacts of non-cash items and changes in operating assets and liabilities. Non-cash items include recurring non-cash expenses, such as depreciation, depletion and amortization expense and non-cash compensation expense. The increase in depreciation, depletion and amortization expense during the periods presented primarily resulted from construction and acquisitions of assets, while changes in non-cash compensation expense resulted from changes in the number of units granted and changes in the grant date fair value estimated for such grants. Cash flows from operating activities also differ from earnings as a result of non-cash charges that may not be recurring such as impairment charges and allowance for equity funds used during construction. The allowance for equity funds used during construction increases in periods when ETO has a significant amount of interstate pipeline construction in progress. Changes in operating assets and liabilities between periods result from factors such as the changes in the value of derivative assets and liabilities, timing of accounts receivable collection, payments on accounts payable, the timing of purchases and sales of inventories, and the timing of advances and deposits received from customers.

Following is a summary of operating activities by period:

Year Ended December 31, 2020

Cash provided by operating activities in 2020 was $7.36 billion and income from continuing operations was $140 million. The difference between net income and cash provided by operating activities in 2020 primarily consisted of non-cash items totaling $7.00 billion offset by net changes in operating assets and liabilities of $47 million. The non-cash activity in 2020 consisted primarily of depreciation, depletion and amortization of $3.68 billion, impairment losses of $2.88 billion, non-cash compensation expense of $121 million, equity in earnings of unconsolidated affiliates of $119 million, inventory valuation adjustments of $82 million, losses on extinguishment of debt of $75 million, and deferred income taxes of $210 million. The Partnership also received distributions of $220 million from unconsolidated affiliates.

Year Ended December 31, 2019

Cash provided by operating activities in 2019 was $8.06 billion and income from continuing operations was $4.83 billion. The difference between net income and cash provided by operating activities in 2019 primarily consisted of non-cash items totaling $3.37 billion offset by net changes in operating assets and liabilities of $391 million. The non-cash activity in 2019 consisted primarily of depreciation, depletion and amortization of $3.15 billion, impairment losses of $74 million, non-cash compensation expense of $113 million, equity in earnings of unconsolidated affiliates of $302 million, inventory valuation adjustments of $79 million, losses on extinguishment of debt of $18 million, and deferred income taxes of $217 million. The Partnership also received distributions of $290 million from unconsolidated affiliates.

Year Ended December 31, 2018

Cash provided by operating activities in 2018 was $7.51 billion and income from continuing operations was $3.69 billion. The difference between net income and cash provided by operating activities in 2018 primarily consisted of non-cash items totaling $3.30 billion and net changes in operating assets and liabilities of $234 million. The non-cash activity in 2018 consisted primarily of depreciation, depletion and amortization of $2.86 billion, impairment losses of $431 million, non-cash compensation expense of $105 million, equity in earnings of unconsolidated affiliates of $344 million, inventory valuation adjustments of $85 million, losses on extinguishment of debt of $112 million, and deferred income taxes of $7 million. The Partnership also received distributions of $328 million from unconsolidated affiliates.

Investing Activities

Cash flows from investing activities primarily consist of cash amounts paid for acquisitions, capital expenditures, cash distributions from our joint ventures, and cash proceeds from sales or contributions of assets or businesses. Changes in capital expenditures between periods primarily result from increases or decreases in our growth capital expenditures to fund our construction and expansion projects.

Following is a summary of investing activities by period:

Year Ended December 31, 2020

Cash used in investing activities in 2020 was $4.90 billion. Total capital expenditures (excluding the allowance for equity funds used during construction and net of contributions in aid of construction costs) were $5.06 billion. Additional detail related to our capital expenditures is provided in the table below. We received $19 million of cash proceeds from the sale of assets. The Partnership also received distributions of $187 million from unconsolidated affiliates.

Year Ended December 31, 2019

Cash used in investing activities in 2019 was $6.93 billion. Total capital expenditures (excluding the allowance for equity funds used during construction and net of contributions in aid of construction costs) were $5.88 billion. Additional detail related to our capital expenditures is provided in the table below. During 2020, we received $93 million of cash proceeds from the sale of a noncontrolling interest in a subsidiary, paid $787 million in net cash for the SemGroup acquisition, and paid $7 million in cash for all other acquisitions. We received $54 million of cash proceeds from the sale of assets. The Partnership also received distributions of $98 million from unconsolidated affiliates.

Year Ended December 31, 2018

Cash used in investing activities in 2018 was $7.08 billion. Total capital expenditures (excluding the allowance for equity funds used during construction and net of contributions in aid of construction costs) were $7.30 billion. Additional detail related to our capital expenditures is provided in the table below. We recorded a net increase in cash of $461 million related to the USAC acquisition and paid $429 million in cash from all other acquisitions. We received $87 million of cash proceeds from the sale of assets. The Partnership also received distributions of $69 million from unconsolidated affiliates.

The following is a summary of the Partnership's capital expenditures (including only our proportionate share of the Bakken, Rover, and Bayou Bridge pipeline projects, our proportionate share of the Orbit Gulf Coast NGL export project, and net of contributions in aid of construction costs) by period:

	Capital Expenditures Recorded During Period		
	Growth	Maintenance	Total
Year Ended December 31, 2020:			
Intrastate transportation and storage	$ 13	$ 36	$ 49
Interstate transportation and storage	52	98	150
Midstream	376	111	487
NGL and refined products transportation and services	2,305	98	2,403
Crude oil transportation and services	209	82	291
Investment in Sunoco LP	89	35	124
Investment in USAC	96	23	119
All other (including eliminations)	99	37	136
Total capital expenditures	$ 3,239	$ 520	$ 3,759
Year Ended December 31, 2019:			
Intrastate transportation and storage	$ 87	$ 37	$ 124
Interstate transportation and storage	239	136	375
Midstream	670	157	827
NGL and refined products transportation and services	2,854	122	2,976
Crude oil transportation and services	317	86	403
Investment in Sunoco LP [(1)]	108	40	148
Investment in USAC	170	30	200
All other (including eliminations)	165	50	215
Total capital expenditures	$ 4,610	$ 658	$ 5,268
Year Ended December 31, 2018:			
Intrastate transportation and storage	$ 311	$ 33	$ 344
Interstate transportation and storage	695	117	812
Midstream	1,026	135	1,161
NGL and refined products transportation and services	2,303	78	2,381
Crude oil transportation and services	414	60	474
Investment in Sunoco LP [(1)]	72	31	103
Investment in USAC	182	23	205
All other (including eliminations)	117	33	150
Total capital expenditures	$ 5,120	$ 510	$ 5,630

[(1)] Amounts related to Sunoco LP's capital expenditures include capital expenditures related to discontinued operations.

Financing Activities

Changes in cash flows from financing activities between periods primarily result from changes in the levels of borrowings and equity issuances, which are primarily used to fund our acquisitions and growth capital expenditures. Distributions to partners increased between the periods as a result of increases in the number of common units outstanding or increases in the distribution rate.

Following is a summary of financing activities by period:

Year Ended December 31, 2020

Cash used in financing activities was $2.39 billion in 2020. In 2020, our subsidiaries received $1.58 billion in proceeds from the issuance of preferred units. In 2020, we had a consolidated increase in our debt level of $307 million, primarily due to the issuance of subsidiary senior notes. During 2020, we paid distributions of $2.80 billion to our partners, we paid distributions of $1.65 billion to noncontrolling interests, and we paid distributions of $49 million to our redeemable noncontrolling interests. In addition, we received capital contributions of $222 million in cash from noncontrolling interests. During 2020, we incurred debt issuance costs of $59 million.

Year Ended December 31, 2019

Cash used in financing activities was $1.25 billion in 2019. Our subsidiaries received $780 million in proceeds from the issuance of preferred units. In 2019, we had a consolidated increase in our debt level of $2.48 billion, primarily due to the issuance of subsidiary notes. During 2019, we paid distributions of $3.05 billion to our partners, we paid distributions of $1.60 billion to noncontrolling interests, and we paid distributions of $53 million to our redeemable noncontrolling interests. In addition, we received capital contributions of $348 million in cash from noncontrolling interests. During 2019, we incurred debt issuance costs of $117 million.

Year Ended December 31, 2018

Cash used in financing activities was $3.08 billion in 2018. Our subsidiaries received $1.40 billion in proceeds from the issuance of common units, including $58 million from the issuance of ETO Common Units and $1.34 billion from the issuance of other subsidiary common units. In 2018, we had a consolidated increase in our debt level of $53 million, primarily due to the issuance of Parent Company and subsidiary senior notes. During 2018, we paid distributions of $1.68 billion to our partners, we paid distributions of $3.12 billion to noncontrolling interests, and we paid distributions of $24 million to our redeemable noncontrolling interests. In addition, we received capital contributions of $649 million in cash from noncontrolling interests. During 2018, we incurred debt issuance costs of $171 million.

Discontinued Operations

Following is a summary of activities related to discontinued operations by period:

Year Ended December 31, 2018

Cash provided by discontinued operations was $2.73 billion for the year ended December 31, 2018, which reflected the net impact of cash used in operating activities of $484 million, cash provided by investing activities of $3.21 billion and changes in cash included in current assets held for sale of $11 million.

Description of Indebtedness

Our outstanding consolidated indebtedness was as follows:

	December 31,	
	2020	2019
Parent Company Indebtedness:		
ET Senior Notes due October 2020	$ —	$ 52
ET Senior Notes due March 2023	5	5
ET Senior Notes due January 2024	23	23
ET Senior Notes due June 2027	44	44
Subsidiary Indebtedness:		
ETO Senior Notes	37,783	36,118
Transwestern Senior Notes	400	575
Panhandle Senior Notes	235	235
Bakken Senior Notes	2,500	2,500
Sunoco LP Senior Notes, Term Loan and lease-related obligations	3,139	2,935
USAC Senior Notes	1,475	1,475
HFOTCO Tax-Exempt Notes	225	225
Revolving Credit Facilities:		
ETO $2.00 billion Term Loan facility due October 2022	2,000	2,000
ETO $5.00 billion Revolving Credit Facility due December 2023	3,103	4,214
Sunoco LP $1.50 billion Revolving Credit Facility due July 2023	—	162
USAC $1.60 billion Revolving Credit Facility due April 2023	474	403
Energy Transfer Canada Revolver due February 2024	57	92
Energy Transfer Canada Revolver Term Loan A due February 2024	261	269
Other long-term debt	3	2
Unamortized premiums, net of discounts and fair value adjustments	(10)	4
Deferred debt issuance costs	(279)	(279)
Total debt	51,438	51,054
Less: current maturities of long-term debt	21	26
Long-term debt, less current maturities	$ 51,417	$ 51,028

The terms of our consolidated indebtedness and that of our subsidiaries are described in more detail below and in Note 6 to our consolidated financial statements, included in “Item 8. Financial Statements and Supplementary Data.”

Recent Financing Transactions

ETO January 2020 Senior Notes Offering and Redemption

On January 22, 2020, ETO completed a registered offering (the “January 2020 Senior Notes Offering”) of $1.00 billion aggregate principal amount of ETO’s 2.900% Senior Notes due 2025, $1.50 billion aggregate principal amount of ETO’s 3.750% Senior Notes due 2030, and $2.00 billion aggregate principal amount of ETO’s 5.000% Senior Notes due 2050, (collectively, the “Notes”). The Notes are fully and unconditionally guaranteed by the Partnership’s wholly-owned subsidiary, Sunoco Logistics Partners Operations L.P., on a senior unsecured basis.

Utilizing proceeds from the January 2020 Senior Notes Offering, ETO redeemed its $400 million aggregate principal amount of 5.75% Senior Notes due September 1, 2020, its $1.05 billion aggregate principal amount of 4.15% Senior Notes due October 1, 2020, its $1.14 billion aggregate principal amount of 7.50% Senior Notes due October 15, 2020, its $250 million aggregate principal amount of 5.50% Senior Notes due February 15, 2020, ET’s $52 million aggregate principal amount of 7.50% Senior Notes due October 15, 2020 and Transwestern’s $175 million aggregate principal amount of 5.36% Senior Notes due December 9, 2020.

Sunoco LP November 2020 Senior Notes Offering and Repurchase

On November 9, 2020, Sunoco LP completed a private offering of $800 million in aggregate principal amount of 4.500% senior notes due 2029. Sunoco LP used the proceeds to fund the tender offer on its 4.875% $1 billion senior notes due 2023. Approximately 56% of the 2023 senior notes were tendered. On January 15, 2021, Sunoco LP repurchased the remaining outstanding portion of its 2023 senior notes.

Credit Facilities, Term Loan and Commercial Paper

Parent Company

The Parent Company does not currently have any credit facilities.

ETO Credit Facilities

Borrowings under the ETO Credit Facilities (defined as the ETO Term Loan, ETO Five-Year Credit Facility and ETO 364-Day Credit Facility, each of which is described below) are unsecured and initially guaranteed by Sunoco Logistics Operations. Borrowings under the ETO Credit Facilities will bear interest at a eurodollar rate or a base rate, at our option, plus an applicable margin. In addition, we will be required to pay a quarterly commitment fee to each lender equal to the product of the applicable rate and such lender's applicable percentage of the unused portion of the aggregate commitments under the ETO Credit Facilities.

We typically repay amounts outstanding under the ETO Credit Facilities with proceeds from unit offerings or long-term notes offerings. The timing of borrowings depends on the Partnership's activities and the cash available to fund those activities. The repayments of amounts outstanding under the ETO Credit Facilities depend on multiple factors, including market conditions and expectations of future working capital needs, and ultimately are a financing decision made by management. Therefore, the balance outstanding under the ETO Credit Facilities may vary significantly between periods. We do not believe that such fluctuations indicate a significant change in our liquidity position, because we expect to continue to be able to repay amounts outstanding under the ETO Credit Facilities with proceeds from unit offerings or long-term note offerings.

ETO Term Loan

On October 17, 2019, ETO entered into a term loan credit agreement (the "ETO Term Loan") providing for a $2.00 billion three-year term loan credit facility. Borrowings under the term loan agreement mature on October 17, 2022 and are available for working capital purposes and for general partnership purposes. The term loan agreement is unsecured and is guaranteed by our subsidiary, Sunoco Logistics Operations.

As of December 31, 2020, the ETO Term Loan had $2.00 billion outstanding and was fully drawn. The weighted average interest rate on the total amount outstanding as of December 31, 2020 was 1.15%.

ETO Five-Year Credit Facility

ETO's revolving credit facility (the "ETO Five-Year Credit Facility") allows for unsecured borrowings up to $5.00 billion and matures on December 1, 2023. The ETO Five-Year Credit Facility contains an accordion feature, under which the total aggregate commitment may be increased up to $6.00 billion under certain conditions.

As of December 31, 2020, the ETO Five-Year Credit Facility had $3.10 billion outstanding, of which $1.66 billion was commercial paper. The amount available for future borrowings was $1.79 billion after accounting for outstanding letters of credit in the amount of $109 million. The weighted average interest rate on the total amount outstanding as of December 31, 2020 was 1.12%.

ETO 364-Day Facility

ETO's 364-day revolving credit facility (the "ETO 364-Day Facility") allows for unsecured borrowings up to $1.00 billion and matures on November 26, 2021. As of December 31, 2020, the ETO 364-Day Facility had no outstanding borrowings.

Sunoco LP Credit Facility

As of December 31, 2020, the Sunoco LP Credit Facility had no outstanding borrowings and $8 million in standby letters of credit. The amount available for future borrowings was at December 31, 2020 was $1.5 billion.

USAC Credit Facility

As of December 31, 2020, USAC had $474 million of outstanding borrowings and no outstanding letters of credit under the credit agreement. As of December 31, 2020, USAC had $1.13 billion of availability under its credit facility. The weighted average interest rate on the total amount outstanding as of December 31, 2020 was 3.27%.

Energy Transfer Canada Credit Facilities

Energy Transfer Canada is party to a credit agreement providing for a C$350 million (US$275 million at the December 31, 2020 exchange rate) senior secured term loan facility, a C$525 million (US$412 million at the December 31, 2020 exchange rate) senior secured revolving credit facility, and a C$300 million (US$236 million at the December 31, 2020 exchange rate) senior secured construction loan facility (the "KAPS Facility"). The term loan facility and the revolving credit facility mature on February 25, 2024. The KAPS Facility matures on June 13, 2024. Energy Transfer Canada may incur additional term loans and revolving commitments in an aggregate amount not to exceed C$250 million (US$196 million at the December 31, 2020 exchange rate), subject to receiving commitments for such additional term loans or revolving commitments from either new lenders or increased commitments from existing lenders.

Covenants Related to Our Credit Agreements

Covenants Related to the Parent Company

The Term Loan Facility and ET Revolving Credit Facility previously contained customary representations, warranties, covenants, and events of default, including a change of control event of default and limitations on incurrence of liens, new lines of business, merger, transactions with affiliates and restrictive agreements. Both facilities have been paid off and terminated.

Covenants Related to ETO

The agreements relating to the ETO senior notes contain restrictive covenants customary for an issuer with an investment-grade rating from the rating agencies, which covenants include limitations on liens and a restriction on sale-leaseback transactions.

The ETO Credit Facilities (defined as the ETO Term Loan, ETO Five-Year Credit Facility and ETO 364-Day Credit Facility) contain covenants that limit (subject to certain exceptions) the Partnership's and certain of the Partnership's subsidiaries' ability to, among other things:

- incur indebtedness;
- grant liens;
- enter into mergers;
- dispose of assets;
- make certain investments;
- make Distributions (as defined in the ETO Credit Facilities) during certain Defaults (as defined in the ETO Credit Facilities) and during any Event of Default (as defined in the ETO Credit Facilities);
- engage in business substantially different in nature than the business currently conducted by the Partnership and its subsidiaries;
- engage in transactions with affiliates; and
- enter into restrictive agreements.

The ETO Credit Facilities applicable margin and rate used in connection with the interest rates and commitment fees, respectively, are based on the credit ratings assigned to our senior, unsecured, non-credit enhanced long-term debt. The applicable margin for eurodollar rate loans under the ETO Five-Year Credit Facility ranges from 1.125% to 2.000% and the applicable margin for base rate loans ranges from 0.125% to 1.000%. The applicable rate for commitment fees under the ETO Five-Year Credit Facility ranges from 0.125% to 0.300%. The applicable margin for eurodollar rate loans under the ETO 364-Day Facility ranges from 1.500% to 2.000% and the applicable margin for base rate loans ranges from 0.500% to 1.000%. The applicable rate for commitment fees under the ETO 364-Day Facility ranges from 0.125% to 0.225%.

The ETO Credit Facilities contain various covenants including limitations on the creation of indebtedness and liens and related to the operation and conduct of our business. The ETO Credit Facilities also limit us, on a rolling four quarter basis, to a maximum Consolidated Funded Indebtedness to Consolidated EBITDA ratio, as defined in the underlying credit agreements, of

5.0 to 1, which can generally be increased to 5.5 to 1 during a Specified Acquisition Period. Our Leverage Ratio was 4.31 to 1 at December 31, 2020, as calculated in accordance with the credit agreements.

The agreements relating to the Transwestern senior notes contain certain restrictions that, among other things, limit the incurrence of additional debt, the sale of assets and the payment of dividends and specify a maximum debt to capitalization ratio.

Failure to comply with the various restrictive and affirmative covenants of our revolving credit facilities could require us to pay debt balances prior to scheduled maturity and could negatively impact the Partnership's or our subsidiaries' ability to incur additional debt and/or our ability to pay distributions to Unitholders.

Covenants Related to Panhandle

Panhandle is not party to any lending agreement that would accelerate the maturity date of any obligation due to a failure to maintain any specific credit rating, nor would a reduction in any credit rating, by itself, cause an event of default under any of Panhandle's lending agreements.

Panhandle's restrictive covenants include restrictions on liens securing debt and guarantees and restrictions on mergers and on the sales of assets. A breach of any of these covenants could result in acceleration of Panhandle's debt.

Covenants Related to Sunoco LP

The Sunoco LP Credit Facility contains various customary representations, warranties, covenants and events of default, including a change of control event of default, as defined therein. Sunoco LP's Credit Facility requires Sunoco LP to maintain a Net Leverage Ratio of not more than 5.5 to 1. The maximum Net Leverage Ratio is subject to upwards adjustment of not more than 6.0 to 1 for a period not to exceed three fiscal quarters in the event Sunoco LP engages in certain specified acquisitions of not less than $50 million (as permitted under Sunoco LP's Credit Facility agreement). The Sunoco LP Credit Facility also requires Sunoco LP to maintain an Interest Coverage Ratio (as defined in the Sunoco LP's Credit Facility agreement) of not less than 2.25 to 1.

Covenants Related to USAC

The USAC Credit Facility contains covenants that limit (subject to certain exceptions) USAC's ability to, among other things:

- grant liens;
- make certain loans or investments;
- incur additional indebtedness or guarantee other indebtedness;
- merge or consolidate;
- sell our assets; or
- make certain acquisitions.

The credit facility is also subject to the following financial covenants, including covenants requiring us to maintain:

- a minimum EBITDA to interest coverage ratio of 2.5 to 1.0, determined as of the last day of each fiscal quarter; and
- a maximum funded debt to EBITDA ratio, determined as of the last day of each fiscal quarter, for the annualized trailing three months of (i) 5.75 to 1 through the end of the fiscal quarter ending December 31, 2020 and (ii) 5.5 to 1 for the fiscal quarters ending March 31, 2021 and June 30, 2021, (iii) 5.25 to 1 for the fiscal quarters ending September 30, 2021 and December 31, 2021 and (iv) 5.0 to 1 thereafter, subject to a provision for increases to such thresholds, in the case of any fiscal quarter ending September 30, 2021 or thereafter, by 0.50 in connection with certain future acquisitions for the six consecutive month period following the period in which any such acquisition occurs, provided that, in any event, such ratio shall not exceed 5.5 to 1.

Covenants Related to the HFOTCO Tax Exempt Notes

The indentures covering HFOTCO's tax exempt notes due 2050 ("IKE Bonds") include customary representations and warranties and affirmative and negative covenants. Such covenants include limitations on the creation of new liens, indebtedness, making of certain restricted payments and payments on indebtedness, making certain dispositions, making material changes in business activities, making fundamental changes including liquidations, mergers or consolidations, making certain investments, entering into certain transactions with affiliates, making amendments to certain credit or organizational agreements, modifying the fiscal year, creating or dealing with hazardous materials in certain ways, entering into certain

hedging arrangements, entering into certain restrictive agreements, funding or engaging in sanctioned activities, taking actions or causing the trustee to take actions that materially adversely affect the rights, interests, remedies or security of the bondholders, taking actions to remove the trustee, making certain amendments to the bond documents, and taking actions or omitting to take actions that adversely impact the tax exempt status of the IKE Bonds.

Compliance with our Covenants

We and our subsidiaries were in compliance with all requirements, tests, limitations, and covenants related to our debt agreements as of December 31, 2020.

Contractual Obligations

The following table summarizes our long-term debt and other contractual obligations as of December 31, 2020:

	Payments Due by Period				
Contractual Obligations	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
Long-term debt	$ 51,727	$ 1,420	$ 13,023	$ 7,029	$ 30,255
Interest on long-term debt[1]	28,980	2,421	4,330	3,448	18,781
Payments on derivatives	451	212	239	—	—
Purchase commitments[2]	3,731	2,599	703	356	73
Transportation, natural gas storage and fractionation contracts	286	62	120	104	—
Operating lease obligations	1,554	99	164	151	1,140
Service concession arrangement[3]	364	15	31	32	286
Other[4]	196	26	50	41	79
Total[5]	$ 87,289	$ 6,854	$ 18,660	$ 11,161	$ 50,614

(1) Interest payments on long-term debt are based on the principal amount of debt obligations as of December 31, 2020. With respect to variable rate debt, the interest payments were estimated using the interest rate as of December 31, 2020. To the extent interest rates change, our contractual obligations for interest payments will change. See “Item 7A. Quantitative and Qualitative Disclosures About Market Risk” for further discussion.

(2) We define a purchase commitment as an agreement to purchase goods or services that is enforceable and legally binding (unconditional) on us that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transactions. We have long and short-term product purchase obligations for refined product and energy commodities with third-party suppliers. These purchase obligations are entered into at either variable or fixed prices. The purchase prices that we are obligated to pay under variable price contracts approximate market prices at the time we take delivery of the volumes. Our estimated future variable price contract payment obligations are based on the December 31, 2020 market price of the applicable commodity applied to future volume commitments. Actual future payment obligations may vary depending on market prices at the time of delivery. The purchase prices that we are obligated to pay under fixed price contracts are established at the inception of the contract. Our estimated future fixed price contract payment obligations are based on the contracted fixed price under each commodity contract. Obligations shown in the table represent estimated payment obligations under these contracts for the periods indicated.

(3) Includes minimum guaranteed payments under service concession arrangements with New Jersey Turnpike Authority and New York Thruway Authority.

(4) Expected contributions to fund our pension and postretirement benefit plans were included in “Other” above. Environmental liabilities, AROs, unrecognized tax benefits, contingency accruals and deferred revenue, which were included in “Other non-current liabilities” in our consolidated balance sheets, were excluded from the table above as the amounts do not represent contractual obligations or, in some cases, the amount and/or timing of the cash payments is uncertain.

(5) Excludes non-current deferred tax liabilities of $3.43 billion due to uncertainty of the timing of future cash flows for such liabilities.

Cash Distributions

Cash Distributions Paid by the Parent Company

Under the Parent Company Partnership Agreement, the Parent Company will distribute all of its Available Cash, as defined, within 50 days following the end of each fiscal quarter. Available cash generally means, with respect to any quarter, all cash on hand at the end of such quarter less the amount of cash reserves that are necessary or appropriate in the reasonable discretion of the General Partner that is necessary or appropriate to provide for future cash requirements.

Distributions declared and paid are as follows:

Quarter Ended	Record Date	Payment Date	Rate
December 31, 2017	February 8, 2018	February 20, 2018	$ 0.3050
March 31, 2018	May 7, 2018	May 21, 2018	0.3050
June 30, 2018	August 6, 2018	August 20, 2018	0.3050
September 30, 2018	November 8, 2018	November 19, 2018	0.3050
December 31, 2018	February 8, 2019	February 19, 2019	0.3050
March 31, 2019	May 7, 2019	May 20, 2019	0.3050
June 30, 2019	August 6, 2019	August 19, 2019	0.3050
September 30, 2019	November 5, 2019	November 19, 2019	0.3050
December 31, 2019	February 7, 2020	February 19, 2020	0.3050
March 31, 2020	May 7, 2020	May 19, 2020	0.3050
June 30, 2020	August 7, 2020	August 19, 2020	0.3050
September 30, 2020	November 6, 2020	November 19, 2020	0.1525
December 31, 2020	February 8, 2021	February 19, 2021	0.1525

Certain common unitholders elected to participate in a plan pursuant to which those unitholders elected to forego their cash distributions on all or a portion of their common units for a period of up to nine quarters commencing with the distribution for the quarter ended March 31, 2016 and, in lieu of receiving cash distributions on these common units for each such quarter, each said unitholder received ET Series A Convertible Preferred Units (on a one-for-one basis for each common unit as to which the participating unitholder elected be subject to this plan) that entitled them to receive a cash distribution of up to $0.11 per unit. In May 2018, the ET Series A Convertible Preferred Units converted into ET Common Units. See Note 8 to the Partnership's consolidated financial statements included in "Item 8. Financial Statements and Supplementary Data."

Our distributions declared and paid with respect to ET Series A Convertible Preferred Unit were as follows:

Quarter Ended	Record Date	Payment Date	Rate
December 31, 2016	February 7, 2017	February 21, 2017	$ 0.1100
March 31, 2017	May 10, 2017	May 19, 2017	0.1100
June 30, 2017	August 7, 2017	August 21, 2017	0.1100
September 30, 2017	November 7, 2017	November 20, 2017	0.1100
December 31, 2017	February 8, 2018	February 20, 2018	0.1100
March 31, 2018	May 7, 2018	May 21, 2018	0.1100

The total amounts of distributions declared and paid during the periods presented (all from Available Cash from the Parent Company's operating surplus and are shown in the period to which they relate) are as follows:

	Years Ended December 31,		
	2020	2019	2018
Limited Partners	$ 2,468	$ 3,221	$ 2,215
General Partner interest	3	4	3
Total Parent Company distributions	$ 2,471	$ 3,225	$ 2,218

Cash Distributions Paid by Subsidiaries

Certain of our subsidiaries are required by their respective partnership agreements to distribute all cash on hand at the end of each quarter, less appropriate reserves determined by the board of directors of their respective general partners.

ETO Preferred Unit Distributions

Distributions on the ETO's Series A, Series B, Series C, Series D, Series E, Series F and Series G preferred units declared and/or paid by ETO were as follows:

Period Ended	Record Date	Payment Date	Series A [1]	Series B [1]	Series C	Series D	Series E	Series F [1]	Series G [1]
June 30, 2018	August 1, 2018	August 15, 2018	$ 31.2500	$ 33.1250	$ 0.5634 *	$ —	$ —	$ —	$ —
September 30, 2018	November 1, 2018	November 15, 2018	—	—	0.4609	0.5931 *	—	—	—
December 31, 2018	February 1, 2019	February 15, 2019	31.2500	33.1250	0.4609	0.4766	—	—	—
March 31, 2019	May 1, 2019	May 15, 2019	—	—	0.4609	0.4766	—	—	—
June 30, 2019	August 1, 2019	August 15, 2019	31.2500	33.1250	0.4609	0.4766	0.5806 *	—	—
September 30, 2019	November 1, 2019	November 15, 2019	—	—	0.4609	0.4766	0.4750	—	—
December 31, 2019	February 3, 2020	February 18, 2020	31.2500	33.1250	0.4609	0.4766	0.4750	—	—
March 31, 2020	May 1, 2020	May 15, 2020	—	—	0.4609	0.4766	0.4750	21.19 *	22.36 *
June 30, 2020	August 3, 2020	August 17, 2020	31.2500	33.1250	0.4609	0.4766	0.4750	—	—
September 30, 2020	November 2, 2020	November 15, 2020	—	—	0.4609	0.4766	0.4750	33.75	35.625
December 31, 2020	February 1, 2021	February 16, 2021	31.2500	33.1250	0.4609	0.4766	0.4750	—	—

* Represent prorated initial distributions.

[1] ETO Series A Preferred Unit, ETO Series B Preferred Unit, ETO Series F Preferred Unit and ETO Series G Preferred Unit distributions are paid on a semi-annual basis.

Sunoco LP Cash Distributions

The following table illustrates the percentage allocations of available cash from operating surplus between Sunoco LP's common unitholders and the holder of its IDRs based on the specified target distribution levels, after the payment of distributions to Class C unitholders. The amounts set forth under "marginal percentage interest in distributions" are the percentage interests of the IDR holder and the common unitholders in any available cash from operating surplus which Sunoco LP distributes up to and including the corresponding amount in the column "total quarterly distribution per unit target amount."

The percentage interests shown for common unitholders and IDR holder for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution.

		Marginal Percentage Interest in Distributions	
	Total Quarterly Distribution Target Amount	Common Unitholders	Holder of IDRs
Minimum Quarterly Distribution	$0.4375	100%	—%
First Target Distribution	$0.4375 to $0.503125	100%	—%
Second Target Distribution	$0.503125 to $0.546875	85%	15%
Third Target Distribution	$0.546875 to $0.656250	75%	25%
Thereafter	Above $0.656250	50%	50%

Distributions on Sunoco LP's units declared and/or paid by Sunoco LP were as follows:

Quarter Ended	Record Date	Payment Date	Rate
December 31, 2017	February 6, 2018	February 14, 2018	$ 0.8255
March 31, 2018	May 7, 2018	May 15, 2018	0.8255
June 30, 2018	August 7, 2018	August 15, 2018	0.8255
September 30, 2018	November 6, 2018	November 14, 2018	0.8255
December 31, 2018	February 6, 2019	February 14, 2019	0.8255
March 31, 2019	May 7, 2019	May 15, 2019	0.8255
June 30, 2019	August 6, 2019	August 14, 2019	0.8255
September 30, 2019	November 5, 2019	November 19, 2019	0.8255
December 31, 2019	February 7, 2020	February 19, 2020	0.8255
March 31, 2020	May 7, 2020	May 19, 2020	0.8255
June 30, 2020	August 7, 2020	August 19, 2020	0.8255
September 30, 2020	November 6, 2020	November 19, 2020	0.8255
December 31, 2020	February 8, 2021	February 19, 2021	0.8255

The total amount of distributions to the Partnership from Sunoco LP for the periods presented below is as follows:

	Years Ended December 31,		
	2020	2019	2018
Distributions from Sunoco LP			
Limited Partner interests	$ 94	$ 94	$ 94
General Partner interest and IDRs	70	70	70
Series A Preferred	—	—	2
Total distributions from Sunoco LP	$ 164	$ 164	$ 166

USAC Cash Distributions

Subsequent to the Energy Transfer Merger and USAC Transactions described in Note 1 and Note 3, respectively, ETO owned approximately 39.7 million USAC common units and 6.4 million USAC Class B units. Subsequent to the conversion of the USAC Class B Units to USAC common units on July 30, 2019, ETO owns approximately 46.1 million USAC common units. As of December 31, 2020, USAC had approximately 97.0 million common units outstanding. USAC currently has a non-economic general partner interest and no outstanding IDRs.

Distributions on USAC's units declared and/or paid by USAC subsequent to the USAC transaction on April 2, 2018 were as follows:

Quarter Ended	Record Date	Payment Date	Rate
March 31, 2018	May 1, 2018	May 11, 2018	$ 0.5250
June 30, 2018	July 30, 2018	August 10, 2018	0.5250
September 30, 2018	October 29, 2018	November 9, 2018	0.5250
December 31, 2018	January 28, 2019	February 8, 2019	0.5250
March 31, 2019	April 29, 2019	May 10, 2019	0.5250
June 30, 2019	July 29, 2019	August 9, 2019	0.5250
September 30, 2019	October 28, 2019	November 8, 2019	0.5250
December 31, 2019	January 27, 2020	February 7, 2020	0.5250
March 31, 2020	April 27, 2020	May 8, 2020	0.5250
June 30, 2020	July 31, 2020	August 10, 2020	0.5250
September 30, 2020	October 26, 2020	November 6, 2020	0.5250
December 31, 2020	January 25, 2021	February 5, 2021	0.5250

The total amount of distributions to the Partnership from USAC for the periods presented below is as follows:

	Years Ended December 31,		
	2020	2019	2018
Distributions from USAC			
Limited Partner interests	$ 97	$ 90	$ 73
Total distributions from USAC	$ 97	$ 90	$ 73

Critical Accounting Estimates

The selection and application of accounting policies is an important process that has developed as our business activities have evolved and as the accounting rules have developed. Accounting rules generally do not involve a selection among alternatives, but involve an implementation and interpretation of existing rules, and the use of judgment applied to the specific set of circumstances existing in our business. We make every effort to properly comply with all applicable rules, and we believe the proper implementation and consistent application of the accounting rules are critical. Our critical accounting policies are discussed below. For further details on our accounting policies see Note 2 to our consolidated financial statements.

Use of Estimates. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the accrual for and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The natural gas industry conducts its business by processing actual transactions at the end of the month following the month of delivery. Consequently, the most current month's financial results for the midstream, NGL and intrastate transportation and storage segments are estimated using volume estimates and market prices. Any differences between estimated results and actual results are recognized in the following month's financial statements. Management believes that the operating results estimated for the year ended December 31, 2020 represent the actual results in all material respects.

Some of the other significant estimates made by management include, but are not limited to, the timing of certain forecasted transactions that are hedged, the fair value of derivative instruments, useful lives for depreciation, depletion and amortization, purchase accounting allocations and subsequent realizability of intangible assets, fair value measurements used in the goodwill impairment test, market value of inventory, assets and liabilities resulting from the regulated ratemaking process, contingency reserves and environmental reserves. Actual results could differ from those estimates.

Impairment of Long-Lived Assets, Goodwill, Intangible Assets and Investments in Unconsolidated Affiliates. Long-lived assets are required to be tested for recoverability whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Goodwill and intangibles with indefinite lives must be tested for impairment annually or more frequently if events or changes in circumstances indicate that the related asset might be impaired. An impairment of an investment in an unconsolidated affiliate is recognized when circumstances indicate that a decline in the investment value is

other than temporary. An impairment loss should be recognized only if the carrying amount of the asset/goodwill is not recoverable and exceeds its fair value.

In order to test for recoverability when performing a quantitative impairment test, we must make estimates of projected cash flows related to the asset, which include, but are not limited to, assumptions about the use or disposition of the asset, estimated remaining life of the asset, and future expenditures necessary to maintain the asset's existing service potential. In order to determine fair value, we make certain estimates and assumptions, including, among other things, changes in general economic conditions in regions in which our markets are located, the availability and prices of natural gas, our ability to negotiate favorable sales agreements, the risks that natural gas exploration and production activities will not occur or be successful, our dependence on certain significant customers and producers of natural gas, and competition from other companies, including major energy producers. While we believe we have made reasonable assumptions to calculate the fair value, if future results are not consistent with our estimates, we could be exposed to future impairment losses that could be material to our results of operations.

The Partnership determines the fair value of its reporting units using a discounted cash flow method, the guideline company method, or a weighted combination of these methods. Determining the fair value of a reporting unit requires judgment and the use of significant estimates and assumptions. Such estimates and assumptions include revenue growth rates, operating margins, weighted average costs of capital and future market conditions, among others. The Partnership believes the estimates and assumptions used in our impairment assessments are reasonable and based on available market information, but variations in any of the assumptions could result in materially different calculations of fair value and determinations of whether or not an impairment is indicated. Under the discounted cash flow method, the Partnership determines fair value based on estimated future cash flows of each reporting unit including estimates for capital expenditures, discounted to present value using the risk-adjusted industry rate, which reflect the overall level of inherent risk of the reporting unit. Cash flow projections are derived from one year budgeted amounts and five year operating forecasts plus an estimate of later period cash flows, all of which are evaluated by management. Subsequent period cash flows are developed for each reporting unit using growth rates that management believes are reasonably likely to occur. Under the guideline company method, the Partnership determines the estimated fair value of each of our reporting units by applying valuation multiples of comparable publicly-traded companies to each reporting unit's projected EBITDA and then averaging that estimate with similar historical calculations using a three year average. In addition, the Partnership estimates a reasonable control premium, when appropriate, representing the incremental value that accrues to the majority owner from the opportunity to dictate the strategic and operational actions of the business.

One key assumption for the measurement of an impairment is management's estimate of future cash flows and EBITDA. These estimates are based on the annual budget for the upcoming year and forecasted amounts for multiple subsequent years. The annual budget process is typically completed near the annual goodwill impairment testing date, and management uses the most recent information for the annual impairment tests. The forecast is also subjected to a comprehensive update annually in conjunction with the annual budget process and is revised periodically to reflect new information and/or revised expectations. The estimates of future cash flows and EBITDA are subjective in nature and are subject to impacts from the business risks described in "Item 1A. Risk Factors." Therefore, the actual results could differ significantly from the amounts used for goodwill impairment testing, and significant changes in fair value estimates could occur in a given period. Such changes in fair value estimates could result in additional impairments in future periods; therefore, the actual results could differ significantly from the amounts used for goodwill impairment testing, and significant changes in fair value estimates could occur in a given period, resulting in additional impairments.

In addition, we may change our method of impairment testing, including changing the weight assigned to different valuation models. Such changes could be driven by various factors, including the level of precision or availability of data for our assumptions. Any changes in the method of testing could also result in an impairment or impact the magnitude of an impairment.

During the years ended December 31, 2020, 2019 and 2018, the Partnership recorded impairments totaling $3.01 billion, $74 million and $431 million, respectively, including $129 million in impairments in unconsolidated affiliates in 2020, and $66 million, $53 million and $52 million of long-lived asset impairments in 2020, 2019 and 2018, respectively. Additional information on the impairments recorded during these periods is available in "Item 8. Financial Statements and Supplementary Data."

The goodwill impairments recorded by the Partnership during the years ended December 31, 2020, 2019 and 2018 represented all of the goodwill within the respective reporting units.

Management does not believe that any of the Partnership's goodwill balances, long-lived assets or investments in unconsolidated affiliates is currently at significant risk of a material impairment; however, of the $2.39 billion of goodwill on

the Partnership's consolidated balance sheet as of December 31, 2020, approximately $368 million is recorded in reporting units for which the estimated fair value exceeded the carrying value by less than 20% in the most recent quantitative test.

Estimated Useful Lives of Long-Lived Assets. Depreciation and amortization of long-lived assets is provided using the straight-line method based on their estimated useful lives. Changes in the estimated useful lives of the assets could have a material effect on our results of operation. The Partnership's results of operations have not been significantly impacted by changes in the estimated useful lives of our long-lived assets during the periods presented, and we do not anticipate any such significant changes in the future. However, changes in facts and circumstances could cause us to change the estimated useful lives of the assets, which could significantly impact the Partnership's results of operations. Additional information on our accounting policies and the estimated useful lives associated with our long-lived assets is available in "Item 8. Financial Statements and Supplementary Data."

Legal and Regulatory Matters. We are subject to litigation and regulatory proceedings as a result of our business operations and transactions. We utilize both internal and external counsel in evaluating our potential exposure to adverse outcomes from claims, orders, judgments or settlements. To the extent that actual outcomes differ from our estimates, or additional facts and circumstances cause us to revise our estimates, our earnings will be affected. We expense legal costs as incurred, and all recorded legal liabilities are revised, as required, as better information becomes available to us. The factors we consider when recording an accrual for contingencies include, among others: (i) the opinions and views of our legal counsel; (ii) our previous experience; and (iii) the decision of our management as to how we intend to respond to the complaints. As of December 31, 2020 and 2019, accruals of $77 million and $120 million, respectively, were reflected in our consolidated balance sheets related to these contingent obligations.

For more information on our litigation and contingencies, see Note 11 to our consolidated financial statements included in "Item 8. Financial Statements and Supplementary Data" in this report.

Environmental Remediation Activities. The Partnership's accrual for environmental remediation activities reflects anticipated work at identified sites where an assessment has indicated that cleanup costs are probable and reasonably estimable. The accrual for known claims is undiscounted and is based on currently available information, estimated timing of remedial actions and related inflation assumptions, existing technology and presently enacted laws and regulations. It is often extremely difficult to develop reasonable estimates of future site remediation costs due to changing regulations, changing technologies and their associated costs, and changes in the economic environment. Engineering studies, historical experience and other factors are used to identify and evaluate remediation alternatives and their related costs in determining the estimated accruals for environmental remediation activities.

Losses attributable to unasserted claims are generally reflected in the accruals on an undiscounted basis, to the extent they are probable of occurrence and reasonably estimable. We have established a wholly-owned captive insurance company to bear certain risks associated with environmental obligations related to certain sites that are no longer operating. The premiums paid to the captive insurance company include estimates for environmental claims that have been incurred but not reported, based on an actuarially determined fully developed claims expense estimate. In such cases, we accrue losses attributable to unasserted claims based on the discounted estimates that are used to develop the premiums paid to the captive insurance company.

In general, each remediation site/issue is evaluated individually based upon information available for the site/issue and no pooling or statistical analysis is used to evaluate an aggregate risk for a group of similar items (e.g., service station sites) in determining the amount of probable loss accrual to be recorded. The Partnership's estimates of environmental remediation costs also frequently involve evaluation of a range of estimates. In many cases, it is difficult to determine that one point in the range of loss estimates is more likely than any other. In these situations, existing accounting guidance requires that the minimum of the range be accrued. Accordingly, the low end of the range often represents the amount of loss which has been recorded. The Partnership's consolidated balance sheet reflected $306 million and $320 million in environmental accruals as of December 31, 2020 and 2019, respectively.

Total future costs for environmental remediation activities will depend upon, among other things, the identification of any additional sites, the determination of the extent of the contamination at each site, the timing and nature of required remedial actions, the nature of operations at each site, the technology available and needed to meet the various existing legal requirements, the nature and terms of cost-sharing arrangements with other potentially responsible parties, the availability of insurance coverage, the nature and extent of future environmental laws and regulations, inflation rates, terms of consent agreements or remediation permits with regulatory agencies and the determination of the Partnership's liability at the sites, if any, in light of the number, participation level and financial viability of the other parties. The recognition of additional losses, if and when they were to occur, would likely extend over many years. Management believes that the Partnership's exposure to adverse developments with respect to any individual site is not expected to be material. However, if changes in environmental laws or regulations occur or the assumptions used to estimate losses at multiple sites are adjusted, such changes could impact

multiple facilities, formerly owned facilities and third-party sites at the same time. As a result, from time to time, significant charges against income for environmental remediation may occur; however, management does not believe that any such charges would have a material adverse impact on the Partnership's consolidated financial position.

Deferred Income Taxes. ET recognizes benefits in earnings and related deferred tax assets for net operating loss carryforwards ("NOLs") and tax credit carryforwards. If necessary, a charge to earnings and a related valuation allowance are recorded to reduce deferred tax assets to an amount that is more likely than not to be realized by the Partnership in the future. Deferred income tax assets attributable to state and federal NOLs and federal excess business interest expense carryforwards totaling $1.047 billion have been included in ET's consolidated balance sheet as of December 31, 2020. The state NOL carryforward benefits of $220 million ($174 million net of federal benefit) begin to expire in 2021 with a substantial portion expiring between 2033 and 2039. ET's corporate subsidiaries have federal NOLs of $3.73 billion ($784 million in benefits) of which $1.3 billion will expire between 2031 and 2037. A total of $787 million of the federal net operating loss carryforward is limited under IRC §382. Although we expect to fully utilize the IRC §382 limited federal net operating loss, the amount utilized in a particular year may be limited. Any federal NOL generated in 2018 and future years can be carried forward indefinitely. We have determined that a valuation allowance totaling $113 million ($89 million net of federal income tax effects) is required for state NOLs as of December 31, 2020 primarily due to significant restrictions on their use in the Commonwealth of Pennsylvania. A separate valuation allowance of $45 million is attributable to foreign tax credits. In making the assessment of the future realization of the deferred tax assets, we rely on future reversals of existing taxable temporary differences, tax planning strategies and forecasted taxable income based on historical and projected future operating results. The potential need for valuation allowances is regularly reviewed by management. If it is more likely than not that the recorded asset will not be realized, additional valuation allowances which increase income tax expense may be recognized in the period such determination is made. Likewise, if it is more likely than not that additional deferred tax assets will be realized, an adjustment to the deferred tax asset will increase income in the period such determination is made.

Forward-Looking Statements

This annual report contains various forward-looking statements and information that are based on our beliefs and those of our General Partner, as well as assumptions made by and information currently available to us. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. When used in this annual report, words such as "anticipate," "project," "expect," "plan," "goal," "forecast," "estimate," "intend," "could," "believe," "may," "will" and similar expressions and statements regarding our plans and objectives for future operations, are intended to identify forward-looking statements. Although we and our General Partner believe that the expectations on which such forward-looking statements are based are reasonable, neither we nor our General Partner can give assurances that such expectations will prove to be correct. Forward-looking statements are subject to a variety of risks, uncertainties and assumptions. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results may vary materially from those anticipated, estimated, projected or expected. Among the key risk factors that may have a direct bearing on our results of operations and financial condition are:

- the ability of our subsidiaries to make cash distributions to us, which is dependent on their results of operations, cash flows and financial condition;
- the actual amount of cash distributions by our subsidiaries to us;
- the volumes transported on our subsidiaries' pipelines and gathering systems;
- the level of throughput in our subsidiaries' processing and treating facilities;
- the fees our subsidiaries charge and the margins they realize for their gathering, treating, processing, storage and transportation services;
- the prices and market demand for, and the relationship between, natural gas and NGLs;
- energy prices generally;
- impacts of world health events, including the COVID-19 pandemic;
- the prices of natural gas and NGLs compared to the price of alternative and competing fuels;
- the general level of petroleum product demand and the availability and price of NGL supplies;
- the level of domestic oil, natural gas and NGL production;
- the availability of imported oil, natural gas and NGLs;
- actions taken by foreign oil and gas producing nations;
- the political and economic stability of petroleum producing nations;

- the effect of weather conditions on demand for oil, natural gas and NGLs;
- availability of local, intrastate and interstate transportation systems;
- the continued ability to find and contract for new sources of natural gas supply;
- availability and marketing of competitive fuels;
- the impact of energy conservation efforts;
- energy efficiencies and technological trends;
- governmental regulation and taxation;
- changes to, and the application of, regulation of tariff rates and operational requirements related to our subsidiaries' interstate and intrastate pipelines;
- hazards or operating risks incidental to the gathering, treating, processing and transporting of natural gas and NGLs;
- competition from other midstream companies and interstate pipeline companies;
- loss of key personnel;
- loss of key natural gas producers or the providers of fractionation services;
- reductions in the capacity or allocations of third-party pipelines that connect with our subsidiaries pipelines and facilities;
- the effectiveness of risk-management policies and procedures and the ability of our subsidiaries liquids marketing counterparties to satisfy their financial commitments;
- the nonpayment or nonperformance by our subsidiaries' customers;
- regulatory, environmental, political and legal uncertainties that may affect the timing and cost of our subsidiaries' internal growth projects, such as our subsidiaries' construction of additional pipeline systems;
- risks associated with the construction of new pipelines and treating and processing facilities or additions to our subsidiaries' existing pipelines and facilities, including difficulties in obtaining permits and rights-of-way or other regulatory approvals and the performance by third-party contractors;
- the availability and cost of capital and our subsidiaries' ability to access certain capital sources;
- a deterioration of the credit and capital markets;
- risks associated with the assets and operations of entities in which our subsidiaries own a noncontrolling interests, including risks related to management actions at such entities that our subsidiaries may not be able to control or exert influence;
- the ability to successfully identify and consummate strategic acquisitions at purchase prices that are accretive to our financial results and to successfully integrate acquired businesses;
- changes in laws and regulations to which we are subject, including tax, environmental, transportation and employment regulations or new interpretations by regulatory agencies concerning such laws and regulations; and
- the costs and effects of legal and administrative proceedings.

You should not put undue reliance on any forward-looking statements. When considering forward-looking statements, please review the risks described under "Item 1A. Risk Factors" in this annual report. Any forward-looking statement made by us in this Annual Report on Form 10-K is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

Inflation

Interest rates on existing and future credit facilities and future debt offerings could be significantly higher than current levels, causing our financing costs to increase accordingly. Although increased financing costs could limit our ability to raise funds in the capital markets, we expect to remain competitive with respect to acquisitions and capital projects since our competitors would face similar circumstances.

Inflation in the United States has been relatively low in recent years and has not had a material effect on our results of operations. It may in the future, however, increase the cost to acquire or replace property, plant and equipment and may increase the costs of labor and supplies. Our operating revenues and costs are influenced to a greater extent by commodity price

changes. To the extent permitted by competition, regulation and our existing agreements, we have and will continue to pass along a portion of increased costs to our customers in the form of higher fees.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

(Tabular dollar amounts are in millions)

Market risk includes the risk of loss arising from adverse changes in market rates and prices. We face market risk from commodity variations, risk and interest rate variations, and to a lesser extent, credit risks. From time to time, we may utilize derivative financial instruments as described below to manage our exposure to such risks.

Commodity Price Risk

We are exposed to market risks related to the volatility of commodity prices. To manage the impact of volatility from these prices, we utilize various exchange-traded and OTC commodity financial instrument contracts. These contracts consist primarily of futures, swaps and options and are recorded at fair value in our consolidated balance sheets.

We use futures and basis swaps, designated as fair value hedges, to hedge our natural gas inventory stored in our Bammel storage facility. At hedge inception, we lock in a margin by purchasing gas in the spot market or off peak season and entering into a financial contract. Changes in the spreads between the forward natural gas prices and the physical inventory spot price result in unrealized gains or losses until the underlying physical gas is withdrawn and the related designated derivatives are settled. Once the gas is withdrawn and the designated derivatives are settled, the previously unrealized gains or losses associated with these positions are realized.

We use futures, swaps and options to hedge the sales price of natural gas we retain for fees in our intrastate transportation and storage segment and operational gas sales on our interstate transportation and storage segment. These contracts are not designated as hedges for accounting purposes.

We use NGL and crude derivative swap contracts to hedge forecasted sales of NGL and condensate equity volumes we retain for fees in our midstream segment whereby our subsidiaries generally gather and process natural gas on behalf of producers, sell the resulting residue gas and NGL volumes at market prices and remit to producers an agreed upon percentage of the proceeds based on an index price for the residue gas and NGL. These contracts are not designated as hedges for accounting purposes.

We utilize swaps, futures and other derivative instruments to mitigate the risk associated with market movements in the price of refined products and NGLs to manage our storage facilities and the purchase and sale of purity NGL. These contracts are not designated as hedges for accounting purposes.

We use futures and swaps to achieve ratable pricing of crude oil purchases, to convert certain expected refined product sales to fixed or floating prices, to lock in margins for certain refined products and to lock in the price of a portion of natural gas purchases or sales. These contracts are not designated as hedges for accounting purposes.

We use financial commodity derivatives to take advantage of market opportunities in our trading activities which complement our transportation and storage segment’s operations and are netted in cost of products sold in our consolidated statements of operations. We also have trading and marketing activities related to power and natural gas in our all other segment which are also netted in cost of products sold. As a result of our trading activities and the use of derivative financial instruments in our transportation and storage segment, the degree of earnings volatility that can occur may be significant, favorably or unfavorably, from period to period. We attempt to manage this volatility through the use of daily position and profit and loss reports provided to our risk oversight committee, which includes members of senior management, and the limits and authorizations set forth in our commodity risk management policy.

The tables below summarize commodity-related financial derivative instruments, fair values and the effect of an assumed hypothetical 10% change in the underlying price of the commodity as of December 31, 2020 and 2019 for ETO and Sunoco LP, including derivatives related to their respective subsidiaries. Dollar amounts are presented in millions.

	December 31, 2020			December 31, 2019		
	Notional Volume	Fair Value Asset (Liability)	Effect of Hypothetical 10% Change	Notional Volume	Fair Value Asset (Liability)	Effect of Hypothetical 10% Change
Mark-to-Market Derivatives						
(Trading)						
Natural Gas (BBtu):						
Fixed Swaps/Futures	1,603	$ —	$ —	1,483	$ —	$ —
Basis Swaps IFERC/NYMEX[(1)]	(44,225)	2	5	(35,208)	2	5
Power (Megawatt):						
Forwards	1,392,400	4	—	3,213,450	6	8
Futures	18,706	(1)	—	(353,527)	1	2
Options – Puts	519,071	—	—	51,615	1	—
Options – Calls	2,343,293	1	—	(2,704,330)	1	—
(Non-Trading)						
Natural Gas (BBtu):						
Basis Swaps IFERC/NYMEX	(29,173)	—	1	(18,923)	(35)	15
Swing Swaps IFERC	11,208	(2)	—	(9,265)	—	4
Fixed Swaps/Futures	(53,575)	6	31	(3,085)	(1)	1
Forward Physical Contracts	(11,861)	4	5	(13,364)	3	3
NGL (MBbls) – Forwards/Swaps	(5,840)	(100)	39	(1,300)	(18)	18
Crude (MBbls) – Forwards/Swaps	—	—	—	4,465	13	2
Refined Products (MBbls) – Futures	(2,765)	(8)	3	(2,473)	(2)	16
Corn (thousand bushels)	—	—	—	(1,210)	—	—
Fair Value Hedging Derivatives						
(Non-Trading)						
Natural Gas (BBtu):						
Basis Swaps IFERC/NYMEX	(30,113)	(1)	—	(31,780)	1	7
Fixed Swaps/Futures	(30,113)	(6)	8	(31,780)	23	7

[(1)] Includes aggregate amounts for open positions related to Houston Ship Channel, Waha Hub, NGPL TexOk, West Louisiana Zone and Henry Hub locations.

The fair values of the commodity-related financial positions have been determined using independent third-party prices, readily available market information and appropriate valuation techniques. Non-trading positions offset physical exposures to the cash market; none of these offsetting physical exposures are included in the above tables. Price-risk sensitivities were calculated by assuming a theoretical 10% change (increase or decrease) in price regardless of term or historical relationships between the contractual price of the instruments and the underlying commodity price. Results are presented in absolute terms and represent a potential gain or loss in net income or in other comprehensive income. In the event of an actual 10% change in prompt month natural gas prices, the fair value of our total derivative portfolio may not change by 10% due to factors such as when the financial instrument settles and the location to which the financial instrument is tied (i.e., basis swaps) and the relationship between prompt month and forward months.

Interest Rate Risk

As of December 31, 2020, our subsidiaries had $6.72 billion of floating rate debt outstanding. A hypothetical change of 100 basis points would result in a maximum potential change to interest expense of $67 million annually; however, our actual change in interest expense may be less in a given period due to interest rate floors included in our variable rate debt instruments.

We manage a portion of our interest rate exposure by utilizing interest rate swaps, including forward-starting interest rate swaps to lock-in the rate on a portion of anticipated debt issuances.

The following table summarizes our interest rate swaps outstanding, none of which were designated as hedges for accounting purposes (dollar amounts presented in millions):

		Notional Amount Outstanding	
Term	Type[1]	December 31, 2020	December 31, 2019
July 2020 [2][3]	Forward-starting to pay a fixed rate of 3.52% and receive a floating rate	$ —	$ 400
July 2021 [2]	Forward-starting to pay a fixed rate of 3.55% and receive a floating rate	400	400
July 2022 [2]	Forward-starting to pay a fixed rate of 3.80% and receive a floating rate	400	400

[1] Floating rates are based on 3-month LIBOR.

[2] Represents the effective date. These forward-starting swaps have terms of 30 years with a mandatory termination date the same as the effective date.

[3] The July 2020 interest rate swaps were terminated in January 2020.

A hypothetical change of 100 basis points in interest rates for these interest rate swaps would result in a net change in the fair value of interest rate derivatives and earnings (recognized in gains (losses) on interest rate derivatives) of $275 million as of December 31, 2020. For the forward-starting interest rate swaps, a hypothetical change of 100 basis points in interest rates would not affect cash flows until the swaps are settled.

Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a loss to the Partnership. Credit policies have been approved and implemented to govern the Partnership's portfolio of counterparties with the objective of mitigating credit losses. These policies establish guidelines, controls and limits to manage credit risk within approved tolerances by mandating an appropriate evaluation of the financial condition of existing and potential counterparties, monitoring agency credit ratings, and by implementing credit practices that limit exposure according to the risk profiles of the counterparties. Furthermore, the Partnership may, at times, require collateral under certain circumstances to mitigate credit risk as necessary. The Partnership also uses industry standard commercial agreements which allow for the netting of exposures associated with transactions executed under a single commercial agreement. Additionally, we utilize master netting agreements to offset credit exposure across multiple commercial agreements with a single counterparty or affiliated group of counterparties.

The Partnership's counterparties consist of a diverse portfolio of customers across the energy industry, including petrochemical companies, commercial and industrial end-users, oil and gas producers, municipalities, gas and electric utilities, midstream companies and independent power generators. Our overall exposure may be affected positively or negatively by macroeconomic or regulatory changes that impact our counterparties to one extent or another. Currently, management does not anticipate a material adverse effect in our financial position or results of operations as a consequence of counterparty non-performance.

For financial instruments, failure of a counterparty to perform on a contract could result in our inability to realize amounts that have been recorded on our consolidated balance sheets and recognized in net income or other comprehensive income.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements starting on page F-1 of this report are incorporated by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of our management, including Marshall S. McCrea, III and Thomas E. Long, Co-Chief Executive Officers of our General Partner (Co-Principal Executive Officers), and Bradford D. Whitehurst (Principal Financial Officer), of the effectiveness of the design and operation of our disclosure controls and procedures (as such terms are defined in Rules 13a–15(e) and 15d–15(e) of the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, management, including Messrs. McCrea, Long and Whitehurst, concluded that our disclosure controls and procedures were adequate and effective as of December 31, 2020.

Management's Report on Internal Control over Financial Reporting

The management of Energy Transfer LP and subsidiaries is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including the Co-Chief Executive Officers and Chief Financial Officer of our General Partner, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO Framework").

Based on our evaluation under the COSO framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2020.

Grant Thornton LLP, an independent registered public accounting firm, has audited the effectiveness of our internal control over financial reporting as of December 31, 2020, as stated in their report, which is included herein.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors of LE GP, LLC and
Unitholders of Energy Transfer LP

Opinion on internal control over financial reporting

We have audited the internal control over financial reporting of Energy Transfer LP (a Delaware limited partnership) and subsidiaries (the "Partnership") as of December 31, 2020, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Partnership as of and for the year ended December 31, 2020, and our report dated February 19, 2021 expressed unqualified opinion on those financial statements.

Basis for opinion

The Partnership's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Partnership's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and limitations of internal control over financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ GRANT THORNTON LLP

Dallas, Texas
February 19, 2021

Changes in Internal Controls over Financial Reporting

There has been no change in our internal controls over financial reporting (as defined in Rules 13a–15(f) or Rule 15d–15(f)) that occurred in the three months ended December 31, 2020 that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Board of Directors

Our general partner, LE GP, LLC, manages and directs all of our activities. The officers and directors of ET are officers and directors of LE GP, LLC. The members of our general partner elect our general partner's Board of Directors. The board of directors of our general partner has the authority to appoint our executive officers, subject to provisions in the limited liability company agreement of our general partner. Pursuant to other authority, the board of directors of our general partner may appoint additional management personnel to assist in the management of our operations and, in the event of the death, resignation or removal of our chief executive officer, to appoint a replacement.

As of January 1, 2021, our Board of Directors is comprised of 11 persons, five of whom qualify as "independent" under the NYSE's corporate governance standards. We have determined that Messrs. Anderson, Brannon, Grimm, Perry and Washburne are all "independent" under the NYSE's corporate governance standards.

As a limited partnership, we are not required by the rules of the NYSE to seek Unitholder approval for the election of any of our directors. We believe that the members of our general partner have appointed as directors individuals with experience, skills and qualifications relevant to the business of the Parent Company, such as experience in energy or related industries or with financial markets, expertise in natural gas operations or finance, and a history of service in senior leadership positions. We do not have a formal process for identifying director nominees, nor do we have a formal policy regarding consideration of diversity in identifying director nominees, but we believe that the members of our general partner have endeavored to assemble a group of individuals with the qualities and attributes required to provide effective oversight of the Parent Company.

Board Leadership Structure. We have no policy requiring either that the positions of the Chairman of the Board and the Chief Executive Officer, or CEO, be separate or that they be occupied by the same individual. The Board of Directors believes that this issue is properly addressed as part of the succession planning process and that a determination on this subject should be made when it elects a new chief executive officer or at such other times as when consideration of the matter is warranted by circumstances. Previously, the Board of Directors believed that the CEO was best situated to serve as Chairman because he was the director most familiar with the Partnership's business and industry, and most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy. Beginning in 2021, the Board of Directors has established separate roles for the Executive Chairman and Co-Chief Executive Officers. Independent directors and management have different perspectives and roles in strategy development. Our independent directors bring experience, oversight and expertise from outside the Partnership and from a variety of industries, while the Executive Chairman and Co-Chief Executive Officers bring extensive experience and expertise specifically related to the Partnership's business.

Risk Oversight. Our Board of Directors generally administers its risk oversight function through the board as a whole. Our Co-CEOs, who report to the Board of Directors, have day-to-day risk management responsibilities. Our Co-CEOs attend the meetings of our Board of Directors, where the Board of Directors routinely receives reports on our financial results, the status of our operations, and other aspects of implementation of our business strategy, with ample opportunity for specific inquiries of management. In addition, at each regular meeting of the Board, management provides a report of the Parent Company's financial and operational performance, which often prompts questions or feedback from the Board of Directors. The Audit Committee provides additional risk oversight through its quarterly meetings, where it receives a report from the Parent Company's internal auditor, who reports directly to the Audit Committee, and reviews the Parent Company's contingencies with management and our independent auditors.

Corporate Governance

The Board of Directors has adopted both a Code of Business Conduct and Ethics applicable to our directors, officers and employees, and Corporate Governance Guidelines for directors and the Board. Current copies of our Code of Business Conduct and Ethics, Corporate Governance Guidelines and charters of the Audit and Compensation Committees of our Board of Directors are available on our website at www.energytransfer.com and will be provided in print form to any Unitholder requesting such information.

Please note that the preceding Internet address is for information purposes only and is not intended to be a hyperlink. Accordingly, no information found and/or provided at such Internet addresses or at our website in general is intended or deemed to be incorporated by reference herein.

Annual Certification

In 2020, our Chief Executive Officer provided to the NYSE the annual CEO certification regarding our compliance with the NYSE's corporate governance listing standards.

Conflicts Committee

Our Partnership Agreement provides that the Board of Directors may, from time to time, appoint members of the Board to serve on the Conflicts Committee with the authority to review specific matters for which the Board of Directors believes there may be a conflict of interest in order to determine if the resolution of such conflict proposed by the general partner is fair and reasonable to the Parent Company and our Unitholders. As a policy matter, the Conflicts Committee generally reviews any proposed related-party transaction that may be material to the Parent Company to determine if the transaction presents a conflict of interest and whether the transaction is fair and reasonable to the Parent Company. Pursuant to the terms of our partnership agreement, any matters approved by the Conflicts Committee will be conclusively deemed to be fair and reasonable to the Parent Company, approved by all partners of the Parent Company and not a breach by the general partner or its Board of Directors of any duties they may owe the Parent Company or the Unitholders. These duties are limited by our Partnership Agreement (see "Risks Related to Conflicts of Interest" in "Item 1A. Risk Factors" in this annual report).

Audit Committee

The Board of Directors has established an Audit Committee in accordance with Section 3(a)(58)(A) of the Exchange Act. The Board of Directors appoints persons who are independent under the NYSE's standards for audit committee members to serve on its Audit Committee. In addition, the Board determines that at least one member of the Audit Committee has such accounting or related financial management expertise sufficient to qualify such person as the audit committee financial expert in accordance with Item 407(d)(5) of Regulation S-K. The Board determined that based on relevant experience, Audit Committee member Michael K. Grimm qualified as an audit committee financial expert during 2020. A description of the qualifications of Mr. Grimm may be found elsewhere in this Item 10 under "Directors and Executive Officers of the General Partner."

The Audit Committee meets on a regularly scheduled basis with our independent accountants at least four times each year and is available to meet at their request. The Audit Committee has the authority and responsibility to review our external financial reporting, review our procedures for internal auditing and the adequacy of our internal accounting controls, consider the qualifications and independence of our independent accountants, engage and direct our independent accountants, including the letter of engagement and statement of fees relating to the scope of the annual audit work and special audit work which may be recommended or required by the independent accountants, and to engage the services of any other advisors and accountants as the Audit Committee deems advisable. The Audit Committee reviews and discusses the audited financial statements with management, discusses with our independent auditors matters required to be discussed by auditing standards, and approves the filing of our Form 10-K, which includes our audited financial statements. The Audit Committee periodically recommends to the Board of Directors any changes or modifications to its charter that may be required. The Audit Committee has received written disclosures and the letter from Grant Thornton required by applicable requirements of the Audit Committee concerning independence and has discussed with Grant Thornton that firm's independence. The Audit Committee recommended to the Board that the audited financial statements of ET be included in ET's Annual Report on Form 10-K for the year ended December 31, 2020.

The Board of Directors adopts the charter for the Audit Committee. Steven R. Anderson, Richard D. Brannon and Michael K. Grimm serve as elected members of the Audit Committee.

Compensation and Nominating/Corporate Governance Committees

Although we are not required under NYSE rules to appoint a Compensation Committee or a Nominating/Corporate Governance Committee because we are a limited partnership, the Board of Directors of LE GP, LLC has previously established a Compensation Committee to establish standards and make recommendations concerning the compensation of our officers and directors. In addition, the Compensation Committee determines and establishes the standards for any awards to our employees and officers under the equity compensation plans, including the performance standards or other restrictions pertaining to the vesting of any such awards. Messrs. Anderson, Grimm and Washburne serve as members of the Compensation Committee.

Matters relating to the nomination of directors or corporate governance matters were addressed to and determined by the full Board of Directors for the period ET did not have a compensation committee.

The responsibilities of the ET Compensation Committee include, among other duties, the following:

- annually review and approve goals and objectives relevant to compensation of our CEO and CFO, if applicable;

- annually evaluate the CEO and CFO's performance in light of these goals and objectives, and make recommendations to the Board of Directors with respect to the CEO and CFO's compensation levels, if applicable, based on this evaluation;
- make determinations with respect to the grant of equity-based awards to executive officers under ET's equity incentive plans;
- periodically evaluate the terms and administration of ET's long-term incentive plans to assure that they are structured and administered in a manner consistent with ET's goals and objectives;
- periodically evaluate incentive compensation and equity-related plans and consider amendments if appropriate;
- periodically evaluate the compensation of the directors;
- retain and terminate any compensation consultant to be used to assist in the evaluation of director, CEO and CFO or executive officer compensation; and
- perform other duties as deemed appropriate by the Board of Directors.

Code of Business Conduct and Ethics

The Board of Directors has adopted a Code of Business Conduct and Ethics applicable to our officers, directors and employees. Specific provisions are applicable to the co-principal executive officers, principal financial officer, principal accounting officer and controller, or those persons performing similar functions, of our general partner. Amendments to, or waivers from, the Code of Business Conduct and Ethics will be available on our website and reported as may be required under SEC rules. Any technical, administrative or other non-substantive amendments to the Code of Business Conduct and Ethics may not be posted.

Meetings of Non-management Directors and Communications with Directors

Our non-management directors meet in regularly scheduled sessions. Our non-management directors alternate as the presiding director of such meetings.

We have established a procedure by which Unitholders or interested parties may communicate directly with the Board of Directors, any committee of the Board, any of the independent directors, or any one director serving on the Board of Directors by sending written correspondence addressed to the desired person, committee or group to the attention of Sonia Aubé at Energy Transfer LP 8111 Westchester Drive, Suite 600, Dallas, Texas, 75225. Communications are distributed to the Board of Directors, or to any individual director or directors as appropriate, depending on the facts and circumstances outlined in the communication.

Directors and Executive Officers of Our General Partner

The following table sets forth certain information with respect to the executive officers and members of the Board of Directors of our general partner as of February 19, 2021. Executive officers and directors are elected for indefinite terms.

Name	Age	Position with Our General Partner
Kelcy L. Warren	65	Executive Chairman of the Board of Directors
Thomas E. Long	64	Co-Chief Executive Officer and Director (Co-Principal Executive Officer)
Marshall S. (Mackie) McCrea, III	61	Co-Chief Executive Officer and Director (Co-Principal Executive Officer)
Bradford D. Whitehurst	46	Chief Financial Officer (Principal Financial Officer)
Matthew S. Ramsey	65	Chief Operating Officer and Director
Thomas P. Mason	64	Executive Vice President, General Counsel and President - LNG
A. Troy Sturrock	50	Senior Vice President and Controller (Principal Accounting Officer)
Steven R. Anderson	71	Director
Richard D. Brannon	62	Director
Ray C. Davis	79	Director
Michael K. Grimm	66	Director
John W. McReynolds	70	Director
James R. (Rick) Perry	70	Director
Ray W. Washburne	60	Director

Messrs. Warren, McCrea and Ramsey also serve as directors of the board of ETO's general partner. Mr. Ramsey serves as chairman of the board of the general partner of Sunoco LP, and Mr. Long serves as a director of the board of the general partners of Sunoco LP and of USAC. Mr. Mason and Mr. Whitehurst serve as directors of the general partner of USAC.

Set forth below is biographical information regarding the foregoing officers and directors of our general partner:

Kelcy L. Warren. Mr. Warren serves as Executive Chairman of our general partner. Mr. Warren served as Chief Executive Officer from August 2007 through December 2020. He was appointed Co-Chairman of the Board of Directors of our general partner, effective upon the closing of our IPO, and in August 2007, he became the sole Chairman of the Board of our general partner and the Chief Executive Officer and Chairman of the Board of the general partner of ETO. Prior to that, Mr. Warren had served as Co-Chief Executive Officer and Co-Chairman of the Board of the general partner of ETO since the combination of the midstream and intrastate transportation storage operations of La Grange Acquisition, L.P. and the retail propane operations of Heritage in January 2004. Mr. Warren also served as the Chief Executive Officer of PennTex Midstream Partners, LP's general partner from November 2016 to July 2017. Prior to the combination of the operations of ETO and Heritage Propane, Mr. Warren served as President of the general partner of ET Company I, Ltd. the entity that operated ETO's midstream assets before it acquired Aquila, Inc.'s midstream assets, having served in that capacity since 1996. From 1996 to 2000, he also served as a Director of Crosstex Energy, Inc. From 1993 to 1996, he served as President, Chief Operating Officer and a Director of Cornerstone Natural Gas, Inc. Mr. Warren has more than 30 years of business experience in the energy industry. Mr. Warren was selected to serve as a director and as Executive Chairman because he previously served as Chief Executive Officer and has more than 30 years in the natural gas industry. Mr. Warren also has relationships with chief executives and other senior management at natural gas transportation companies throughout the United States and brings a unique and valuable perspective to the Board of Directors.

Thomas E. Long. Mr. Long has served as the Co-Chief Executive Officer of our general partner since January 2021. Mr. Long served as Chief Financial Officer ET's general partner from February 2016 until January 2021, and has been a director of our general partner since April 2019. Mr. Long also served as the Chief Financial Officer and as a director of PennTex Midstream Partners, LP's general partner from November 2016 to July 2017. Mr. Long also serves as Chief Financial Officer of ETO and was previously Executive Vice President and Chief Financial Officer of Regency GP LLC from November 2010 to April 2015. From May 2008 to November 2010, Mr. Long served as Vice President and Chief Financial Officer of Matrix Service Company. Prior to joining Matrix, he served as Vice President and Chief Financial Officer of DCP Midstream Partners, LP, a publicly traded natural gas and natural gas liquids midstream business company located in Denver, Colorado. In that position, he was responsible for all financial aspects of the company since its formation in December 2005. From 1998 to 2005, Mr. Long served in several executive positions with subsidiaries of Duke Energy Corp., one of the nation's largest electric power companies. Mr. Long has served as a director of Sunoco LP since May 2016, and as Executive Chairman of the Board of USAC since April 2018. Mr. Long was selected to serve on our Board of Directors because of his understanding of energy-related corporate finance gained through his extensive experience in the energy industry.

Marshall S. (Mackie) McCrea, III. Mr. McCrea has served as the Co-Chief Executive Officer of our general partner since January 2021. Prior to that he was the President and Chief Commercial Officer of our general partner, having served in that role since October 2018 following the merger of Energy Transfer Equity, L.P. and Energy Transfer Partners, L.P. Prior to that time, he had been the Group Chief Operating Officer and Chief Commercial Officer of the Energy Transfer family since November 2015. Mr. McCrea has served on the Board of Directors of our general partner since December 2009. Mr. McCrea was appointed as a director of the general partner of ETO in December 2009. Prior to that, he served as President and Chief Operating Officer of ETO's general partner from June 2008 to November 2015 and President – Midstream from March 2007 to June 2008. Previously he served as the Senior Vice President – Commercial Development since January 2004. In March 2005, Mr. McCrea was named President of La Grange Acquisition LP, ETO's primary operating subsidiary, after serving as Senior Vice President-Business Development and Producer Services since 1997. Mr. McCrea also served as the Chairman of the Board of Directors of the general partner of Sunoco Logistics Partners L.P. from October 2012 to April 2017. Mr. McCrea was selected to serve as a director because he brings extensive project development and operational experience to the Board. He has held various positions in the natural gas business over the past 25 years and is able to assist the Board of Directors in creating and executing the Partnership's strategic plan.

Bradford D. Whitehurst. Mr. Whitehurst was appointed Chief Financial Officer of Energy Transfer in January 2021. From August 2014 through December 2020 he served as Executive Vice President – Head of Tax. Prior to joining Energy Transfer, Mr. Whitehurst was a partner in the Washington, DC office of Bingham McCutchen LLP and an attorney in the Washington, DC offices of both McKee Nelson LLP and Hogan & Hartson. Mr. Whitehurst has specialized in partnership taxation and has advised ET and its subsidiaries in his role as outside counsel since 2006. He has served as a member of the board of directors of USAC since April 2018.

Matthew S. Ramsey. Mr. Ramsey was appointed as a director of ET's general partner in July 2012 and as a director of ETO's general partner in November 2015. Mr. Ramsey has been the Chief Operating Officer or our general partner since October 2018 following the merger of Energy Transfer Equity, L.P. and Energy Transfer Partners, L.P., and currently serves as President and Chief Operating Officer of ETO's general partner since November 2015. Mr. Ramsey also served as President and Chief Operating Officer and Chairman of the board of directors of PennTex Midstream Partners, LP's general partner from November 2016 to July 2017. Mr. Ramsey is also a director of Sunoco LP, having served as chairman of Sunoco LP's board since April 2015, and of USAC, having served on that board since April 2018. Mr. Ramsey previously served as President of RPM Exploration, Ltd., a private oil and gas exploration partnership, and previously served as a director of RSP Permian, Inc. where he served on the audit and compensation committees. Mr. Ramsey formerly served as President of DDD Energy, Inc. until its sale in 2002. From 1996 to 2000, Mr. Ramsey served as President and Chief Executive Officer of OEC Compression Corporation, Inc., a publicly traded oil field service company, providing gas compression services to a variety of energy clients. Previously, Mr. Ramsey served as Vice President of Nuevo Energy Company, an independent energy company. Additionally, he was employed by Torch Energy Advisors, Inc., a company providing management and operations services to energy companies including Nuevo Energy, last serving as Executive Vice President. Mr. Ramsey joined Torch Energy as Vice President of Land and was named Senior Vice President of Land in 1992. Mr. Ramsey holds a B.B.A. in Marketing from the University of Texas at Austin and a J.D. from South Texas College of Law. Mr. Ramsey is a graduate of Harvard Business School Advanced Management Program. Mr. Ramsey is licensed to practice law in the State of Texas. He is qualified to practice in the Western District of Texas and the United States Court of Appeals for the Fifth Circuit. Mr. Ramsey formerly served as a director of Southern Union Company. Mr. Ramsey was selected to serve based on vast experience in the oil and gas space and ET believes that he provides valuable industry insight as a member of our Board of Directors.

Thomas P. Mason. Mr. Mason became Executive Vice President and General Counsel of the general partner of ET in December 2015, and has served as the Executive Vice President, General Counsel and President - LNG since October 2018 following the merger of Energy Transfer Equity, L.P. and Energy Transfer Partners, L.P. In February 2021, Mr. Mason assumed leadership responsibility over the Partnership's new Alternative Energy Group, which focuses on the development of alternative energy projects aimed at continuing to reduce ET's environmental footprint throughout its operations. Mr. Mason also served as a director of PennTex Midstream Partners, LP's general partner from November 2016 to July 2017. Mr. Mason previously served as Senior Vice President, General Counsel and Secretary of ETO's general partner from April 2012 to December 2015, as Vice President, General Counsel and Secretary from June 2008 and as General Counsel and Secretary from February 2007. Prior to joining ETO, he was a partner in the Houston office of Vinson & Elkins. Mr. Mason has specialized in securities offerings and mergers and acquisitions for more than 25 years. Mr. Mason also served on the Board of Directors of the general partner of Sunoco Logistics from October 2012 to April 2017 and has served on the Board of Directors of USAC since April 2018.

John W. McReynolds. Mr. McReynolds became Special Advisor to ET in October 2018 and served in that role until February 2021. Prior to that time, Mr. McReynolds served as our President from March 2005 until October 2018. He has served as a Director since August 2005. He served as our Chief Financial Officer from August 2005 to June 2013, and previously served as a Director of ETO's general partner from August 2001 through May 2010. Mr. McReynolds has been in the energy industry for his entire career. Prior to joining Energy Transfer, Mr. McReynolds was in private law practice for over 20 years, specializing exclusively in energy-related finance, securities, corporations and partnerships, mergers and acquisitions, syndications, and a wide variety of energy-related litigation. His practice dealt with all forms of fossil fuels, and the transportation and handling thereof, together with the financing and structuring of all forms of business entities related thereto. Mr. McReynolds was selected to serve in the indicated roles with the Energy Transfer partnerships because of this extensive background and experience, as well as his many contacts and relationships in the industry.

A. Troy Sturrock. Mr. Sturrock is the Senior Vice President and Controller of our general partner having assumed that role in October 2018 following the merger of Energy Transfer Equity, L.P. and Energy Transfer Partners, L.P. He has served as the Senior Vice President and Controller of the general partner of ETO since August 2016 and previously served as Vice President and Controller of our General Partner beginning in June 2015. Mr. Sturrock also served as a Senior Vice President of PennTex Midstream Partners, LP's general partner, from November 2016 until July 2017, and as its Controller and Principal Accounting Officer from January 2017 until July 2017. Mr. Sturrock previously served as Vice President and Controller of Regency GP LLC from February 2008, and in November 2010 was appointed as the principal accounting officer. From June 2006 to February 2008, Mr. Sturrock served as the Assistant Controller and Director of financial reporting and tax for Regency GP LLC. Mr. Sturrock is a Certified Public Accountant.

Steven R. Anderson. Mr. Anderson was elected to the Board of Directors of our general partner in June 2018 and serves on the audit committee and compensation committee. Mr. Anderson began his career in the energy business in the early 1970's with Conoco in the Permian Basin area. He then spent some 25 years with ANR Pipeline and its successor, The Coastal Corporation, as a natural gas supply and midstream executive. He later was Vice President of Commercial Operations with Aquila Midstream and, upon the sale of that business to Energy Transfer in 2002, he became a part of the management team there. For

the six years prior to his retirement from Energy Transfer in October 2009, he served as Vice President of Mergers and Acquisitions. Since that time, he has been involved in private investments and has served on the boards of directors of the St. John Health System and Saint Simeon's Episcopal Home in Tulsa, Oklahoma, as well as various other community and civic organizations. Mr. Anderson also served as a member of the board of directors of Sunoco Logistics Partners L.P. from October 2012 until April 2017. Mr. Anderson was selected to serve on our Board of Directors based on his experience in the midstream energy industry generally, and his knowledge of Energy Transfer's business specifically. Mr. Anderson also brings recent experience on audit and compensation committees of another publicly traded partnership.

Richard D. Brannon. Mr. Brannon was appointed to the Board of Directors of our general partner in March 2016 and has served as the Chairman of the audit committee since April 2016. Mr. Brannon is the CEO of CH4 Energy II, CH4 Energy Six, and CH4 Energy-Finley Utah, LLC, all independent companies focused on horizontal oil and gas development. Mr. Brannon previously served on the board of directors of WildHorse Resource Development from its IPO in December 2016 until June 2018. Mr. Brannon also formerly served on the Board of Directors and as a member of the audit committee and compensation committee of Sunoco LP, Regency, OEC Compression and Cornerstone Natural Gas Corp. He has over 35 years of experience in the energy business, having started his career in 1981 with Texas Oil & Gas. The members of our general partner selected Mr. Brannon to serve as director based on his knowledge of the energy industry and his experience as a director and audit and compensation committee member for other public companies.

Ray C. Davis. Mr. Davis was appointed to the Board of Directors of the general partner of Energy Transfer LP in July 2018 and served on the Board of Directors of Energy Transfer Partners, L.L.C. from February 2018 until July 2018. From February 2013 until February 2018, Mr. Davis was an independent investor. He has also been a principal owner, and served as co-chairman of the board of directors, of the Texas Rangers major league baseball club since August 2010. Mr. Davis previously served on the Board of Directors of Energy Transfer LP (formerly Energy Transfer Equity, L.P.), effective upon the closing of its IPO in February 2006 until his resignation in February 2013. Mr. Davis also served as ETO's Co-Chief Executive Officer from the combination of the midstream and transportation operations and the retail propane operations in January 2004 until his retirement from these positions in August 2007, and as the Co-Chairman of the Board of Directors of our general partner from January 2004 until June 2011. Mr. Davis also held various executive positions with Energy Transfer prior to 2004. From 1996 to 2000, he served as a Director of Crosstex Energy, Inc. From 1993 to 1996, he served as Chairman of the Board of Directors and Chief Executive Officer of Cornerstone Natural Gas, Inc. Mr. Davis was selected to serve as director based on his over 40 years of business experience in the energy industry and his expertise in the Partnership's asset portfolio.

Michael K. Grimm. Mr. Grimm was appointed to the Board of Directors of our general partner in October 2018, and has served on the audit committee and compensation committee since that time. Prior to that time, Mr. Grimm served as a director of ETO's general partner beginning in December 2005, and served on the audit and compensation committee during that time. Mr. Grimm is one of the original founders of Rising Star Energy, L.L.C., a privately held upstream exploration and production company active in onshore continental United States, and served as its President and Chief Executive Officer from 1995 until 2006 when it was sold. Mr. Grimm is currently President of Rising Star Petroleum, LLC. Mr. Grimm was formerly Chairman of the Board of RSP Permian, Inc. (NYSE: RSPP) from January 2014 until June 2018. From November 2018 until it was sold in 2019, Mr. Grimm served on the Board of Directors of Anadarko Petroleum Corporation. Prior to the formation of Rising Star, Mr. Grimm was Vice President of Worldwide Exploration and Land for Placid Oil Company from 1990 to 1994. Prior to joining Placid Oil Company, Mr. Grimm was employed by Amoco Production Company for thirteen years where he held numerous positions throughout the exploration department in Houston, New Orleans and Chicago. Mr. Grimm has been an active member of the American Association of Professional Landmen, Dallas Wildcat Committee, Dallas Producers Club, and the All-American Wildcatters. He has a B.B.A. from the University of Texas at Austin. Mr. Grimm was selected to serve as a director because of his extensive experience in the energy industry and his service as a senior executive at several energy-related companies, in addition to his contacts in the industry gained through his involvement in energy-related organizations.

James R. (Rick) Perry. Mr. Perry was appointed to the Board of Directors of our general partner in January 2020. He formerly served as U.S. Secretary of Energy from March 2017 until December 2019. Prior to that, he served as the Governor of the State of Texas from 2000 until January 2015. Mr. Perry served as Lieutenant Governor of Texas from 1998 to 2000, and as Agriculture Commissioner from 1991 to 1998. Prior to 1991, he also served in the Texas House of Representatives. Mr. Perry previously served on the Board of Directors of Energy Transfer Operating, L.P. (formerly Energy Transfer Partners, L.P.) from February 2015 until December 2016. Mr. Perry was selected to serve as a director because of his vast experience as an executive in the highest office of state government. In addition, Mr. Perry has been involved in finance and budget planning processes throughout his career in government as a member of the Texas House Appropriations Committee, the Legislative Budget Board and as Governor.

Ray W. Washburne. Mr. Washburne was appointed to the Board of Directors of our general partner in April 2019. He is currently President and Chief Executive Officer of Charter Holdings, Inc., a Dallas-based investment company involved in real estate, restaurants and diversified financial investments. In addition, he currently serves on the President's Intelligence

Advisory Board (PIAB). From August 2017 to February 2019, Mr. Washburne served as the President and Chief Executive Officer of the Overseas Private Investment Corporation (OPIC), the United States government's development finance institution. From 2000 to 2017, Mr. Washburne served on the board of directors of Veritex Holdings, Inc. (Nasdaq: VBTX), a Texas -based bank holding company that conducts banking activities through its subsidiary, Veritex Community Bank. He has also served as an adjunct professor at the Cox School of Business at Southern Methodist University. Mr. Washburne is also a member of the Republican Governors Association Executive Roundtable, the American Enterprise Institute, the Council on Foreign Relations, and is on the Advisory Board of the United States Southern Command. Mr. Washburne was selected to serve on the Board of Directors because of his expertise in international finance, his relationships in government, and his experience on the board of a publicly traded company.

Compensation of the General Partner

Our general partner does not receive any management fee or other compensation in connection with its management of the Partnership.

Delinquent Section 16(a) Reports

Section 16(a) of the Securities Exchange Act of 1934 requires the directors and executive officers of our general partner, as well as persons who own more than ten percent of the common units representing limited partnership interests in us, to file reports of ownership and changes of ownership on Forms 3, 4 and 5 with the SEC. The SEC regulations also require that copies of these Section 16(a) reports be furnished to us by such reporting persons. Based upon a review of copies of these reports, we believe all applicable Section 16(a) reports were timely filed in 2020.

ITEM 11. EXECUTIVE COMPENSATION

Overview

As a limited partnership, we are managed by our General Partner. Our General Partner is majority owned by Mr. Kelcy Warren.

We own 100% of ETP GP and its general partner, ETP LLC. We refer to ETP GP and ETP LLC together as the "ETP GP Entities." ETP GP is the general partner of ETO.

Compensation Discussion and Analysis

Named Executive Officers

ET does not have officers or directors. Instead, we are managed by the board of directors of our General Partner, and the executive officers of our General Partner perform all of ET's management functions. As a result, the executive officers of our General Partner are ET's executive officers, and their compensation is administered by our General Partner. This Compensation Discussion and Analysis is, therefore, focused on the total compensation of the executive officers of our General Partner as set forth below. The persons we refer to in this discussion as our "named executive officers" are the following:

- Kelcy L. Warren, Executive Chairman and Chief Executive Officer during 2020 (Executive Chairman effective January 1, 2021);
- Thomas E. Long, Chief Financial Officer during 2020 (Co-Chief Executive Officer effective January 1, 2021);
- Marshall S. (Mackie) McCrea, III, President and Chief Commercial Officer during 2020 (Co-Chief Executive Officer effective January 1, 2021);
- Matthew S. Ramsey, Chief Operating Officer; and
- Thomas P. Mason, Executive Vice President, General Counsel and President — LNG.

Effective January 1, 2021, Mr. Warren assumed the role of Executive Chairman, and Messrs. Long and McCrea were appointed Co-Chief Executive Officers.

Bradford D. Whitehurst was appointed Chief Financial Officer of our General Partner effective January 8, 2021. Mr. Whitehurst is excluded from the compensation discussion and analysis and compensation tables herein, as he was not a named executive officer during 2020.

Our Philosophy for Compensation of Executives

In general, our General Partner's philosophy for executive compensation is based on the premise that a significant portion of each executive's compensation should be incentive-based or "at-risk" compensation and that executives' total compensation levels should be highly competitive in the marketplace for executive talent and abilities. Our General Partner seeks a total compensation program for its executive officers, including the named executive officers, that provides for a slightly below the median market annual base compensation (i.e. approximately the 30th to 40th percentile of market) but incentive-based compensation composed of a combination of compensation vehicles to reward both short and long-term performance that are both targeted to pay-out at approximately the top-quartile of market. Our General Partner believes the incentive-based balance is achieved by (i) the payment of annual discretionary cash bonuses that consider the achievement of the Partnership's financial performance objectives for a fiscal year set at the beginning of such fiscal year and the individual contributions of its executive officers, including the named executive officers to the success of the Partnership and the achievement of the annual financial performance objectives and (ii) the annual grant of time-based restricted unit, phantom unit awards or cash restricted unit awards under the Partnership's equity incentive plan(s) or the equity incentive programs of Sunoco LP, as applicable based on the allocation of executive officers awards, including awards to the named executive officers, which awards are intended to provide a longer term incentive and retention value to its key employees to focus their efforts on increasing the market price of its publicly traded units and to increase the cash distribution the Partnership and/or the other affiliated partnerships pay to their respective unitholders.

The Partnership has historically granted restricted unit and/or phantom unit awards ("RSUs") that vest, based generally upon continued employment, at a rate of 60% after the third year of service and the remaining 40% after the fifth year of service. In 2020, ET also granted cash restricted units ("CRSUs") that vest, based generally upon continued employment, at a rate of 1/3 annually over a three-year period. For 2020, the awards to employees were generally split equally between RSUs and CRSUs. The Partnership believes that these equity-based incentive arrangements are important in attracting and retaining executive

officers and key employees as well as motivating these individuals to achieve stated business objectives. The equity-based compensation reflects the importance our General Partner places on aligning the interests of its named executive officers with those of Unitholders.

As discussed below, our compensation committee and/or the compensation committee of the general partner of Sunoco LP, as applicable, all in consultation with our General Partner, are responsible for the compensation policies and compensation level of our executive officers, including the named executive officers of our General Partner. In this discussion, we refer to our compensation committee as the "ET Compensation Committee."

For a more detailed description of the compensation to the Partnership's named executive officers, please see "– Compensation Tables" below.

Distributions to Our General Partner

Our General Partner is majority-owned by Mr. Warren. We pay quarterly distributions to our General Partner in accordance with our partnership agreement with respect to its ownership of its general partner interest as specified in our partnership agreement. The cash distributions we make to our General Partner bear no relationship to the level or components of compensation of our General Partner's executive officers. Distributions to our General Partner are described in detail in Note 8 to our consolidated financial statements. Our named executive officers also own directly and indirectly certain of our limited partner interests and, accordingly, receive quarterly distributions. Such per unit distributions equal the per unit distributions made to all our limited partners and bear no relationship to the level of compensation of the named executive officers or the services they perform as employees.

For a more detailed description of the compensation of our named executive officers, please see "Compensation Tables" below.

Compensation Philosophy

Our compensation programs are structured to achieve the following:

- reward executives with an industry-competitive total compensation package of base salaries and significant incentive opportunities yielding a total compensation package approaching the top-quartile of the market;
- attract, retain and reward talented executive officers and key management employees by providing total compensation competitive with that of other executive officers and key management employees employed by publicly traded limited partnerships of similar size and in similar lines of business;
- motivate executive officers and key employees to achieve strong financial and operational performance;
- emphasize performance-based, or "at-risk," compensation; and
- reward individual performance.

Components of Executive Compensation

For the year ended December 31, 2020, the compensation paid to our named executive officers consisted of the following components:

- annual base salary;
- non-equity incentive plan compensation consisting solely of discretionary cash bonuses;
- time-vested restricted/phantom unit awards and cash restricted units under the equity incentive plan(s);
- payment of distribution equivalent rights ("DERs") on unvested time-based restricted unit awards under our equity incentive plan;
- vesting of previously issued time-based restricted unit and/or phantom unit awards issued pursuant to our equity incentive plans or the equity incentive plans(s) of affiliates; and
- 401(k) plan employer contributions.

Methodology

The ET Compensation Committee considers relevant data available to it to assess our competitive position with respect to base salary, annual short-term incentives and long-term incentive compensation for our executive officers, including the named executive officers. The ET Compensation Committee also considers individual performance, levels of responsibility, skills and experience.

Periodically, the ET Compensation Committee engages a third-party independent compensation consultant to provide a full market competitive compensation analysis for compensation levels at peer companies in order to assist in the determination of compensation levels for our executive officers, including the named executive officers. Most recently, Longnecker & Associates ("Longnecker") evaluated the market competitiveness of total compensation levels of a number of officers of the Partnership to provide market information with respect to compensation of those executives during the year ended December 31, 2019. In particular, the review by Longnecker was designed to (i) evaluate the market competitiveness of total compensation levels for certain members of senior management, including our named executive officers; (ii) assist in the determination of appropriate compensation levels for our senior management, including the named executive officers; and (iii) confirm that our compensation programs were yielding compensation packages consistent with our overall compensation philosophy.

In conducting its review, Longnecker specifically considered the larger size of the combined ET entities from an energy industry perspective. During 2019, Longnecker assisted in the development of the final "peer group" of leading companies in the energy industry that most closely reflect the profile of ET in terms of revenues, assets and market value as well as competition for talent at the senior management level and similarly situated general industry companies with similar revenues, assets and market value. In setting such peer group, the size of ET on a combined basis was considered. As part of the evaluation conducted by Longnecker, a determination was made to focus the analysis specifically on the energy industry peers. This decision was based on a determination that an energy industry peer group provided a more than sufficient amount of comparative data to consider and evaluate total compensation. This focus allowed Longnecker to report on specific industry related data comparing the levels of annual base salary, annual short-term cash bonus and long-term equity incentive awards at industry peer group companies with those of the named executive officers to ensure that compensation of the named executive officers is both consistent with the compensation philosophy and competitive with the compensation for executive officers of these other companies. The identified companies were:

Energy Peer Group:

• Conoco Phillips	• Marathon Petroleum Corporation
• Enterprise Products Partners, L.P.	• Kinder Morgan, Inc.
• Plains All American Pipeline, L.P.	• The Williams Companies, Inc.
• Valero Energy Corporation	• Phillips 66

The compensation analysis provided by Longnecker in 2019 covered all major components of total compensation, including annual base salary, annual short-term cash bonus and long-term incentive awards for the senior executives of these companies. In preparing the review materials, Longnecker utilized generally accepted compensation principles as determined by WorldatWork and gathered data from public disclosures of peer companies, including 10-K and proxy data and published survey data from multiple sources that are relevant to ET's peer group, industry, financial size and operational breadth. The Longnecker review process also included significant engagement with management to fully understand job scope, responsibilities and roles of each of the executive officers, which discussions allow Longnecker the ability to completely evaluate specific aspects of an executive officer's position to allow for more accurate comparisons.

Following Longnecker's 2019 review, the ET Compensation Committee reviewed the information provided, including Longnecker's specific conclusions and recommended considerations for all compensation going forward. The ET Compensation Committee considered and reviewed the results of the study performed by Longnecker to determine if the results indicated that the compensation programs were yielding a competitive total compensation model prioritizing incentive-based compensation and rewarding achievement of short and long-term performance objectives and considered Longnecker's conclusions and recommendations. While Longnecker found that the Partnership is achieving its stated objectives with respect to the "at-risk" approach, they also found that certain adjustments could be considered moving forward to allow the Partnership to continue to achieve its targeted percentiles on base compensation and incentive compensation (short and long-term). Longnecker's suggested adjustments as part of the 2019 were not implemented in 2020 as management and the ET Compensation Committee determined to postpone any changes in light of the impacts of the COVID-19 pandemic on ET and on the global energy market.

In addition to the information received as part of Longnecker's 2019 review, the ET Compensation Committee also utilizes information obtained from other sources in its determination of compensation levels for our named executive officers, such as annual third party surveys, although third party survey data is not used by the ET Compensation Committee to benchmark the amount of total compensation or any specific element of compensation for the named executive officers.

In addition to the 2019 compensation analysis for executive officers, Longnecker also provided advice and feedback on certain other matters, including the appropriateness, targets and composition of the annual equity award pools and the annual bonus awards under the Energy Transfer Annual Bonus Plan (the "Bonus Plan") and benchmarking on certain non-named executive officer hires and promotions.

In 2020, Longnecker also provided advice and recommendations on the total compensation packages for Messrs. McCrea and Long in connection with their joint appointment as Co-Chief Executive Officers, including with respect to certain one-time equity and cash awards, as applicable.

Base Salary. Base salary is designed to provide for a competitive fixed level of pay that attracts and retains executive officers and compensates them for their level of responsibility and sustained individual performance (including experience, scope of responsibility and results achieved). The salaries of the named executive officers are reviewed on an annual basis. As discussed above, the base salaries of our named executive officers are targeted to yield an annual base salary slightly below the median level of market (i.e. approximately the 30th to 40th percentile of market) and are determined by the ET Compensation Committee after taking into account the recommendations of Mr. Warren.

During the merit review process, the ET Compensation Committee considers the recommendations of Mr. Warren, any relevant compensation study data (with the data aged as appropriate) and the merit increase pool set for all employees of the Partnership and/or its employing affiliates. During 2020, given the challenging conditions within the industry, including the impacts of the COVID-19 pandemic, the ET Compensation Committee did not approve any increases to base salaries of the named executive officers. Thus, 2020 base salaries for the named executive officers were consistent with the prior year amounts: $1,114,555 for Mr. McCrea; $600,000 for Mr. Long; $696,598 for Mr. Ramsey; and $631,396 for Mr. Mason. Mr. Warren has voluntarily determined that his salary will be $1.00 per year (plus an amount sufficient to cover his allocated payroll deductions for health and welfare benefits).

In connection with their promotions to Co-Chief Executive Officer effective January 1, 2021, the ET Compensation Committee approved increases in the annual base salaries of Messrs. McCrea and Long to $1,300,000.

Annual Bonus. In addition to base salary, the ET Compensation Committee makes determinations whether to make discretionary annual cash bonus awards to executives, including our named executive officers, following the end of the year under the Bonus Plan.

The Bonus Plan is a discretionary annual cash bonus plan available to all employees, including the named executive officers. The purpose of the Bonus Plan is to reward employees for contributions towards the Partnership's business goals and to aid in motivating employees. The Bonus Plan is administered by the ET Compensation Committee and the ET Compensation Committee has the authority to establish and interpret the rules and regulations relating to the Bonus Plan, to select participants, to determine and approve the size of any actual award amount, to make all determinations, including factual determinations, under the Bonus Plan, and to take all other actions necessary or appropriate for the proper administration of the Bonus Plan.

For each calendar year (the "Performance Period"), the ET Compensation Committee will evaluate and determine an overall funded cash bonus pool based on achievement of (i) an internal Adjusted EBITDA target ("Adjusted EBITDA Target"), (ii) an internal distributable cash flow target ("DCF Target") and (iii) performance of each department compared to the applicable departmental budget ("Departmental Budget Target"). The Adjusted EBITDA Target and the DCF Target are defined for purposes of the Bonus Plan using the same definitions as used in the Partnership's audited financial statements included in its annual and quarterly filings on Forms 10-K and 10-Q for the terms Adjusted EBITDA and Distributable Cash Flow. The performance criteria are weighted 60% on the achievement of the Adjusted EBITDA Target, 20% on the achievement of the DCF Target and 20% on the achievement of the Departmental Budget Target (collectively, "Budget Targets"). The total amount of cash to be allocated to the funded bonus pool will range from 0% to 120% for each of the budgeted DCF Target and Adjusted EBITDA Target and will range from 0% to 100% of the Departmental Budget Target. The maximum funding of the bonus pool is 116% of the total pool target and to achieve such funding each of the Adjusted EBITDA and the DCF Target must achieve 120% funding and the Department Budget target must achieve its 100% target. While the funded bonus pool will reflect an aggregation of performance under each target, in the event performance under the Adjusted EBITDA Target is below 80% of its target, no bonus pool will be funded. If the bonus pool is funded, a participant may earn a cash award for the Performance Period based upon the level of attainment of the Budget Targets and his or her individual performance. Awards are paid in cash as soon as practicable after the end of the Performance Period but in no event later than two and one-half months after the end of the Performance Period.

While the achievement of the Budget Targets sets a bonus pool under the Bonus Plan, actual bonus awards are discretionary. These discretionary bonuses, if awarded, are intended to reward our named executive officers for the achievement of the Budget Targets during the Performance Period in light of the contribution of each individual to our profitability and success during such year. The ET Compensation Committee also considers the recommendation of Mr. Warren in determining the specific annual cash bonus amounts for each of the named executive officers. The ET Compensation Committee does not establish its own financial performance objectives in advance for purposes of determining whether to approve any annual bonuses, and it does not utilize any formulaic approach to determine annual bonuses.

For 2020, the ET Compensation Committee approved short-term annual cash bonus pool targets for Mr. McCrea of 160% of his annual base earnings and for Messrs. Long, Ramsey and Mason of 130% of their annual base earnings. The named executive officer bonus pool targets remained the same for the 2020 Performance Period as they were for the 2019 period. In connection with their promotions to Co-Chief Executive Officer effective January 1, 2021, the ET Compensation Committee established bonus pool targets for Messrs. McCrea and Long of 160% of their annual base earnings.

In respect of a 2020 bonus pool funding, executive management recommended to the Compensation Committee that the bonus be paid at a 0% payout. This recommendation was made in consideration of a number of factors including (i) the challenging conditions within the industry, specifically the impacts of the COVID-19 pandemic on ET and the global energy market; (ii) the impact of market conditions on current capital projects and certain planned future capital growth projects; and (ii) the reduction of quarterly cash distributions payable to ET common unit holders by 50% in 2020. After considering quantitative and qualitative factors, including performance level achieved, the Compensation Committee exercised its negative discretion, to award a 0% payout of the non-equity incentive bonus.

Equity Awards. ET maintains and operates (i) the Second Amended and Restated Energy Transfer LP 2008 Incentive Plan (the "2008 Incentive Plan"); (ii) the Energy Transfer LP 2011 Long-Term Incentive Plan (the "2011 Incentive Plan"); the (iii) Energy Transfer LP 2015 Long-Term Incentive Plan (the "2015 Plan"); (iv) the Amended and Restated Energy Transfer LP Long-Term Incentive Plan (the "ET Plan," together with the 2008 Incentive Plan, the 2011 Incentive Plan and the 2015 Plan, the "ET Incentive Plans"). The ET Incentive Plans authorize the ET Compensation Committee, in its discretion, to grant awards, as applicable, under each respective plan of RSUs upon such terms and conditions as it may determine appropriate and in accordance with general guidelines as defined by the ET Incentive Plans. ET has generally used time-vested restricted units and/or phantom units as the vehicle for its annual equity awards to eligible employees, including the named executive officers.

In addition, in 2020, ET adopted the Energy Transfer LP Long-Term Cash Restricted Unit Plan (the "CRU Plan"). The CRU Plan authorizes the ET Compensation Committee, in its discretion, to grant awards, as applicable, of CRSUs, upon such terms and conditions as it may determine appropriate and in accordance with general guidelines as defined by the CRU Plan. Like awards from the ET Incentive Plans, awards from the CRU Plan will be used to incentivize and reward eligible employees over a long-term basis, and the CRU Plan is included for purposes of these discussions as an "ET Incentive Plan."

For 2020, the annual long-term incentive targets set by the ET Compensation Committee for the named executive officers were 900% of annual base salary for Mr. McCrea and 500% of annual base salary for Messrs. Long, Ramsey and Mason. The targets of the named executive officers were the same as the prior year's targets.

The annual long-term incentive targets are used as the basis to determine the target number of units to be awarded to the eligible participant, including the named executive officers. A multiple of base salary is used to set the pool target, that number is then divided by a weighted average price determined by considering ET's modified total unitholder return "(TUR") performance as measured against the average return of ET's identified peer group over defined time periods. The modified TUR is designed to create a recognition of a performance adjustment to the equity awards based on the prior periods measured to add an element of performance impact in setting grant date value even though the RSUs and CRSUs themselves are a time-vested vehicle. For purposes of establishing an initial price, ET utilizes a 60 trading-day trailing weighted average price of ET common units prior to November 13, 2020. This average trading price is then subject to adjustment when ET's TUR is more than 5% greater or less than that of its identified peer group. If the TUR analysis yields a result that is within 5% percent of its identified peer group, the ET Compensation Committee will simply use the 60 trading day trailing weighted average price divided by the applicable salary multiple to establish a target pool for each eligible participant, including the named executive officers. If ET's TUR is outside of the 5% deviation, the 60 trading day trailing weighted average will be adjusted up or down to a maximum of 15% from the trailing weighted average price based on ET's performance as compared to the identified group. For 2019, the peer group included the following:

• Enterprise Products Partners, L.P.	• Kinder Morgan, Inc.
• The Williams Companies, Inc.	• Plains All American Pipeline, L.P.
• Phillips 66 Partners LP	• MPLX LP

For 2020, the Partnership's TUR underperformed the identified peer group by between 14% and 16% based on the average of the identified three comparison periods: (i) year-to-date 2020, (ii) trailing twelve months, and (iii) full-year 2019. Consequently, the 2020 long-term incentive base price was increased to reduce the total available restricted pool by approximately 15%.

In December 2020, the ET Compensation Committee in consultation with Mr. Warren approved grants of RSUs to Messrs. McCrea, Long, Ramsey and Mason of 746,350 units, 178,550 units, 207,300 units and 234,900 units, respectively. The ET Compensation Committee also approved grants of CRSUs to Messrs. Long, Ramsey and Mason of 178,500, 207,300 and 234,900 units, respectively. As with base salary and annual bonus, Mr. Warren does not accept or receive annual long-term incentive awards.

As more fully described below under "*Affiliate and Subsidiary Equity Awards*," for 2020, in discussions between the General Partner, the ET Compensation Committee and the compensation committee of the general partner of Sunoco LP, it was determined that for 2020, Messrs. Long and Ramsey's awards would be comprised of RSUs and CRSUs under the ET Incentive Plans and RSUs under the Sunoco LP 2018 Long-Term Incentive Plan (the "2018 Sunoco LP Plan") in consideration of their roles and responsibilities for Sunoco LP and their status, as members of the Boards of Directors of the general partner of Sunoco LP. Messrs. Long and Ramsey's total 2020 long-term awards were allocated approximately 80% to the ET Incentive Plans and approximately 20% to the 2018 Sunoco LP Plan. The awards of Messrs. McCrea and Mason for 2020 were allocated entirely to the ET Incentive Plans. While Mr. Long likely will not receive future long-term incentive awards under the 2018 Sunoco LP Plan in his role as Co-CEO, it is anticipated that Mr. Ramsey will continue to recognize an aggregation of RSUs and CRSUs under the ET Incentive Plans and the 2018 Sunoco LP Plan, as applicable. For purposes of establishing a pool value for awards to eligible participants, including Messrs. Ramsey and Long, Sunoco LP utilized the same practices in terms of peer group TUR analysis to set a grant date valuation.

The RSUs granted in 2020 provide for incremental vesting over a five-year period, with 60% vesting at the end of the third year and the remaining 40% vesting at the end of the fifth year. Vesting of the awards are generally subject to continued employment through each specified vesting date. The RSU awards entitle the recipients to receive, with respect to each ET unit subject to such award that has not either vested or been forfeited, a DER cash payment promptly following each such distribution by ET to its common unitholders.

The CRSUs granted in 2020 provide for incremental vesting over a three-year period, with 1/3 vesting at the end of each year. Each CRSU entitles the award recipient to receive cash equal to the market value of one ET common unit upon vesting. The CRSU do not include rights to DER cash payments.

In approving the grant of such RSUs and CRSUs, including to the named executive officers, the ET Compensation Committee considered several factors, including the long-term objective of retaining such individuals as key drivers of ET's future success, the existing level of equity ownership of such individuals and the previous awards to such individuals of equity awards subject to vesting. Vesting of the 2020 awards would accelerate in the event of the death or disability of the recipient, including the named executive officers, or in the event of a change in control of ET as that term is defined under the ET Incentive Plans.

For 2020, Mr. McCrea did not receive an award of CRSUs; instead, he received a special one-time time vested cash award of $5,000,000 payable as follows:

- $1,800,000.00 on December 31, 2020;
- $1,600,000.00 on July 1, 2020; and
- $1,600,00.00 on December 5, 2022.

This amount is intended to approximate 50% of Mr. McCrea's targeted annual equity award and replace the award of CRSUs made to other named executive officers.

As discussed below under "Potential Payments Upon a Termination or Change of Control," all outstanding equity awards would automatically accelerate upon a change in control event, which means vesting automatically accelerates upon a change of control irrespective of whether the officer is terminated. In addition, the award agreements for the restricted units and cash restricted units awarded in 2020, as well as other awards outstanding held by Partnership employees, including the named executive officers, also include certain acceleration provisions upon retirement with the ability to accelerate 40% of outstanding unvested awards under the ET Incentive Plans at age 65 and 50% at age 68. These acceleration provisions require that the participant have not less than five (5) years of employment service to the Partnership or an affiliate and require a six (6) month delay in the vesting after retirement pursuant to the requirements of Section 409(A) of the Code.

We believe that permitting the accelerated vesting of equity awards upon a change in control creates an important retention tool for us by enabling employees to realize value from these awards in the event that we undergo a change in control transaction. In

addition, we believe permitting acceleration of vesting upon a change in control creates a sense of stability in the course of transactions that could create uncertainty regarding their future employment and encourage these officers to remain focused on their job responsibilities.

Affiliate and Subsidiary Equity Awards. In addition to their roles as officers for ET during 2020, Messrs. Long and Ramsey have certain responsibilities for Sunoco LP, including as members of the Board of Directors of the general partner of Sunoco LP.
The Sunoco LP Compensation Committee in December 2020 approved grants of RSUs to Messrs. Long and Ramsey of 27,800 and 32,300 restricted units, respectively, under the 2018 Sunoco LP Plan. The terms and conditions of the restricted unit to Messrs. Long and Ramsey under the 2018 Sunoco LP Plan, as applicable, were the same and provided for vesting over a five-year period, with 60% vesting at the end of the third year and the remaining 40% vesting at the end of the fifth year, subject generally to continued employment through each specified vesting date. All of the awards would be accelerated in the event of their death, disability, upon a change in control or retirement at ages 65 or 68. The retirement acceleration provisions for these awards under the 2018 Sunoco Plan are the same as the retirement acceleration provisions under ET Incentive Plans with the ability to accelerate at retirement 40% of outstanding unvested awards at age 65 and 50% at age 68.

Special One-Time Awards to Co-Chief Executive Officers. In recognition of their assumption of their new roles as Co-Chief Executive Officers, the ET Compensation Committee approved certain one-time awards to Messrs. McCrea and Long which occurred in 2021 and therefore are not reflected within the executive compensation tables that follow this discussion.

Mr. McCrea received a special one-time award of 241,815 RSUs under the ET Incentive Plans and a special cash payment of $1,625,000 in connection with his appointment as Co-Chief Executive Officer.

Mr. Long received a special one-time award of 483,630 RSUs under the ET Incentive Plans in connection with his appointment as Co-Chief Executive Officer.

The RSU awards to Messrs. McCrea and Long were made at the same grant date valuation and vesting schedules used for the annual equity awards described above under “—Equity Awards” section above. These awards were approved by the ET Compensation Committee on December 30, 2020 to be effective immediately upon Messrs. McCrea and Long assuming their new roles on January 1, 2021 and will be reflected in the 2021 Summary Compensation Tables.

Unit Ownership Guidelines. The Board of Directors of our General Partner has adopted the Executive Unit Ownership Guidelines (the “Guidelines”), which set forth minimum ownership guidelines applicable to certain executives of ET with respect to ET and Sunoco LP common units representing limited partnership interests, as applicable. The applicable Guidelines are denominated as a multiple of base salary, and the amount of common units required to be owned increases with the level of responsibility. Under these Guidelines, the President and Chief Commercial Officer and the Chief Operating Officer are expected to own common units having a minimum value of five times his base salary, while each of the remaining named executive officers (other than the CEO) are expected to own common units having a minimum value of four times their respective base salary. In addition to the named executive officers, these Guidelines also apply to other covered executives, which executives are expected to own either directly or indirectly in accordance with the terms of the Guidelines, common units having minimum values ranging from two to four times their respective base salary.

The ET Compensation Committee believes that the ownership of ET and/or Sunoco LP common units, as reflected in these Guidelines, is an important means of tying the financial risks and rewards for its executives to ET’s total unitholder return, aligning the interests of such executives with those of Unitholders, and promoting ET’s interest in good corporate governance.

Covered executives are generally required to achieve their ownership level within five years of becoming subject to the Guidelines; however, certain covered executives, based on their tenure as an executive, were required to achieve compliance within two years of the December 2013 effective date of the Guidelines. Thus, compliance with the Guidelines was required for Messrs. McCrea and Mason beginning in December 2015, Mr. Long in December 2018 and Mr. Ramsey in December 2020. As of December 31, 2020, all of the named executive officers were compliant with the Guidelines.

Covered executives may satisfy the Guidelines through direct ownership of ET and/or Sunoco LP common units or indirect ownership by certain immediate family members. Direct or indirect ownership of ET and/or Sunoco LP common units shall count on a one-to-one ratio for purposes of satisfying minimum ownership requirements; however, unvested unit awards may not be used to satisfy the minimum ownership requirements.

Executive officers, including the named executive officers, who have not yet met their respective guideline must retain and hold all common units (less common units sold to cover the executive’s applicable taxes and withholding obligation) received in connection with long-term incentive awards. Once the required ownership level is achieved, ownership of the required common units must be maintained for as long as the covered executive is subject to the Guidelines. However, those individuals who have

met or exceeded their applicable ownership level guideline may dispose of the common units in a manner consistent with applicable laws, rules and regulations, including regulations of the SEC and our internal policies, but only to the extent that such individual's remaining ownership of common units would continue to exceed the applicable ownership level.

Qualified Retirement Plan Benefits. The Energy Transfer LP 401(k) Plan (the "ET 401(k) Plan") is a defined contribution 401(k) plan, which covers substantially all of our employees, including the named executive officers. Employees may elect to defer up to 100% of their eligible compensation after applicable taxes, as limited under the Internal Revenue Code. We make a matching contribution that is not less than the aggregate amount of matching contributions that would be credited to a participant's account based on a rate of match equal to 100% of each participant's elective deferrals up to 5% of covered compensation. During 2020, in response to challenging conditions within the industry, including impacts of the COVID-19 pandemic, ET suspended its 401(k) matching contribution from July 1, 2020 through December 31, 2020. The amounts deferred by the participant are fully vested at all times, and the amounts contributed by the Partnership become vested based on years of service. We provide this benefit as a means to incentivize employees and provide them with an opportunity to save for their retirement.

The Partnership provides a 3% profit sharing contribution to employee 401(k) accounts for all employees with a base compensation below a specified threshold. The contribution is in addition to the 401(k) matching contribution and employees become vested based on years of service. As with the 401(k) matching contributions, ET suspended the profit sharing contribution from July 1, 2020 through December 31, 2020.

Health and Welfare Benefits. All full-time employees, including our named executive officers may participate in ETP GP's health and welfare benefit programs including medical, dental, vision, flexible spending, life insurance and disability insurance.

Termination Benefits. Our named executive officers do not have any employment agreements that call for payments of termination or severance benefits or that provide for any payments in the event of a change in control of our General Partner; however, the award agreement to the named executive officers under the ET Incentive Plans, the 2018 Sunoco LP Plan and the Sunoco LP 2012 Long-Term Incentive Plan (the "2012 Sunoco LP Plan") provide for immediate vesting of all unvested restricted unit awards in the event of a (i) change of control, as defined in the plan; (ii) death or (iii) disability, as defined in the applicable plan. Please refer to "Compensation Tables - Potential Payments Upon a Termination or Change of Control" for additional information.

In addition, ETP GP has also adopted the ETP GP Severance Plan and Summary Plan Description effective as of June 12, 2013, (the "Severance Plan"), which provides for payment of certain severance benefits in the event of Qualifying Termination (as that term is defined in the Severance Plan). In general, the Severance Plan provides payment of two weeks of annual base salary for each year or partial year of employment service up to a maximum of fifty-two weeks or one year of annual base salary (with a minimum of four weeks of annual base salary) and up to three months of continued group health insurance coverage. The Severance Plan also provides that we may determine to pay benefits in addition to those provided under the Severance Plan based on special circumstances, which additional benefits shall be unique and non-precedent setting. The Severance Plan is available to all salaried employees on a nondiscriminatory basis; therefore, amounts that would be payable to our named executive officers upon a Qualified Termination have been excluded from "Compensation Tables – Potential Payments Upon a Termination or Change of Control" below.

Energy Transfer LP Non-Qualified Deferred Compensation Plan (the "ET NQDC Plan") is a deferred compensation plan, which permits eligible highly compensated employees to defer a portion of their salary, bonus, and/or quarterly non-vested phantom unit distribution equivalent income until retirement, termination of employment or other designated distribution event. Each year under the ET NQDC Plan, eligible employees are permitted to make an irrevocable election to defer up to 50% of their annual base salary, 50% of their quarterly non-vested phantom unit distribution income, and/or 50% of their discretionary performance bonus compensation during the following year. Pursuant to the ET NQDC Plan, ET may make annual discretionary matching contributions to participants' accounts; however, ET has not made any discretionary contributions to participants' accounts and currently has no plans to make any discretionary contributions to participants' accounts. All amounts credited under the ET NQDC Plan (other than discretionary credits) are immediately 100% vested. Participant accounts are credited with deemed earnings or losses based on hypothetical investment fund choices made by the participants among available funds.

Participants may elect to have their account balances distributed in one lump sum payment or in annual installments over a period of three or five years upon retirement, and in a lump sum upon other termination events. Participants may also elect to take lump-sum in-service withdrawals five years or longer in the future, and such scheduled in-service withdrawals may be further deferred prior to the withdrawal date. Upon a change in control (as defined in the ET NQDC Plan) of ET, all ET NQDC Plan accounts are immediately vested in full. However, distributions are not accelerated and, instead, are made in accordance

with the ET NQDC Plan's normal distribution provisions unless a participant has elected to receive a change of control distribution pursuant to his deferral agreement. None of our named executive officers currently participate in this plan.

Risk Assessment Related to our Compensation Structure. We believe that the compensation plans and programs for our named executive officers, as well as our other employees, are appropriately structured and are not reasonably likely to result in material risk to us. We believe these compensation plans and programs are structured in a manner that does not promote excessive risk-taking that could harm our value or reward poor judgment. We also believe we have allocated compensation among base salary and short and long-term compensation in such a way as to not encourage excessive risk-taking. In particular, we generally do not adjust base annual salaries for executive officers and other employees significantly from year to year, and therefore the annual base salary of our employees is not generally impacted by our overall financial performance or the financial performance of a portion of our operations. Our subsidiaries generally determine whether, and to what extent, their respective named executive officers receive a cash bonus based on achievement of specified financial performance objectives as well as the individual contributions of our named executive officers to the Partnership's success. We and our subsidiaries use restricted units and phantom units rather than unit options for equity awards because restricted units and phantom units retain value even in a depressed market so that employees are less likely to take unreasonable risks to get, or keep, options "in-the-money." Finally, the time-based vesting over five years for our long-term incentive awards ensures that the interests of employees align with those of Unitholders and our subsidiaries' unitholders for our long-term performance.

Tax and Accounting Implications of Equity-Based Compensation Arrangements

Deductibility of Executive Compensation

We are a limited partnership and not a corporation for United States federal income tax purposes. Therefore, we believe that the compensation paid to the named executive officers is not subject to the deduction limitations under Section 162(m) of the Internal Revenue Code and therefore is generally fully deductible for United States federal income tax purposes.

Accounting for Non-Cash Compensation

For non-cash compensation arrangements, we record compensation expense over the vesting period of the awards, as discussed further in Note 9 to our consolidated financial statements.

Compensation Committee Interlocks and Insider Participation

Mr. Steven R. Anderson, Mr. Michael K. Grimm and Mr. Ray W. Washburne are the only members of the ET Compensation Committee. During 2020, no member of the ET Compensation Committee was an officer or employee of us or any of our subsidiaries or served as an officer of any company with respect to which any of our executive officers served on such company's board of directors. Mr. Grimm is not a former employee of ours or any of our subsidiaries. Mr. Anderson was previously an employee of the Partnership until his retirement in October 2009, as discussed in his biographical information included in "Item 10. Directors, Executive Officers and Corporate Governance."

Report of Compensation Committee

The board of directors of our General Partner has reviewed and discussed the section entitled "Compensation Discussion and Analysis" with the management of ET. Based on this review and discussion, we have recommended that the Compensation Discussion and Analysis be included in this annual report on Form 10-K.

The Compensation Committee of the
Board of Directors of LE GP, LLC,
general partner of Energy Transfer LP

Steven R. Anderson
Michael K. Grimm
Ray W. Washburne

The foregoing report shall not be deemed to be incorporated by reference by any general statement or reference to this annual report on Form 10-K into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate this information by reference, and shall not otherwise be deemed filed under those Acts.

Compensation Tables

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Equity Awards [1] ($)	Non-Equity Incentive Plan Compensation[2] ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation[3] ($)	Total ($)
Kelcy L. Warren [4]	2020	$ 6,392	$ —	$ —	$ —	$ —	$ —	$ 6,392
Executive Chairman and former Chief Executive Officer	2019	6,156	—	—	—	—	—	6,156
	2018	6,138	—	—	—	—	—	6,138
Thomas E. Long	2020	623,077	—	2,781,255	—	—	21,603	3,425,935
Co-Chief Executive Officer and former Chief Financial Officer	2019	570,869	—	3,352,795	900,000	—	21,544	4,845,208
	2018	537,338	1,000,000	4,251,335	800,000	—	21,294	6,609,967
Marshall S. (Mackie) McCrea, III [5]	2020	1,157,423	1,800,000	4,597,516	—	—	18,045	7,572,984
Co-Chief Executive Officer and former President and Chief Commercial Officer	2019	1,094,260	—	8,734,720	1,750,817	—	21,544	11,601,341
	2018	1,059,976	—	7,834,782	1,866,000	—	19,362	10,780,120
Matthew S. Ramsey	2020	723,390	—	3,229,770	—	—	22,097	3,975,257
Chief Operating Officer	2019	683,913	—	3,123,186	889,100	—	19,544	4,715,743
	2018	662,486	—	2,818,415	900,000	—	19,294	4,400,195
Thomas P. Mason	2020	655,680	—	2,609,350	—	—	20,007	3,285,037
Executive Vice President, General Counsel and President – LNG	2019	619,899	—	2,749,440	805,900	—	19,544	4,194,783
	2018	600,477	—	2,466,882	858,700	—	19,294	3,945,353

(1) Equity award amounts reflect the aggregate grant date fair value of unit awards granted for the periods presented, computed in accordance with FASB ASC Topic 718, disregarding any estimates for forfeitures. For Messrs. Long and Ramsey amounts include equity awards of our subsidiary, Sunoco LP, as reflected in the "Grants of Plan-Based Awards Table." See Note 9 to our consolidated financial statements included in "Item 8. Financial Statements and Supplementary Data" for additional assumptions underlying the value of the equity awards. Although the CRSU awards may only be settled in cash, they are based upon the value of ET common units and are accounted for as equity awards within these compensation tables.

(2) ET maintains the Bonus Plan which provides for discretionary bonuses. Awards of discretionary bonuses are tied to achievement of targeted performance objectives and described in the Compensation Discussion and Analysis.

(3) The amounts reflected for 2020 in this column include (i) matching contributions to the ET 401(k) Plan made on behalf of the named executive officers of $13,846 for Mr. Long, $10,288 for Mr. McCrea and $14,250 each for Messrs. Ramsey and Mason, and (ii) health savings account contributions made on behalf of the named executive officers of $2,000 each for Messrs. Long and McCrea, and (iii) the dollar value of life insurance premiums paid for the benefit of the named executive officers. The amounts reflected for all periods exclude distribution payments in connection with distribution equivalent rights on unvested unit awards, because the dollar value of such distributions are factored into the grant date fair value reported in the "Equity Awards" column of the Summary Compensation Table at the time that the unit awards and distribution equivalent rights were originally granted. For 2020, distribution payments in connection with distribution equivalent rights totaled $913,658 for Mr. Long, $2,284,899 for Mr. McCrea, $916,013 for Mr. Ramsey, and $774,910 for Mr. Mason.

(4) Mr. Warren has voluntarily determined that his salary will be reduced to $1.00 per year (plus an amount sufficient to cover his allocated payroll deductions for health and welfare benefits). He also does not accept a cash bonus or any equity or incentive awards under any applicable incentive plans.

(5) The amounts reflected in the bonus column for Mr. McCrea represents the first payment of Mr. McCrea's time-vested cash award, which award represents 50% of Mr. McCrea's total equity award target. This amount was paid on December 31, 2020.

Grants of Plan-Based Awards in 2020

Name	Grant Date	All Other Unit Awards: Number of Units (#)	Grant Date Fair Value of Unit Awards [1]
ET Unit Awards:			
Kelcy L. Warren	N/A	—	$ —
Thomas E. Long	12/30/2020	178,550	1,099,868
Marshal S. (Mackie) McCrea, III	12/30/2020	746,350	4,597,516
Matthew S. Ramsey	12/30/2020	207,300	1,276,968
Thomas P. Mason	12/30/2020	234,900	1,446,984
ET Cash Restricted Unit Awards:			
Thomas E. Long	12/30/2020	178,550	883,527
Matthew S. Ramsey	12/30/2020	207,300	1,025,792
Thomas P. Mason	12/30/2020	234,900	1,162,366
Sunoco LP Unit Awards:			
Thomas E. Long	12/30/2020	27,800	797,860
Matthew S. Ramsey	12/30/2020	32,300	927,010

(1) We have computed the grant date fair value of unit awards in accordance with FASB ASC Topic 718, as further described above and in Note 9 to our consolidated financial statements. For ET cash restricted unit awards, the grant date fair value is discounted for the expected distribution yield during the vesting period, as those awards do not include distribution equivalent rights.

Narrative Disclosure to Summary Compensation Table and Grants of the Plan-Based Awards Table

A description of material factors necessary to understand the information disclosed in the tables above with respect to salaries, bonuses, equity awards, and 401(k) plan contributions can be found in the Compensation Discussion and Analysis that precedes these tables.

Outstanding Equity Awards at 2020 Fiscal Year-End

		Unit Awards [1]	
Name	**Grant Date[1]**	**Number of Units That Have Not Vested[2] (#)**	**Market or Payout Value of Units That Have Not Vested [3] ($)**
ET Unit Awards:			
Kelcy L. Warren	N/A	—	$ —
Thomas E. Long	12/30/2020	178,550	1,103,439
	12/16/2019	215,000	1,328,700
	12/18/2018	136,475	843,416
	10/19/2018	115,200	711,936
	12/20/2017	48,430	299,297
	12/29/2016	30,236	186,858
Marshal S. (Mackie) McCrea, III	12/30/2020	746,350	4,612,443
	12/16/2019	682,400	4,217,232
	12/18/2018	605,740	3,743,473
	12/20/2017	214,952	1,328,403
	12/29/2016	172,231	1,064,388
Matthew S. Ramsey	12/30/2020	207,300	1,281,114
	12/16/2019	189,600	1,171,728
	12/18/2018	168,260	1,039,847
	12/20/2017	89,564	553,506
	12/29/2016	73,440	453,859
Thomas P. Mason	12/30/2020	234,900	1,451,682
	12/16/2019	214,800	1,327,464
	12/18/2018	190,640	1,178,155
	12/20/2017	54,120	334,462
	12/29/2016	40,645	251,186
ET Cash Restricted Unit Awards:			
Thomas E. Long	12/30/2020	178,550	887,058
Matthew S. Ramsey	12/30/2020	207,300	1,029,892
Thomas P. Mason	12/30/2020	234,900	1,167,012
Sunoco LP Unit Awards:			
Thomas E. Long	12/30/2020	27,800	800,084
	12/16/2019	19,500	561,210
	12/19/2018	19,325	556,174
	12/21/2017	6,839	196,826
	12/29/2016	8,884	255,682
Matthew S. Ramsey	12/30/2020	32,300	929,594
	12/16/2019	22,600	650,428
	12/19/2018	23,825	685,684
Thomas P. Mason	12/21/2017	7,643	219,966
	12/29/2016	9,320	268,230

(1) Certain of these outstanding awards represent former Energy Transfer Partners, L.P. awards that converted into ET awards upon the merger of Energy Transfer Equity, L.P. (now named Energy Transfer LP) and Energy Transfer Partners, L.P. (now named Energy Transfer Operating, L.P.) in October 2018. Furthermore, some of those converted awards had previously been converted in connection with the merger of Energy Transfer Partners, L.P. and Sunoco Logistics Partners L.P. in April 2017.

(2) ET and Sunoco LP unit awards outstanding vest as follows:

- at a rate of 60% in December 2023 and 40% in December 2025 for awards granted in December 2020;
- at a rate of 60% in December 2022 and 40% in December 2024 for awards granted in December 2019;
- at a rate of 60% in December 2021 and 40% in December 2023 for awards granted in October and December 2018;
- 100% in December 2022 for the remaining outstanding portion of awards granted in December 2017; and
- 100% in December 2021 for the remaining outstanding portion of awards granted in December 2016.

Such awards may be settled at the election of the ET Compensation Committee in (i) common units of ET (subject to the approval of the ET Incentive Plans prior to the first vesting date by a majority of Unitholders pursuant to the rules of the New York Stock Exchange); (ii) cash equal to the Fair Market Value (as such term is defined in the ET Incentive Plans) of the ET common units that would otherwise be delivered pursuant to the terms of each named executive officers grant agreement; or (iii) other securities or property in an amount equal to the Fair Market Value of ET common units that would otherwise be delivered pursuant to the terms of the grant agreement, or a combination thereof as determined by the ET Compensation Committee in its discretion.

ET cash restricted unit awards granted in December 2020 vest 1/3 per year in December 2021, 2022 and 2023.

(3) Market value was computed as the number of unvested awards as of December 31, 2020 multiplied by the closing price of respective common units of ET and Sunoco LP. For ET cash restricted unit awards, the grant date fair value is discounted for the expected distribution yield during the vesting period, as those awards do not include distribution equivalent rights.

Units Vested in 2020

	Unit Awards	
Name	**Number of Units Acquired on Vesting (#)**	**Value Realized on Vesting ($) [1]**
ET Unit Awards:		
Kelcy L. Warren	N/A	$ —
Thomas E. Long	92,610	641,787
Marshall S. (Mackie) McCrea, III	465,098	3,223,129
Matthew S. Ramsey	193,626	1,341,828
Thomas P. Mason	114,858	795,966
Sunoco LP Unit Awards:		
Thomas E. Long	15,908	459,900
Matthew S. Ramsey	814	25,584
Thomas P. Mason	18,873	545,618

(1) Amounts presented represent the value realized upon vesting of these awards, which is calculated as the number of units vested multiplied by the applicable closing market price of applicable common units upon the vesting date.

We have not issued option awards.

Potential Payments Upon a Termination or Change of Control

Equity Awards. As discussed in our Compensation Discussion and Analysis above, any unvested equity awards (including cash restricted unit awards) granted pursuant the ET Incentive Plans will automatically become vested upon a change of control, which is generally defined as the occurrence of one or more of the following events: (i) any person or group becomes the beneficial owner of 50% or more of the voting power or voting securities of ET or its general partner; (ii) LE GP, LLC or an affiliate of LE GP, LLC ceases to be the general partner of ET; or (iii) the sale or other disposition, including by liquidation or dissolution, of all or substantially all of the assets of ET in one or more transactions to anyone other than an affiliate of ET.

In addition, as explained in *Equity Awards* section of our Compensation Discussion and Analysis above, the restricted unit awards, phantom unit awards and cash restricted unit awards under the ET Incentive Plans, the Sunoco LP Plan and the 2012 Sunoco LP Plan generally require the continued employment of the recipient during the vesting period, provided however, the unvested awards will be accelerated in the event of the death or disability of the award recipient prior to the applicable vesting

period being satisfied. All awards outstanding to the named executive officers under the ET Incentive Plans, the 2018 Sunoco LP Plan or the 2012 Sunoco LP Plan would be accelerated in the event of a change in control of the Partnership.

The October 2018 equity award to Mr. Long included a provision in the applicable award agreement for acceleration of unvested restricted unit/restricted phantom unit awards upon a termination of employment by the general partner of the applicable partnership issuing the award without "cause." For purposes of the awards the term "cause" shall mean: (i) a conviction (treating a nolo contendere plea as a conviction) of a felony (whether or not any right to appeal has been or may be exercised), (ii) willful refusal without proper cause to perform duties (other than any such refusal resulting from incapacity due to physical or mental impairment), (iii) misappropriation, embezzlement or reckless or willful destruction of property of the partnership or any of its affiliates, (iv) knowing breach of any statutory or common law duty of loyalty to the partnership or any of its or their affiliates, (v) improper conduct materially prejudicial to the business of the partnership or any of its or their affiliates, (vi) material breach of the provisions of any agreement regarding confidential information entered into with the partnership or any of its or their affiliates or (vii) the continuing failure or refusal to satisfactorily perform essential duties to the partnership or any of its or their affiliates.

In addition, the ET Compensation Committee and the compensation committee of the general partner of Sunoco LP, have approved a retirement provision, which provides that employees, including the named executive officers with at least ten years of service with the general partner, who leave the respective general partner voluntarily due to retirement (i) after age 65 but prior to age 68 are eligible for accelerated vesting of 40% of his or her award; or (ii) after 68 are eligible for accelerated vesting of 50% his or her award. The acceleration of the awards is subject to the applicable provisions of IRC Section 409(A).

Mr. Mason previously received a one-time special incentive retention bonus, for which he would be obligated to repay $3,150,000 if his employment terminates (other than as a result of (x) a termination without cause by ET or by Mr. Mason for Good Reason; (y) his death; or (z) his permanent disability) prior to February 24, 2021.

Deferred Compensation Plan. As discussed in our Compensation Discussion and Analysis above, all amounts under the ET NQDC Plan (other than discretionary credits) are immediately 100% vested. Upon a change of control (as defined in the ET NQDC Plan), distributions from the respective plan would be made in accordance with the normal distribution provisions of the respective plan. A change of control is generally defined in the ET NQDC Plan as any change of control event within the meaning of Treasury Regulation Section 1.409A-3(i)(5).

CEO Pay Ratio

In accordance with Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, set forth below is information about the relationship of the annual total compensation of Mr. Warren, the Chairman and Chief Executive Officer and the annual total compensation of our employees.

For the 2020 calendar year, the annual total compensation of Mr. Warren, as reported in the Summary Compensation Table of this Item 11 was $6,392.

The median total compensation of the employees supporting the Partnership (other than Mr. Warren) was $110,358 for 2020.

Based on this information, for 2020 the ratio of the annual total compensation of Mr. Warren to the median of the annual total compensation of the 8,149 employees supporting ETO as of December 31, 2020 was approximately 1 to 17 as Mr. Warren has voluntarily elected not to accept any salary, bonus or equity incentive compensation (other than a salary of $1.00 per year plus an amount sufficient to cover his allocated employee premium contributions for health and welfare benefits).

To identify the median of the annual total compensation of the employees supporting the Partnership, the following steps were taken:

1. It was determined that, as of December 31, 2020, the applicable employee populations consisted of 8,149 with all of the identified individuals being employed in the United States. This population consisted of all of our full-time and part-time employees. We did not engage any independent contractors in 2020 that are required to be included in our employee population for the CEO pay ratio evaluation.
2. To identify the "median employee" from our employee population, we compared the total earnings of our employees as reflected in our payroll records as reported on Form W-2 for 2020.
3. We identified our median employee using W-2 reporting and applied this compensation measure consistently to all of our employees required to be included in the calculation. We did not make any cost of living adjustments in identifying the "median employee."

4. Once we identified our median employee, we combined all elements of the employee's compensation for 2020 resulting in an annual compensation of $110,358. The difference between such employee's total earnings and the employee's total compensation represents the estimated value of the employee's health care benefits (estimated for the employee and such employee's eligible dependents at $11,119) and the employee's 401(k) matching contribution and profit sharing contribution (estimated at $3,130 per employee, includes $1,972 per employee on average matching contribution and $1,158 per employee on average profit sharing contribution (employees earning over $175,000 in base are ineligible for profit sharing)).

5. With respect to Mr. Warren, we used the amount reported in the "Total" column of our 2020 Summary Compensation Table under this Item 11.

Director Compensation

In 2020, the compensation arrangements for outside directors included a $100,000 annual retainer for services on the board. If a director served on the ET Audit Committee, such director would receive an annual cash retainer ($15,000 or $25,000 in the case of the chairman). If a director served on the ET Compensation Committee, such director would receive an annual cash retainer ($7,500 or $15,000 in the case of the chairman). The fees for membership on the Conflicts Committee are determined on a per instance basis for each committee assignment.

The outside directors of our General Partner are also entitled to an annual restricted unit award under the ET Incentive Plans equal to an aggregate of $100,000 divided by the closing price of ET common units on the date of grant. These ET common units will vest 60% after the third year and the remaining 40% after the fifth year after the grant date. The compensation expense recorded is based on the grant-date market value of the ET common units and is recognized over the vesting period. Distributions are paid during the vesting period.

The compensation paid to the non-employee directors of our General Partner in 2020 is reflected in the following table:

Name	Fees Paid in Cash[1] ($)	Unit Awards[2] ($)	All Other Compensation ($)	Total ($)
Steven R. Anderson	$ 122,500	$ 99,997	$ —	$ 222,497
Richard D. Brannon	125,000	99,997	—	224,997
Ray C. Davis	100,000	99,997	—	199,997
Michael K. Grimm	130,000	99,997	—	229,997
James R. Perry[3]	75,000	99,997	—	174,997
Ray W. Washburne	107,500	99,997	—	207,497

(1) Fees paid in cash are based on amounts paid during the period.

(2) Equity award amounts reflect the aggregate grant date fair value of unit awards granted for the periods presented, computed in accordance with FASB ASC Topic 718, disregarding any estimates for forfeitures. See Note 9 to our consolidated financial statements included in "Item 8. Financial Statements and Supplementary Data" for additional assumptions underlying the value of the equity awards.

(3) Mr. Perry was appointed as a director of our General Partner on January 1, 2020.

As of December 31, 2020, Mr. Anderson had 17,543 unvested ET restricted units outstanding, Mr. Brannon had 23,767 unvested ET restricted units outstanding, Mr. Davis had 17,543 unvested ET restricted units outstanding, Mr. Grimm had 26,259 unvested ET restricted units outstanding, Mr. Perry had 9,996 unvested ET restricted units outstanding and Mr. Washburne had 9,996 unvested ET restricted units outstanding.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED UNITHOLDER MATTERS

Equity Compensation Plan Information

The following table sets forth in tabular format, a summary of our equity plan information as of December 31, 2020:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	—	$ —	—
Equity compensation plans not approved by security holders:	29,451,869	—	34,298,844
Total	29,451,869	$ —	34,298,844

Energy Transfer LP Units

The following table sets forth certain information as of February 12, 2021, regarding the beneficial ownership of our voting securities by (i) certain beneficial owners of more than 5% of our Common Units, (ii) each director and named executive officer of our General Partner and (iii) all current directors and executive officers of our General Partner as a group. The General Partner knows of no other person not disclosed herein who beneficially owns more than 5% of our Common Units.

Name and Address of Beneficial Owner [1]	Beneficially Owned [2]	Percent of Class
Kelcy L. Warren [3]	259,940,845	9.6 %
Ray C. Davis [4]	89,974,506	3.3 %
Thomas E. Long	395,231	*
Marshall S. (Mackie) McCrea, III	2,430,302	*
Matthew S. Ramsey	428,745	*
Thomas P. Mason	598,760	*
Bradford D. Whitehurst [5]	280,681	*
Richard D. Brannon [6]	396,504	*
Steven R. Anderson [7]	1,544,618	*
Michael K. Grimm [8]	131,573	*
John W. McReynolds [9]	30,225,200	1.1 %
James R. Perry	120,020	*
Ray W. Washburne [10]	100,040	*
All Directors and Executive Officers as a group (14 persons)	386,634,279	14.3 %

* Less than 1%

[1] The address for Mr. Davis is 5950 Sherry Lane, Dallas, Texas 75225. The address for all other listed beneficial owners is 8111 Westchester Drive, Suite 600, Dallas, Texas 75225.

[2] Beneficial ownership for the purposes of this table is defined by Rule 13d-3 under the Exchange Act of 1934. Under that rule, a person is generally considered to be the beneficial owner of a security if he has or shares the power to vote or direct the voting thereof or to dispose or direct the disposition thereof or has the right to acquire either of those powers within sixty days. The nature of beneficial ownership for all listed persons is direct with sole investment and disposition power unless otherwise noted. The beneficial ownership of each listed person is based on 2,702,436,307 common units outstanding in the aggregate as of February 12, 2021.

(3) Includes 104,276,511 common units held by Kelcy Warren Partners, L.P. and 10,244,429 common units held by Kelcy Warren Partners II, L.P., the general partners of which are owned by Mr. Warren. Also includes 97,577,803 common units held by Kelcy Warren Partners III, LLC formerly known as Seven Bridges Holdings, LLC, of which Mr. Warren is a member. Also includes 328,383 common units attributable to the interest of Mr. Warren in ET Company Ltd and Three Dawaco, Inc., over which Mr. Warren exercises shared voting and dispositive power with Ray Davis. Also includes 601,076 common units held by LE GP, LLC. Mr. Warren may be deemed to own common units held by LE GP, LLC due to his ownership of 81.2% of its member interests. The voting and disposition of these common units is directly controlled by the board of directors of LE GP, LLC. Mr. Warren disclaims beneficial ownership of common units owned by LE GP, LLC other than to the extent of his interest in such entity. Also includes 104,166 common units held by Mr. Warren's spouse.

(4) Includes 51,701 Common Units held by Avatar Holdings LLC, 1,941,721 common units held by Avatar BW, Ltd., 28,203,003 common units held by Avatar ETC Stock Holdings LLC, 3,557,757 common units held by Avatar Investments LP, 121,117 common units held by Avatar Stock Holdings, LP and 1,112,069 common units held by RCD Stock Holdings, LLC, all of which entities are owned or controlled by Mr. Davis. Also includes 15,987,283 common units held by a remainder trust for Mr. Davis' spouse and 9,536,054 Common Units held by two trusts for the benefit of Mr. Davis' grandchildren, for which Mr. Davis serves as trustee. Mr. Davis shares voting and dispositive power with his wife with respect to common units held directly. Also includes 328,383 common units attributable to ET Company Ltd. Mr. Davis is a former executive officer and director of ETO and is currently a director of the general partner of ET, LE GP, LLC.

(5) Includes 186,898 common units held by Mr. Whitehurst in a margin account.

(6) Includes 337,820 common units held by B4 Capital Investments, LP, a limited partnership of which a limited liability company owned by Mr. Brannon and his wife is the sole general partner and of which Mr. Brannon and his wife are the sole limited partners.

(7) Includes 1,544,558 common units held by Steven R. Anderson Revocable Trust, for which Mr. Anderson serves as trustee. As of December 31, 2020, 603,100 common units were pledged as collateral.

(8) Includes 6,660 common units held by two trusts for the benefit of Mr. Grimm's children, for which Mr. Grimm serves as trustee.

(9) Includes 17,445,608 common units held by McReynolds Energy Partners L.P. and 12,142,593 common units held by McReynolds Equity Partners L.P., the general partners of which are owned by Mr. McReynolds. Mr. McReynolds disclaims beneficial ownership of common units owned by such limited partnerships other than to the extent of his interest in such entities.

(10) Includes 2,090 common units held by Mr. Washburne's wife.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

As of December 31, 2020, our interests in ETO consisted of 100% of the general partner interests and 2,458,702,066 ETO common units.

The Parent Company's principal sources of cash flow are derived from its direct and indirect investments in the limited partner and general partner interests in ETO, Sunoco LP and USAC, all of which are limited partnerships engaged in diversified energy-related services, and cash flows from the operations of Lake Charles LNG.

Mr. McCrea and Mr. Ramsey, current directors of LE GP, LLC, our general partner, are also directors and executive officers of ETO's general partner. Mr. Long, also currently a director of LE GP, LLC, is also an executive officer of ETO's general partner. In addition, Mr. Warren, our Executive Chairman, is also the Executive Chairman of ETO's general partner.

For a discussion of director independence, see "Item 10. Directors, Executive Officers and Corporate Governance."

As a policy matter, our Conflicts Committee generally reviews any proposed related party transaction that may be material to the Partnership to determine whether the transaction is fair and reasonable to the Partnership. The Partnership's board of directors makes the determinations as to whether there exists a related party transaction in the normal course of reviewing transactions for approval as the Partnership's board of directors is advised by its management of the parties involved in each material transaction as to which the board of directors' approval is sought by the Partnership's management. In addition, the Partnership's board of directors makes inquiries to independently ascertain whether related parties may have an interest in the proposed transaction. While there are no written policies or procedures for the board of directors to follow in making these determinations, the Partnership's board makes those determinations in light of its contractually-limited fiduciary duties to the Unitholders. The partnership agreement of ET provides that any matter approved by the Conflicts Committee will be

conclusively deemed to be fair and reasonable to ET, approved by all the partners of ET and not a breach by the General Partner or its Board of Directors of any duties they may owe ET or the Unitholders (see “Risks Related to Conflicts of Interest” in “Item 1A. Risk Factors” in this annual report).

The Parent Company has agreements with subsidiaries to provide or receive various general and administrative services. The Parent Company pays ETO to provide services on its behalf and the behalf of other subsidiaries of the Parent Company. The Parent Company receives management fees from certain of its subsidiaries, which include the reimbursement of various general and administrative services for expenses incurred by ETO on behalf of those subsidiaries. All such amounts have been eliminated in our consolidated financial statements.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following sets forth fees billed by Grant Thornton LLP for the audit of our annual financial statements and other services rendered (dollars in millions):

	Years Ended December 31,	
	2020	2019
Audit fees [1]	$ 10.7	$ 11.6
Audit-related fees	—	0.1
Total	$ 10.7	$ 11.7

[1] Includes fees for audits of annual financial statements of our companies, reviews of the related quarterly financial statements, and services that are normally provided by the independent accountants in connection with statutory and regulatory filings or engagements, including reviews of documents filed with the SEC and services related to the audit of our internal control over financial reporting.

Pursuant to the charter of the Audit Committee, the Audit Committee is responsible for the oversight of our accounting, reporting and financial practices. The Audit Committee has the responsibility to select, appoint, engage, oversee, retain, evaluate and terminate our external auditors; pre-approve all audit and non-audit services to be provided, consistent with all applicable laws, to us by our external auditors; and establish the fees and other compensation to be paid to our external auditors. The Audit Committee also oversees and directs our internal auditing program and reviews our internal controls.

The Audit Committee has adopted a policy for the pre-approval of audit and permitted non-audit services provided by our principal independent accountants. The policy requires that all services provided by Grant Thornton LLP including audit services, audit-related services, tax services and other services, must be pre-approved by the Audit Committee. All fees paid or expected to be paid to Grant Thornton LLP for fiscal years 2020 and 2019 were pre-approved by the Audit Committee in accordance with this policy.

The Audit Committee reviews the external auditors’ proposed scope and approach as well as the performance of the external auditors. It also has direct responsibility for and sole authority to resolve any disagreements between our management and our external auditors regarding financial reporting, regularly reviews with the external auditors any problems or difficulties the auditors encountered in the course of their audit work, and, at least annually, uses its reasonable efforts to obtain and review a report from the external auditors addressing the following (among other items):

- the auditors’ internal quality-control procedures;
- any material issues raised by the most recent internal quality-control review, or peer review, of the external auditors;
- the independence of the external auditors;
- the aggregate fees billed by our external auditors for each of the previous two years; and
- the rotation of the lead partner.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as a part of this Report:	Page
(1) Financial Statements – see Index to Financial Statements	F - 1
(2) Financial Statement Schedules – None	
(3) Exhibits – see Index to Exhibits	155

ITEM 16. FORM 10-K SUMMARY

None.

INDEX TO EXHIBITS

The exhibits listed on the following Exhibit Index are filed as part of this report. Exhibits required by Item 601 of Regulation S-K, but which are not listed below, are not applicable.

Exhibit Number	Description
	Energy Transfer Equity, L.P.
2.1	Agreement and Plan of Merger, dated as of September 28, 2015, among Energy Transfer Corp LP, ETE Corp GP, LLC, Energy Transfer Equity, L.P., LE GP, LLC, ETE GP, LLC and The Williams Companies, Inc. (incorporated by reference to Exhibit 2.1 to Form 8-K/A (File No. 1-32740) filed October 2, 2015)
2.2	Agreement and Plan of Merger, dated as of November 20, 2016, by and among Energy Transfer Partners, L.P., Energy Transfer Partners GP, L.P., Sunoco Logistics Partners L.P., Sunoco Partners LLC and, solely for purposes of certain provisions therein, Energy Transfer Equity, L.P. (incorporated by reference to Exhibit 2.1 to Form 8-K (File No. 1-11727) filed November 21, 2016)
2.3	Amendment No. 1 to Agreement and Plan of Merger, dated as of December 16, 2016, by and among Sunoco Logistics Partners L.P., Sunoco Partners LLC, SXL Acquisition Sub LLC, SXL Acquisition Sub LP, Energy Transfer Partners, L.P., Energy Transfer Partners GP, L.P., ETP Acquisition Sub, LLC and, solely for purposes of certain provisions therein, Energy Transfer Equity, L.P. (incorporated by reference to Exhibit 2.2 to Form 8-K (File No. 1-11727) filed December 21, 2016)
2.4	Contribution Agreement, dated as of January 15, 2018, by and among USA Compression Partners, LP, Energy Transfer Partners, L.P., Energy Transfer Partners GP, L.P., ETC Compression, LLC and, solely for certain purposes therein, Energy Transfer Equity, L.P. (incorporated by reference to Exhibit 2.1 to Form 8-K (File No. 1-32740) filed January 16, 2018)
2.5	Purchase Agreement, dated as of January 15, 2018, by and among USA Compression Holdings, LLC, Energy Transfer Equity, L.P., Energy Transfer Partners, L.L.C. and, solely for certain purposes therein, R/C IV USACP Holdings, L.P. and Energy Transfer Partners, L.P. (incorporated by reference to Exhibit 2.2 to Form 8-K (File No. 1-32740) filed January 16, 2018)
2.6	Agreement and Plan of Merger, dated as of August 1, 2018, by and among LE GP, LLC, Energy Transfer Equity, L.P., Streamline Merger Sub, LLC, Energy Transfer Partners, L.L.C. and Energy Transfer Partners, L.P. (incorporated by reference to Exhibit 2.1 to Form 8-K (File No. 1-32740) filed August 3, 2018)
2.7	Agreement and Plan of Merger, dated as of September 15, 2019, by and among Energy Transfer LP, Nautilus Merger Sub LLC and SemGroup Corporation (incorporated by reference to Exhibit 2.1 to Form 8-K (File No. 1-32740) filed September 16, 2019)
2.8	Agreement and Plan of Merger, dated as of February 16, 2021, by and among Energy Transfer LP, Elk Merger Sub LLC, Elk GP Merger Sub LLC, Enable Midstream Partners, LP, Enable GP, LLC, solely for the purpose of Section 21.(a)(i), LE GP, LLC, and, solely for the purpose of Section 1.1(b)(i), CenterPoint Energy, Inc. (incorporated by reference to Exhibit 2.1 to Form 8-K (File No. 1-32740) filed February 17, 2021)
3.1	Certificate of Limited Partnership of Energy Transfer Equity, L.P. (incorporated by reference to Exhibit 3.2 to Form S-1 (File No. 333-128097) filed September 2, 2005)
3.1.1	Certificate of Amendment to Certificate of Limited Partnership of Energy Transfer LP (incorporated by reference to Exhibit 3.1 to Form 8-K (File No. 1-32740) filed October 19, 2018)
3.2	Third Amended Restated Agreement of Limited Partnership of Energy Transfer Equity, L.P., dated February 8, 2006 (incorporated by reference to Exhibit 3.1 to Form 8-K (File No. 1-32740) filed February 14, 2006)
3.3	Amendment No. 1 to Third Amended and Restated Agreement of Limited Partnership of Energy Transfer Equity, L.P. dated November 1, 2006 (incorporated by reference to Exhibit 3.3.1 to Form 10-K (File No. 1-32740) filed November 29, 2006)
3.4	Amendment No. 2 to Third Amended and Restated Agreement of Limited Partnership of Energy Transfer Equity, L.P., dated November 9, 2007 (incorporated by reference to Exhibit 3.3.2 to Form 8-K (File No. 1-32740) filed November 13, 2007)
3.5	Amendment No. 3 to Third Amended and Restated Agreement of Limited Partnership of Energy Transfer Equity, L.P., dated May 26, 2010 (incorporated by reference to Exhibit 3.1 to Form 8-K (File No. 1-32740) filed June 2, 2010)
3.6	Amendment No. 4 to Third Amended and Restated Agreement of Limited Partnership of Energy Transfer Equity, L.P., dated December 23, 2013 (incorporated by reference to Exhibit 3.1 to Form 8-K (File No. 1-32740) filed December 27, 2013)
3.7	Amendment No. 5 to the Third Amended and Restated Agreement of Limited Partnership of Energy Transfer Equity, L.P., dated as of March 8, 2016 (incorporated by reference to Exhibit 3.1 to Form 8-K (File No. 1-32740) filed March 9, 2016)

Exhibit Number	Description
3.8	Amendment No. 6 to the Third Amended and Restated Agreement of Limited Partnership of Energy Transfer Equity, L.P., dated as of October 19, 2018 (incorporated by reference to Exhibit 3.2 of Form 8-K, File No.1-32740, filed October 19, 2018 (incorporated by reference to Exhibit 3.2 to Form 8-K (File No. 1-32740) filed October 19, 2018)
3.9	Amendment No. 7 to the Third Amended and Restated Agreement of Limited Partnership of Energy Transfer LP dated as of August 6, 2019 (incorporated by reference to Exhibit 3.10 to Form 10-Q (File No. 1-32740) filed August 8, 2019)
4.1	Indenture, dated September 20, 2010 between Energy Transfer Equity, L.P. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to Form 8-K (File No. 1-32740) filed September 20, 2010)
4.2	Fourth Supplemental Indenture, dated December 2, 2013 between Energy Transfer Equity, L.P. and U.S. Bank National Association, as trustee (including form of the Notes) (incorporated by reference to Exhibit 4.2 to Form 8-K (File No. 1-32740) filed December 2, 2013)
4.3	Fifth Supplemental Indenture, dated May 28, 2014 between Energy Transfer Equity, L.P. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.2 to Form 8-K (File No. 1-32740) filed May 28, 2014)
4.4	Sixth Supplemental Indenture, dated May 28, 2014 between Energy Transfer Equity, L.P. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.3 to Form 8-K (File No. 1-32740) filed May 28, 2014)
4.5	Seventh Supplemental Indenture, dated May 22, 2015 between Energy Transfer Equity, L.P. and U.S. Bank National Association, as trustee (including form of the Notes) (incorporated by reference to Exhibit 4.2 to Form 8-K (File No. 1-32740) filed May 22, 2015)
4.6	Eighth Supplemental Indenture dated October 18, 2017 between Energy Transfer Equity, L.P. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.2 to Form 8-K (File No. 1-32740) filed October 18th, 2017)
4.7	Description of Registrant's securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 - Description of common units (incorporated by reference to Exhibit 4.10 to Form 10-K (File No. 1-32740) filed February 21, 2020)
4.8	Ninth Supplemental Indenture, dated as of March 25, 2019, between Energy Transfer LP and U.S. Bank National Association as trustee (incorporated by reference to Exhibit 4.2 to Form 8-K (File No. 1-32740) filed March 27, 2019)
10.1+	Amended and Restated Energy Transfer LP Long-Term Incentive Plan (formerly Amended and Restated Energy Transfer Equity, L.P. Long-Term Incentive Plan) (incorporated by reference to Exhibit 10.1 to Form 10-K (File No. 1-32740) filed February 23, 2018)
10.2*+	First Amendment to the Amended and Restated Energy Transfer LP Long-Term Incentive Plan
10.3+	Second Amendment to the Amended and Restated Energy Transfer LP Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to Form 8-K (File No. 1-32740) filed January 6, 2021)
10.4+	Energy Transfer LP Long-Term Cash Restricted Unit Plan (incorporated by reference to Exhibit 10.2 to Form 8-K (File No. 1-32740) filed January 6, 2021)
10.5+	Form of Cash Unit Award Agreement under the Energy Transfer LP Long-Term Cash Restricted Unit Plan (incorporated by reference to Exhibit 10.3 to Form 8-K (File No. 1-32740) filed January 6, 2021)
10.6+	Second Amended and Restated Energy Transfer LP 2008 Long-Term Incentive Plan (formerly Second Amended and Restated Energy Transfer Partners, L.P. 2008 Long-Term Incentive Plan) (incorporated by reference to Exhibit 4.1 to Form S-8 (File No. 333-229456) filed January 31, 2019)
10.7+	Energy Transfer LP 2011 Long-Term Incentive Plan (formerly Regency Energy Partners LP 2011 Long-Term Incentive Plan) (incorporated by reference to Exhibit 4.2 to Form S-8 (File No 333-229456) filed January 31, 2019)
10.8+	Energy Transfer LP 2015 Long-Term Incentive Plan, as amended and restated (formerly Sunoco Partners LLC Long-Term Incentive Plan, as amended and restated) (incorporated by reference to Exhibit 4.3 to Form S-8 (File No. 333-229456) filed January 31, 2019)
10.9+	Form of Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 10.26 to Form S-1 (File No. 333-128097) filed December 20, 2005)
10.10	Registration Rights Agreement, dated November 27, 2006, by and among Energy Transfer Equity, L.P. and certain investors named therein (incorporated by reference to Exhibit 99.1 to Form 8-K (File No. 1-32740) filed November 30, 2006)
10.11+	LE GP, LLC Amended and Restated Outside Director Compensation Policy (incorporated by reference to Exhibit 10.9 to Form 10-K (File No. 1-32740) filed February 22, 2019)
10.12	Registration Rights Agreement, dated March 2, 2007, by and among Energy Transfer Equity, L.P. and certain investors named therein (incorporated by reference to Exhibit 99.1 to Form 8-K (File No. 1-32740) filed March 5, 2007)

Exhibit Number	Description
10.13	Unitholder Rights and Restrictions Agreement, dated as of May 7, 2007, by and among Energy Transfer Equity, L.P., Ray C. Davis, Natural Gas Partners VI, L.P. and Enterprise GP Holdings, L.P. (incorporated by reference to Exhibit 10.45 to Form 8-K (File No. 1-32740) filed May 7, 2007)
10.14	Shared Services Agreement dated as of August 26, 2005, by and between Energy Transfer Equity, L.P. and Energy Transfer Partners, L.P. (incorporated by reference to Exhibit 10.30 to Form S-1/A (File No. 333-128097) filed December 20, 2005)
10.15	Second Amendment, dated April 30, 2013, to the Shared Services Agreement dated as of August 26, 2005, as amended May 26, 2010, by and between Energy Transfer Equity, L.P. and Energy Transfer Partners, L.P.(incorporated by reference to Exhibit 10.2 to Form 8-K (File No. 1-32740) filed May 1, 2013)
10.16	Third Amendment, dated February 19, 2014, to the Shared Services Agreement dated as of August 26, 2005, as amended May 26, 2010 and April 30, 2013 by and between Energy Transfer Equity, L.P. and Energy Transfer Partners, L.P. (incorporated by reference to Exhibit 10.1 to Form 8-K (File No. 1-32740) filed February 19, 2014)
10.17+	Retention Agreement, by and among Energy Transfer Equity, L.P. and Thomas P. Mason, dated February 24, 2016 (incorporated by reference to Exhibit 10.21 to Form 10-K (File No. 1-32740) filed February 29, 2016)
10.18	Equity Restructuring Agreement, dated as of January 15, 2018, by and among Energy Transfer Equity, L.P., USA Compression Partners, LP and USA Compression GP, LLC. (incorporated by reference to Exhibit 10.1 to Form 8-K (File No. 1-32740) filed January 16, 2018)
10.19	Registration Rights Agreement, dated as of April 2, 2018, by and among Energy Transfer Partners, L.P., Energy Transfer Equity, L.P., USA Compression Partners, LP and USA Compression Holdings, LLC. (incorporated by reference to Exhibit 10.1 to Form 8-K (File No. 1-32740) filed April 3, 2018)
10.20+	Energy Transfer LP Annual Bonus Plan (incorporated by reference to Exhibit 10.23 to Form 10-K (File No. 1-32740) filed February 22, 2019)
10.21	Support Agreement, dated September 15, 2019, between Energy Transfer LP, Nautilus Merger Sub LLC, WP SemGroup Holdco LLC and SemGroup Corporation (incorporated by reference to Exhibit 10.1 to Form 8-K (File No. 1-32740) filed September 15, 2019)
10.22	Term Loan Credit Agreement dated as of October 17, 2019 among Energy Transfer Operating, L.P., Toronto Dominion (Texas) LLC, as Administrative Agent, the other lenders party thereto and the other parties named therein (incorporated by reference to Exhibit 10.1 to Form 8-K (File No. 1-32740) filed October 18, 2019)
10.23	Guaranty dated as of October 17, 2019 between Sunoco Logistics Partners Operations L.P. and Toronto Dominion (Texas) LLC, as Administrative Agent (incorporated by reference to Exhibit 10.2 to Form 8-K (File No. 1-32740) filed October 18, 2019)
10.24	Support Agreement, dated as of February 16, 2021, by and among Energy Transfer LP, Elk Merger Sub LLC, Elk GP Merger Sub LLC, Enable Midstream Partners, LP, Enable GP, LLC and CenterPoint Energy, Inc. (incorporated by reference to Exhibit 10.1 to Form 8-K (File No. 1-32740) filed February 17, 2021)
10.25	Support Agreement, dated as of February 16, 2021, by and among Energy Transfer LP, Elk Merger Sub LLC, Elk GP Merger Sub LLC, Enable Midstream Partners, LP, Enable GP, LLC and OGE Energy Corp. (incorporated by reference to Exhibit 10.2 to Form 8-K (File No. 1-32740) filed February 17, 2021)
21.1*	List of Subsidiaries
23.1*	Consent of Grant Thornton LLP related to Energy Transfer LP
31.1*	Certification of Co-Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Co-Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.3*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Co-Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Co-Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.3**	Certification Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101*	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) our Consolidated Balance Sheets as of December 31, 2020 and 2019; (ii) our Consolidated Statements of Operations for the years ended December 31, 2020, 2019 and 2018; (iii) our Consolidated Statements of Comprehensive Income for years ended December 31, 2020, 2019 and 2018; (iv) our Consolidated Statement of Equity for the years ended December 31, 2020, 2019 and 2018; and (v) our Consolidated Statements of Cash Flows for the years ended December 31, 2020, 2019 and 2018
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

*	Filed herewith.
**	Furnished herewith.
+	Denotes a management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ENERGY TRANSFER LP

By: LE GP, LLC, its general partner

Date: February 19, 2021

By: /s/ A. Troy Sturrock
A. Troy Sturrock
Senior Vice President, Controller and Principal Accounting Officer (duly authorized to sign on behalf of the registrant)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Kelcy L. Warren Kelcy L. Warren	Executive Chairman	February 19, 2021
/s/ Marshall S. McCrea, III Marshall S. McCrea, III	Co-Chief Executive Officer and Director (Co-Principal Executive Officer)	February 19, 2021
/s/ Thomas E. Long Thomas E. Long	Co-Chief Executive Officer and Director (Co-Principal Executive Officer)	February 19, 2021
/s/ Bradford D. Whitehurst Bradford D. Whitehurst	Chief Financial Officer (Principal Financial Officer)	February 19, 2021
/s/ Matthew S. Ramsey Matthew S. Ramsey	Chief Operating Officer and Director	February 19, 2021
/s/ A. Troy Sturrock A. Troy Sturrock	Senior Vice President and Controller (Principal Accounting Officer)	February 19, 2021
/s/ Steven R. Anderson Steven R. Anderson	Director	February 19, 2021
/s/ Richard D. Brannon Richard D. Brannon	Director	February 19, 2021
/s/ Ray C. Davis Ray C. Davis	Director	February 19, 2021
/s/ Michael K. Grimm Michael K. Grimm	Director	February 19, 2021
/s/ John W. McReynolds John W. McReynolds	Director	February 19, 2021
/s/ James R. Perry James R. Perry	Director	February 19, 2021
/s/ Ray W. Washburne Ray W. Washburne	Director	February 19, 2021

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Energy Transfer LP and Subsidiaries

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors of LE GP, LLC and
Unitholders of Energy Transfer LP

Opinion on the financial statements
We have audited the accompanying consolidated balance sheets of Energy Transfer LP (a Delaware limited partnership) and subsidiaries (the "Partnership") as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income (loss), equity, and cash flows for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Partnership's internal control over financial reporting as of December 31, 2020, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated February 19, 2021 expressed an unqualified opinion thereon.

Change in accounting principle
As discussed in Note 2 to the consolidated financial statements, the Partnership has changed its method of accounting for certain inventories.

Basis for opinion
These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on the Partnership's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matters
The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Goodwill Impairment Assessment
As described in Note 2 to the consolidated financial statements, the Partnership recognized $2.8 billion of goodwill impairment during 2020 and the remaining consolidated goodwill balance was $2.4 billion at December 31, 2020. Annually, or whenever events or changes in circumstances indicate potential asset impairment has occurred, the Partnership evaluates the recoverability of the carrying value of goodwill. The COVID-19 pandemic and the corresponding decrease in demand for crude oil, natural gas liquids and natural gas negatively impacted the Partnership's current and projected operating results, cash flow and market capitalization. Therefore, the Partnership determined that a triggering event had occurred and completed an interim goodwill impairment assessment of its reporting units during the first and third quarters of 2020 along with the Partnership's annual impairment assessment during the fourth quarter of 2020. The results of the quantitative impairment tests indicated that certain reporting units had a carrying value that exceeded their fair values. As a result, the Partnership recorded $2.8 billion of impairment charges to goodwill for these reporting units during the year ended December 31, 2020. In addition, as of December 31, 2020, there was $368 million of goodwill that was recorded within a reporting unit for which the estimated fair value exceeded the carrying value by less than 20% in the most recent quantitative test. We identified the Partnership's determination of the fair value of the reporting units where carrying value exceeded their fair values and the 1 reporting unit where the estimated fair value exceeded the carrying value by less than 20% as a critical audit matter.

The determination of the fair value of the reporting units was a critical audit matter due to the significant judgment required by management when determining the fair value of a reporting unit. In particular, the fair value estimates were sensitive to significant assumptions such as management's cash flow projections, discount rates, and the inherent uncertainty around the timing of increases or decreases in future projected results utilized to estimate the fair value of reporting units.

Our audit procedures related to the estimation of the fair value of the reporting units included the following procedures, among others. We tested the effectiveness of controls relating to management's review of the assumptions used to develop the future cash flows, the discount rates used, and valuation methodologies applied. In addition to testing the effectiveness of controls, we also performed the following:

a. Evaluated the reasonableness of management's forecasted financial results by:
   i. Assessing the reasonableness of management's forecast of future projected results and the underlying timing of recovery in comparison to relevant industry data and other supporting evidence obtained,
   ii. Testing forecasted revenues and gross margins by comparing forecasted amounts to actual historical results to identify material changes, corroborating the basis for increases or decreases in forecasted revenues and gross margins, as applicable, and
   iii. Testing significant operating expenses and cash expenditures by comparing to historical trends and evaluating significant deviations from recent actual amounts.
b. Utilized an internal valuation specialist to evaluate:
   i. The methodologies used and whether they were acceptable for the underlying assets or operations and whether such methodologies were being applied correctly, and
   ii. The appropriateness of the discount rates by recalculating the weighted average costs of capital or developing independent ranges of acceptable discount rates and comparing those ranges to the amounts selected and applied by management.

Environmental Remediation
As discussed in Note 10 to the consolidated financial statements, the Partnership's operations are subject to extensive federal, tribal, state and local environmental and safety laws and regulations that require expenditures for remediation at current and former facilities. At December 31, 2020, the Partnership's consolidated environmental obligations totaled $306 million. We identified the identification, assessment and estimation of the environmental exposure associated with certain sites of ETC Sunoco Holdings LLC as a critical audit matter.

The determination that the identification, assessment and estimation of the environmental exposure was a critical audit matter was due to high estimation uncertainty primarily driven by the complexity of the actuarial methods utilized, the discount rate applied and the potential for changes in the timing and extent of remediation. This required an increased extent of effort when performing audit procedures, related to identification, assessment and estimation of the environmental exposure, including the need to involve an actuarial specialist.

Our audit procedures related to the identification, assessment and estimation of the Partnership's environmental exposure included the following procedures, among others. We tested the effectiveness of controls relating to the identification and review of the historical claims, payments and reserve data provided to the third-party actuarial specialist and the reconciliation of that data used in the actuary report, and the review of the discount rate and actuarial methods applied. In addition to testing the effectiveness of controls, we performed the following procedures:

a. Utilized an auditor-engaged actuarial specialist to evaluate:
   i. The methodologies used and whether they were acceptable for the underlying operations, and
   ii. The qualifications of the actuarial specialist engaged by the Partnership based on their credentials and experience.
b. Evaluated the discount rate used by comparing it to the historical rate of return related to the investment portfolio used to fund the underlying liabilities, and
c. Evaluated the life-to-date payments, reserves, and payment patterns by agreeing the historical claims and payment amounts to underlying claims or general ledger.

/s/ GRANT THORNTON LLP

We have served as the Partnership's auditor since 2004.

Dallas, Texas
February 19, 2021

ENERGY TRANSFER LP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Dollars in millions)

	December 31, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 367	$ 291
Accounts receivable, net	3,875	5,038
Accounts receivable from related companies	79	159
Inventories	1,739	1,532
Income taxes receivable	35	146
Derivative assets	9	23
Other current assets	213	275
Total current assets	6,317	7,464
Property, plant and equipment	94,115	89,790
Accumulated depreciation and depletion	(19,008)	(15,597)
	75,107	74,193
Investments in unconsolidated affiliates	3,060	3,460
Lease right-of-use assets, net	866	964
Other non-current assets, net	1,657	1,571
Intangible assets, net	5,746	6,154
Goodwill	2,391	5,167
Total assets	$ 95,144	$ 98,973

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY TRANSFER LP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Dollars in millions)

	December 31, 2020	December 31, 2019
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 2,809	$ 4,118
Accounts payable to related companies	27	31
Derivative liabilities	238	147
Operating lease current liabilities	53	60
Accrued and other current liabilities	2,775	3,342
Current maturities of long-term debt	21	26
Total current liabilities	5,923	7,724
Long-term debt, less current maturities	51,417	51,028
Non-current derivative liabilities	237	273
Non-current operating lease liabilities	837	901
Deferred income taxes	3,428	3,208
Other non-current liabilities	1,152	1,162
Commitments and contingencies		
Redeemable noncontrolling interests	762	739
Equity:		
Limited Partners:		
Common Unitholders (2,702,372,154 and 2,689,580,631 units authorized, issued and outstanding as of December 31, 2020 and 2019, respectively)	18,531	21,935
General Partner	(8)	(4)
Accumulated other comprehensive income (loss)	6	(11)
Total partners' capital	18,529	21,920
Noncontrolling interests	12,859	12,018
Total equity	31,388	33,938
Total liabilities and equity	$ 95,144	$ 98,973

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY TRANSFER LP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in millions, except per unit data)

	Years Ended December 31,		
	2020	2019	2018
REVENUES:			
Refined product sales	$ 10,514	$ 16,752	$ 17,458
Crude sales	9,442	15,917	14,425
NGL sales	6,797	8,290	9,986
Gathering, transportation and other fees	8,982	9,086	6,797
Natural gas sales	2,633	3,295	4,452
Other	586	873	969
Total revenues	38,954	54,213	54,087
COSTS AND EXPENSES:			
Cost of products sold	25,487	39,801	41,603
Operating expenses	3,218	3,294	3,089
Depreciation, depletion and amortization	3,678	3,147	2,859
Selling, general and administrative	711	694	702
Impairment losses	2,880	74	431
Total costs and expenses	35,974	47,010	48,684
OPERATING INCOME	2,980	7,203	5,403
OTHER INCOME (EXPENSE):			
Interest expense, net of interest capitalized	(2,327)	(2,331)	(2,055)
Equity in earnings of unconsolidated affiliates	119	302	344
Impairment of investments in unconsolidated affiliates	(129)	—	—
Losses on extinguishments of debt	(75)	(18)	(112)
Gains (losses) on interest rate derivatives	(203)	(241)	47
Other, net	12	105	62
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX EXPENSE	377	5,020	3,689
Income tax expense from continuing operations	237	195	4
INCOME FROM CONTINUING OPERATIONS	140	4,825	3,685
Loss from discontinued operations, net of income taxes	—	—	(265)
NET INCOME	140	4,825	3,420
Less: Net income attributable to noncontrolling interests	739	1,256	1,632
Less: Net income attributable to redeemable noncontrolling interests	49	51	39
NET INCOME (LOSS) ATTRIBUTABLE TO PARTNERS	(648)	3,518	1,749
ET Series A Convertible Preferred Unitholders' interest in net income	—	—	33
General Partner's interest in net income (loss)	(1)	4	3
Limited Partners' interest in net income (loss)	$ (647)	$ 3,514	$ 1,713
INCOME (LOSS) FROM CONTINUING OPERATIONS PER LIMITED PARTNER UNIT:			
Basic	$ (0.24)	$ 1.34	$ 1.21
Diluted	$ (0.24)	$ 1.33	$ 1.20
NET INCOME (LOSS) PER LIMITED PARTNER UNIT:			
Basic	$ (0.24)	$ 1.34	$ 1.20
Diluted	$ (0.24)	$ 1.33	$ 1.19

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY TRANSFER LP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Dollars in millions)

	Years Ended December 31,		
	2020	2019	2018
Net income	$ 140	$ 4,825	$ 3,420
Other comprehensive income (loss), net of tax:			
Change in value of available-for-sale securities	5	11	(4)
Actuarial gain (loss) relating to pension and other postretirement benefits	18	24	(43)
Foreign currency translation adjustment	5	6	—
Change in other comprehensive income from unconsolidated affiliates	(13)	(10)	4
	15	31	(43)
Comprehensive income	155	4,856	3,377
Less: Comprehensive income attributable to noncontrolling interests	739	1,256	1,632
Less: Comprehensive income attributable to redeemable noncontrolling interests	49	51	39
Comprehensive income (loss) attributable to partners	$ (633)	$ 3,549	$ 1,706

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY TRANSFER LP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(Dollars in millions)

	Series A Convertible Preferred Units	Common Unitholders	General Partner	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interest	Total
Balance, December 31, 2017	$ 450	$ (1,531)	$ (3)	$ —	$ 31,176	$ 30,092
Distributions to partners	—	(1,681)	(3)	—	—	(1,684)
Distributions to noncontrolling interests	—	—	—	—	(3,117)	(3,117)
Distributions reinvested	115	(115)	—	—		—
Subsidiary units repurchased	(7)	(119)	—	—	102	(24)
Subsidiary units issued	—	1	—	—	923	924
Energy Transfer Merger	—	21,869	—	—	(21,869)	—
Capital contributions from noncontrolling interests	—	—	—	—	649	649
Cumulative effect adjustment due to change in accounting principle	—	—	—	—	(54)	(54)
Acquisition of USAC noncontrolling interest	—	—	—	—	832	832
ET Series A Convertible Preferred Units conversion	(589)	589	—	—	—	—
Other comprehensive loss, net of tax	—	—	—	(43)	—	(43)
Other, net	(2)	47	(2)	1	17	61
Net income, excluding amounts attributable to redeemable noncontrolling interests	33	1,713	3	—	1,632	3,381
Balance, December 31, 2018	—	20,773	(5)	(42)	10,291	31,017
Distributions to partners	—	(3,051)	(3)	—	—	(3,054)
Distributions to noncontrolling interests	—	—	—	—	(1,597)	(1,597)
Common units repurchased	—	(25)	—	—	—	(25)
Subsidiary units issued	—	—	—	—	780	780
Capital contributions from noncontrolling interests	—	—	—	—	348	348
Sale of noncontrolling interest in subsidiary	—	—	—	—	93	93
SemGroup Acquisition	—	652	—	—	819	1,471
Other comprehensive income, net of tax	—	—	—	31	—	31
Other, net	—	72	—	—	28	100
Net income, excluding amounts attributable to redeemable noncontrolling interests	—	3,514	4	—	1,256	4,774
Balance, December 31, 2019	—	21,935	(4)	(11)	12,018	33,938
Distributions to partners	—	(2,799)	(3)	—	—	(2,802)
Distributions to noncontrolling interests	—	—	—	—	(1,651)	(1,651)
Subsidiary units issued	—	—	—	—	1,580	1,580
Capital contributions from noncontrolling interests	—	—	—	—	222	222
Other comprehensive income (loss), net of tax	—	—	—	16	(1)	15
Other, net	—	42	—	1	(48)	(5)
Net income (loss), excluding amounts attributable to redeemable noncontrolling interests	—	(647)	(1)	—	739	91
Balance, December 31, 2020	$ —	$ 18,531	$ (8)	$ 6	$ 12,859	$ 31,388

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY TRANSFER LP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in millions)

	Years Ended December 31,		
	2020	2019	2018
OPERATING ACTIVITIES:			
Net income	$ 140	$ 4,825	$ 3,420
Reconciliation of net income to net cash provided by operating activities:			
Loss from discontinued operations	—	—	265
Depreciation, depletion and amortization	3,678	3,147	2,859
Deferred income taxes	210	217	(7)
Inventory valuation adjustments	82	(79)	85
Non-cash compensation expense	121	113	105
Impairment losses	2,880	74	431
Impairment of investments in unconsolidated affiliates	129	—	—
Losses on extinguishment of debt	75	18	112
Distributions on unvested awards	(41)	(38)	(38)
Equity in earnings of unconsolidated affiliates	(119)	(302)	(344)
Distributions from unconsolidated affiliates	220	290	328
Other non-cash	(61)	182	56
Net change in operating assets and liabilities, net of effects of acquisitions	47	(391)	234
Net cash provided by operating activities	7,361	8,056	7,506
INVESTING ACTIVITIES:			
Cash proceeds from sale of noncontrolling interest in subsidiary	—	93	—
Cash received in USAC acquisition, net of cash paid	—	—	461
Cash paid for SemGroup Acquisition, net of cash received	—	(787)	—
Cash paid for all other acquisitions	—	(7)	(429)
Capital expenditures, excluding allowance for equity funds used during construction	(5,130)	(5,960)	(7,407)
Contributions in aid of construction costs	67	80	109
Contributions to unconsolidated affiliates	(38)	(523)	(26)
Distributions from unconsolidated affiliates in excess of cumulative earnings	187	98	69
Proceeds from the sale of assets	19	54	87
Other	(3)	18	61
Net cash used in investing activities	(4,898)	(6,934)	(7,075)

The accompanying notes are an integral part of these consolidated financial statements.

FINANCING ACTIVITIES:			
Proceeds from borrowings	24,440	22,583	29,001
Repayments of debt	(24,133)	(20,101)	(28,948)
Subsidiary units issued for cash	1,580	780	1,402
Capital contributions from noncontrolling interests	222	348	649
Distributions to partners	(2,802)	(3,054)	(1,684)
Distributions to noncontrolling interests	(1,651)	(1,597)	(3,117)
Distributions to redeemable noncontrolling interests	(49)	(53)	(24)
Common units repurchased under buyback program	—	(25)	—
Subsidiary units repurchased	—	—	(24)
Debt issuance costs	(59)	(117)	(171)
Other	65	(14)	(166)
Net cash used in financing activities	(2,387)	(1,250)	(3,082)
DISCONTINUED OPERATIONS:			
Operating activities	—	—	(484)
Investing activities	—	—	3,207
Changes in cash included in current assets held for sale	—	—	11
Net increase in cash and cash equivalents of discontinued operations	—	—	2,734
Increase (decrease) in cash and cash equivalents	76	(128)	83
Cash and cash equivalents, beginning of period	291	419	336
Cash and cash equivalents, end of period	$ 367	$ 291	$ 419

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY TRANSFER LP AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Tabular dollar and unit amounts, except per unit data, are in millions)

1. OPERATIONS AND BASIS OF PRESENTATION:

The consolidated financial statements presented herein contain the results of Energy Transfer LP and its subsidiaries (the "Partnership," "we," "us," "our" or "ET"). References to the "Parent Company" mean Energy Transfer LP on a stand-alone basis.

In October 2018, we completed the merger of ETO with a wholly-owned subsidiary of ET in a unit-for-unit exchange (the "Energy Transfer Merger"). In connection with the transaction, the former common unitholders (other than ET and its subsidiaries) received 1.28 common units of ET for each common unit of ETO they owned. Following the closing of the Energy Transfer Merger, Energy Transfer Partners, L.P. was renamed Energy Transfer Operating, L.P. In addition, Energy Transfer Equity, L.P. was renamed Energy Transfer LP, and its common units began trading on the NYSE under the "ET" ticker symbol on Friday, October 19, 2018.

Immediately prior to the closing of the Energy Transfer Merger, the following also occurred:

- the IDRs in Energy Transfer Partners, L.P. were converted into 1,168,205,710 common units;
- the general partner interest in ETO was converted to a non-economic general partner interest and ETO issued 18,448,341 ETO common units to ETP GP;
- ET contributed its 2,263,158 Sunoco LP common units to ETO in exchange for 2,874,275 ETO common units and 100 percent of the limited liability company interests in Sunoco GP LLC, the sole general partner of Sunoco LP, and all of the IDRs in Sunoco LP, to ETO in exchange for 42,812,389 ETO common units;
- ET contributed its 12,466,912 common units representing limited partner interests in USAC and 100 percent of the limited liability company interests in USA Compression GP, LLC, the general partner of USAC, to ETO in exchange for 16,134,903 ETO common units; and
- ET contributed its 100 percent limited liability company interest in Lake Charles LNG and a 60 percent limited liability company interest in each of Energy Transfer LNG Export, LLC, ET Crude Oil Terminals, LLC and ETC Illinois LLC (collectively, "Lake Charles LNG and Other") to ETO in exchange for 37,557,815 ETO common units.

Subsequent to the Energy Transfer Merger, substantially all of the Partnership's cash flows are derived from distributions related to its investment in ETO, whose cash flows are derived from its subsidiaries, including ETO's investments in Sunoco LP and USAC. The Parent Company's primary cash requirements are for general and administrative expenses, debt service requirements and distributions to its partners. Parent Company-only assets are not available to satisfy the debts and other obligations of ET's subsidiaries.

Our financial statements reflect the following reportable segments:

- intrastate transportation and storage;
- interstate transportation and storage;
- midstream;
- NGL and refined products transportation and services;
- crude oil transportation and services;
- investment in Sunoco LP;
- investment in USAC; and
- corporate and other, including the following:
  - activities of the Parent Company; and
  - certain operations and investments that are not separately reflected as reportable segments.

The Partnership owns and operates intrastate natural gas pipeline systems and storage facilities that are engaged in the business of purchasing, gathering, transporting, processing, and marketing natural gas and NGLs in the states of Texas, Louisiana, New Mexico and West Virginia.

The Partnership owns and operates interstate pipelines, either directly or through equity method investments, that transport natural gas to various markets in the United States.

The Partnership is engaged in the gathering and processing, compression, treating and transportation of natural gas, focusing on providing midstream services in some of the most prolific natural gas producing regions in the United States, including the Eagle Ford, Haynesville, Barnett, Fayetteville, Marcellus, Utica, Bone Spring and Avalon shales.

The Partnership owns and operates a logistics business, consisting of a geographically diverse portfolio of complementary pipeline, terminalling, and acquisition and marketing assets, which are used to facilitate the purchase and sale of crude oil, NGLs and refined products.

The Partnership owns a controlling interest in Sunoco LP which is engaged in the wholesale distribution of motor fuels to convenience stores, independent dealers, commercial customers, and distributors, as well as the retail sale of motor fuels and merchandise through Sunoco LP operated convenience stores and retail fuel sites. As of December 31, 2020, our interest in Sunoco LP consisted of 100% of the general partner and IDRs, as well as 28.5 million common units.

The Partnership owns a controlling interest in USAC which provides compression services to producers, processors, gatherers and transporters of natural gas and crude oil. As of December 31, 2020, our interest in USAC consisted of 100% of the general partner and 46.1 million common units.

Basis of Presentation. The consolidated financial statements of Energy Transfer LP presented herein for the years ended December 31, 2020, 2019 and 2018, have been prepared in accordance with GAAP and pursuant to the rules and regulations of the SEC. We consolidate all majority-owned subsidiaries and limited partnerships, which we control as the general partner or owner of the general partner. All significant intercompany transactions and accounts are eliminated in consolidation.

The consolidated financial statements of ET presented herein include the results of operations of:

- the Parent Company;
- our controlled subsidiary, Energy Transfer Operating, L.P.; and
- Energy Transfer Partners GP, L.P. (“ETP GP”), the general partner of ETO, and Energy Transfer Partners, L.L.C. (“ETP LLC”), the general partner of ETP GP.

For prior periods herein, certain balances have been reclassified to assets and liabilities held for sale and certain revenues and expenses to discontinued operations. These reclassifications had no impact on net income or total equity.

2. ESTIMATES, SIGNIFICANT ACCOUNTING POLICIES AND BALANCE SHEET DETAIL:

Change in Accounting Policy

Effective January 1, 2020, the Partnership elected to change its accounting policy related to certain barrels of crude oil that were previously accounted for as inventory. Under the revised accounting policy, certain amounts of crude oil that are not available for sale have been reclassified from inventory to non-current assets. These crude oil barrels, which are owned by the Partnership’s crude oil acquisition and marketing business, include pipeline linefill and tank bottoms and are not considered to be available for sale because the volumes must be maintained in order to continue normal operation of the related pipelines or tanks and because there is no expectation of liquidation or sale of these volumes in the near term.

Under the previous accounting policy, all crude oil barrels were recorded as inventory under the weighted average cost method. Under the revised accounting policy, barrels related to pipeline linefill and tank bottoms are accounted for as long-lived assets and reflected as non-current assets on the consolidated balance sheet. These crude oil barrels will be tested for impairment consistent with the Partnership’s existing accounting policy for impairments of long-lived assets. The Partnership’s management believes that the change in accounting policy is preferable as it more closely aligns the accounting policies across the consolidated entity, given that similar assets in the Partnership’s natural gas, NGLs and refined products businesses are accounted for as non-current assets. In addition, management believes that reflecting these crude oil barrels as non-current assets better represents the economic results of the Partnership’s crude oil acquisition and marketing business by reducing volatility resulting from market price adjustments to crude oil barrels that are not expected to be sold or liquidated in the near term.

As a result of this change in accounting policy, the Partnership’s consolidated balance sheet for the prior period has been retrospectively adjusted as follows:

	December 31, 2019		
	As Originally Reported	Effect of Change	As Adjusted
Inventories	$ 1,935	$ (403)	$ 1,532
Total current assets	7,867	(403)	7,464
Other non-current assets, net	1,075	496	1,571
Total assets	98,880	93	98,973
Total partners' capital	21,827	93	21,920

In addition, the Partnership's consolidated statements of operations, comprehensive income and cash flows for prior periods have been retrospectively adjusted as follows:

	Year Ended December 31,	
	2019	2018
As originally reported:		
Consolidated Statements of Operations and Comprehensive Income		
Cost of products sold	$ 39,727	$ 41,658
Operating income	7,277	5,348
Income from continuing operations before income tax expense	5,094	3,634
Net income	4,899	3,365
Net income per limited partner unit	1.37	1.16
Comprehensive income	4,930	3,322
Comprehensive income attributable to partners	3,623	1,651
Consolidated Statements of Cash Flows		
Net income	4,899	3,365
Net change in operating assets and liabilities	(465)	289
Effect of change:		
Consolidated Statements of Operations and Comprehensive Income		
Cost of products sold	74	(55)
Operating income	(74)	55
Income from continuing operations before income tax expense	(74)	55
Net income	(74)	55
Net income per limited partner unit	(0.03)	0.04
Comprehensive income	(74)	55
Comprehensive income attributable to partners	(74)	55
Consolidated Statements of Cash Flows		
Net income	(74)	55
Net change in operating assets and liabilities	74	(55)
As adjusted:		
Consolidated Statements of Operations and Comprehensive Income		
Cost of products sold	39,801	41,603
Operating income	7,203	5,403
Income from continuing operations before income tax expense	5,020	3,689
Net income	4,825	3,420
Net income per limited partner unit	1.34	1.20
Comprehensive income	4,856	3,377
Comprehensive income attributable to partners	3,549	1,706
Consolidated Statements of Cash Flows		
Net income	4,825	3,420
Net change in operating assets and liabilities	(391)	234

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the accrual for and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The natural gas industry conducts its business by processing actual transactions at the end of the month following the month of delivery. Consequently, the most current month's financial results for the midstream, NGL and intrastate transportation and storage operations are estimated using volume estimates and market prices. Any differences between estimated results and actual results are recognized in the following month's financial statements. Management believes that the estimated operating results represent the actual results in all material respects.

Some of the other significant estimates made by management include, but are not limited to, the timing of certain forecasted transactions that are hedged, the fair value of derivative instruments, useful lives for depreciation and amortization, purchase accounting allocations and subsequent realizability of intangible assets, fair value measurements used in the goodwill impairment test, market value of inventory, assets and liabilities resulting from the regulated ratemaking process, contingency reserves and environmental reserves. Actual results could differ from those estimates.

Regulatory Accounting – Regulatory Assets and Liabilities

Our interstate transportation and storage segment is subject to regulation by certain state and federal authorities, and certain subsidiaries in that segment have accounting policies that conform to the accounting requirements and ratemaking practices of the regulatory authorities. The application of these accounting policies allows certain of our regulated entities to defer expenses and revenues on the balance sheet as regulatory assets and liabilities when it is probable that those expenses and revenues will be allowed in the ratemaking process in a period different from the period in which they would have been reflected in the consolidated statement of operations by an unregulated company. These deferred assets and liabilities will be reported in results of operations in the period in which the same amounts are included in rates and recovered from or refunded to customers. Management's assessment of the probability of recovery or pass through of regulatory assets and liabilities will require judgment and interpretation of laws and regulatory commission orders. If, for any reason, we cease to meet the criteria for application of regulatory accounting treatment for these entities, the regulatory assets and liabilities related to those portions ceasing to meet such criteria would be eliminated from the consolidated balance sheet for the period in which the discontinuance of regulatory accounting treatment occurs.

Although Panhandle's natural gas transmission systems and storage operations are subject to the jurisdiction of the FERC in accordance with the Natural Gas Act of 1938 and Natural Gas Policy Act of 1978, it does not currently apply regulatory accounting policies in accounting for its operations. Panhandle does not apply regulatory accounting policies primarily due to the level of discounting from tariff rates and its inability to recover specific costs.

Cash, Cash Equivalents and Supplemental Cash Flow Information

Cash and cash equivalents include all cash on hand, demand deposits, and investments with original maturities of three months or less. We consider cash equivalents to include short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

We place our cash deposits and temporary cash investments with high credit quality financial institutions. At times, our cash and cash equivalents may be uninsured or in deposit accounts that exceed the Federal Deposit Insurance Corporation insurance limit.

The net change in operating assets and liabilities (net of effects of acquisitions) included in cash flows from operating activities is comprised as follows:

	Years Ended December 31,		
	2020	2019	2018
Accounts receivable	$ 1,163	$ (473)	$ 541
Accounts receivable from related companies	(290)	(69)	162
Inventories	(271)	(19)	237
Other current assets	172	117	7
Other non-current assets, net	(7)	(102)	(102)
Accounts payable	(1,327)	146	(766)
Accounts payable to related companies	367	(32)	(202)
Accrued and other current liabilities	163	(44)	382
Other non-current liabilities	8	(133)	28
Derivative assets and liabilities, net	69	218	(53)
Net change in operating assets and liabilities, net of effects of acquisitions	$ 47	$ (391)	$ 234

Non-cash investing and financing activities and supplemental cash flow information are as follows:

	Years Ended December 31,		
	2020	2019	2018
NON-CASH INVESTING ACTIVITIES:			
Accrued capital expenditures	$ 604	$ 1,334	$ 1,030
Lease assets obtained in exchange for new lease liabilities	42	68	—
Net losses from subsidiary common unit transactions	—	—	(126)
SUPPLEMENTAL CASH FLOW INFORMATION:			
Cash paid for interest, net of interest capitalized	$ 2,092	$ 1,932	$ 1,870
Cash paid for income taxes (net of refunds)	(64)	31	508

Accounts Receivable

Our operations deal with a variety of counterparties across the energy sector, some of which are investment grade, and most of which are not. Internal credit ratings and credit limits are assigned to all counterparties and limits are monitored against credit exposure. Letters of credit or prepayments may be required from those counterparties that are not investment grade depending on the internal credit rating and level of commercial activity with the counterparty.

We have a diverse portfolio of customers; however, because of the midstream and transportation services we provide, many of our customers are engaged in the exploration and production segment. We manage trade credit risk to mitigate credit losses and exposure to uncollectible trade receivables. Prospective and existing customers are reviewed regularly for creditworthiness to manage credit risk within approved tolerances. Customers that do not meet minimum credit standards are required to provide additional credit support in the form of a letter of credit, prepayment, or other forms of security. We establish an allowance for credit losses on trade receivables based on the expected ultimate recovery of these receivables and consider many factors including historical customer collection experience, general and specific economic trends, and known specific issues related to individual customers, sectors, and transactions that might impact collectability. Changes in the allowance are recorded as a component of operating expenses; reductions in the allowance are recorded when receivables are subsequently collected or written-off. Past due receivable balances are written-off when our efforts have been unsuccessful in collecting the amount due.

Inventories

Inventories consist principally of natural gas held in storage, NGLs and refined products, crude oil and spare parts, all of which are valued at the lower of cost or net realizable value utilizing the weighted-average cost method.

Sunoco LP's fuel inventories are stated at the lower of cost or market using the last-in-first-out ("LIFO") method. As of December 31, 2020 and 2019, the carrying value of Sunoco LP's fuel inventory included lower of cost or market reserves of $311 million and $229 million, respectively, and the inventory carrying value equaled or exceeded its replacement cost. For the years ended December 31, 2020, 2019 and 2018, the Partnership's consolidated statements of operations did not include any material amounts of income from the liquidation of Sunoco LP's LIFO fuel inventory.

Inventories consisted of the following:

	December 31,	
	2020	2019
Natural gas, NGLs and refined products [1]	$ 1,013	$ 833
Crude oil	287	251
Spare parts and other	439	448
Total inventories	$ 1,739	$ 1,532

[1] Due to changes in fuel prices, Sunoco LP recorded a write-down on the value of its fuel inventory of $82 million for the year ended December 31, 2020.

We utilize commodity derivatives to manage price volatility associated with our natural gas inventory. Changes in fair value of designated hedged inventory are recorded in inventory on our consolidated balance sheets and cost of products sold in our consolidated statements of operations.

Other Current Assets

Other current assets consisted of the following:

	December 31,	
	2020	2019
Deposits paid to vendors	$ 75	$ 95
Prepaid expenses and other	138	180
Total other current assets	$ 213	$ 275

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful or FERC-mandated lives of the assets, if applicable. Expenditures for maintenance and repairs that do not add capacity or extend the useful life are expensed as incurred. Expenditures to refurbish assets that either extend the useful lives of the asset or prevent environmental contamination are capitalized and depreciated over the remaining useful life of the asset. Additionally, we capitalize certain costs directly related to the construction of assets including internal labor costs, interest and engineering costs. Upon disposition or retirement of pipeline components or natural gas plant components, any gain or loss is recorded to accumulated depreciation. When entire pipeline systems, gas plants or other property and equipment are retired or sold, any gain or loss is included in our consolidated statements of operations.

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If such a review should indicate that the carrying amount of long-lived assets is not recoverable, we reduce the carrying amount of such assets to fair value.

In 2020, the Partnership recognized a $58 million fixed asset impairment primarily due to decreases in projected future cash flow as a result of the overall market demand decline. USAC recorded an $8 million impairment of compression equipment as a result of its evaluations of the future deployment of its idle fleet.

In 2019, USAC recognized a $6 million fixed asset impairment related to certain idle compressor assets. Sunoco LP recognized a $47 million write-down on assets held for sale related to its ethanol plant in Fulton, New York.

In 2018, USAC recognized a $9 million fixed asset impairment related to certain idle compressor assets.

Capitalized interest is included for pipeline construction projects, except for certain interstate projects for which an allowance for funds used during construction ("AFUDC") is accrued. Interest is capitalized based on the current borrowing rate of our revolving credit facilities when the related costs are incurred. AFUDC is calculated under guidelines prescribed

by the FERC and capitalized as part of the cost of utility plant for interstate projects. It represents the cost of servicing the capital invested in construction work-in-process. AFUDC is segregated into two component parts – borrowed funds and equity funds.

Components and useful lives of property, plant and equipment were as follows:

	December 31,	
	2020	2019
Land and improvements	$ 1,233	$ 1,232
Buildings and improvements (1 to 45 years)	4,236	2,664
Pipelines and equipment (5 to 83 years)	69,120	64,678
Product storage and related facilities (2 to 83 years)	6,393	5,898
Right of way (20 to 83 years)	5,099	4,859
Other (1 to 48 years)	2,263	1,964
Construction work-in-process	5,771	8,495
	94,115	89,790
Less – Accumulated depreciation and depletion	(19,008)	(15,597)
Property, plant and equipment, net	$ 75,107	$ 74,193

We recognized the following amounts for the periods presented:

	Years Ended December 31,		
	2020	2019	2018
Depreciation, depletion and amortization expense	$ 3,275	$ 2,839	$ 2,538
Capitalized interest	189	166	294

Investments in Unconsolidated Affiliates

We own interests in a number of related businesses that are accounted for by the equity method. In general, we use the equity method of accounting for an investment for which we exercise significant influence over, but do not control, the investee's operating and financial policies. An impairment of an investment in an unconsolidated affiliate is recognized when circumstances indicate that a decline in the investment value is other than temporary. During the year ended December 31, 2020, the Partnership recorded an impairment of its investment in White Cliffs of $129 million during the year ended December 31, 2020 due to a decrease in projected future revenues and cash flows as a result of the overall market demand decline that occurred subsequent to the SemGroup acquisition and related purchase price allocation in December 2019.

Other Non-Current Assets, net

Other non-current assets, net are stated at cost less accumulated amortization. Other non-current assets, net consisted of the following:

	December 31,	
	2020	2019
Crude pipeline linefill and tank bottoms	$ 517	$ 496
Regulatory assets	41	$ 42
Pension assets	103	84
Deferred charges	188	178
Restricted funds	179	178
Other	629	593
Total other non-current assets, net	$ 1,657	$ 1,571

Restricted funds include an immaterial amount of restricted cash primarily held in our wholly-owned captive insurance companies.

Intangible Assets

Intangible assets are stated at cost, net of amortization computed on the straight-line method. The Partnership removes the gross carrying amount and the related accumulated amortization for any fully amortized intangibles in the year they are fully amortized.

Components and useful lives of intangible assets were as follows:

	December 31, 2020		December 31, 2019	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortizable intangible assets:				
Customer relationships, contracts and agreements (3 to 46 years)	$ 7,513	$ (2,117)	$ 7,535	$ (1,743)
Patents (10 years)	48	(40)	48	(35)
Trade names (20 years)	66	(35)	66	(31)
Other (5 to 20 years)	19	(15)	19	(12)
Total amortizable intangible assets	7,646	(2,207)	7,668	(1,821)
Non-amortizable intangible assets:				
Trademarks	295	—	295	—
Other	12	—	12	—
Total non-amortizable intangible assets	307	—	307	—
Total intangible assets	$ 7,953	$ (2,207)	$ 7,975	$ (1,821)

Aggregate amortization expense of intangible assets was as follows:

	Years Ended December 31,		
	2020	2019	2018
Reported in depreciation, depletion and amortization expense	$ 403	$ 308	$ 321

Estimated aggregate amortization of intangible assets for the next five years is as follows:

Years Ending December 31:	
2021	$ 393
2022	379
2023	363
2024	349
2025	335

We review amortizable intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If such a review should indicate that the carrying amount of amortizable intangible assets is not recoverable, we reduce the carrying amount of such assets to fair value. We review non-amortizable intangible assets for impairment annually, or more frequently if circumstances dictate.

Sunoco LP performed impairment tests on its indefinite-lived intangible assets during the fourth quarter of 2018 and recognized a $30 million impairment charge on its contractual rights primarily due to decreases in projected future revenues and cash flows from the date the intangible assets were originally recorded.

Goodwill

Goodwill is tested for impairment annually or more frequently if circumstances indicate that goodwill might be impaired. The annual impairment test is performed during the fourth quarter.

Changes in the carrying amount of goodwill were as follows:

	Intrastate Transportation and Storage	Interstate Transportation and Storage	Midstream	NGL and Refined Products Transportation and Services	Crude Oil Transportation and Services	Investment in Sunoco LP	Investment in USAC	All Other	Total
Balance, December 31, 2018	$ 10	$ 196	$ 492	$ 693	$ 1,167	$ 1,559	$ 619	$ 149	$ 4,885
Acquired	—	42	—	—	230	—	—	35	307
Impaired	—	(12)	(9)	—	—	—	—	—	(21)
Other	—	—	—	—	—	(4)	—	—	(4)
Balance, December 31, 2019	10	226	483	693	1,397	1,555	619	184	5,167
Acquired	—	—	—	—	—	9	—	—	9
Impaired	(10)	(226)	(483)	—	(1,279)	—	(619)	(198)	(2,815)
Other	—	—	—	—	(66)	—	—	96	30
Balance, December 31, 2020	$ —	$ —	$ —	$ 693	$ 52	$ 1,564	$ —	$ 82	$ 2,391

During the first quarter of 2020, due to the impacts of the COVID-19 pandemic, the decline in commodity prices and the decreases in the Partnership's market capitalization, we determined that interim impairment testing should be performed on certain reporting units. The Partnership performed the interim impairment tests consistent with our approach for annual impairment testing, including using similar models, inputs and assumptions. As a result of the interim impairment test, the Partnership recognized goodwill impairments of $483 million related to our Ark-La-Tex and South Texas operations within the midstream segment, $183 million related to our Lake Charles LNG regasification operations within the interstate transportation and storage segment due to contractually scheduled reductions in payments for the remainder of the contract term, and $40 million related to our all other operations primarily due to decreases in projected future revenues and cash flows as a result of the overall market demand decline. In addition, USAC recognized a goodwill impairment of $619 million during the three months ended March 31, 2020, which is included in the Partnership's consolidated results of operations.

During the third quarter of 2020, the Partnership performed interim impairment testing on certain reporting units within its midstream, interstate, crude, NGL and all other operations. As a result, the Partnership recognized goodwill impairments of $1.28 billion related to our crude operations, $132 million related to our Energy Transfer Canada operations within the all other segment and $43 million related to our interstate operations primarily due to decreases in projected future cash flow as a result of the overall market demand decline.

During the fourth quarter of 2020, the Partnership performed annual impairment testing on certain reporting units within its midstream, interstate, crude, NGL and all other operations. As a result, the Partnership recognized goodwill impairments of $10 million related to our intrastate operations, $11 million related to our PEI operations and $15 million related to our Natural Resources operations within the all other segment primarily due to decreases in projected future cash flow as a result of the overall market demand decline. No other impairments of the Partnership's goodwill were identified.

Goodwill is recorded at the acquisition date based on a preliminary purchase price allocation and generally may be adjusted when the purchase price allocation is finalized. During the fourth quarter of 2019, $265 million goodwill was recorded in conjunction with the acquisition of SemGroup.

During the third quarter of 2019, the Partnership recognized a goodwill impairment of $12 million related to the Southwest Gas operations within the interstate segment primarily due to decreases in projected future revenues and cash flows. During the fourth quarter of 2019, the Partnership recognized a goodwill impairment of $9 million related to our North Central operations within the midstream segment primarily due to changes in assumptions related to projected future revenues and cash flows.

During the fourth quarter of 2018, the Partnership recognized goodwill impairments of $378 million related to our Northeast operations within the midstream segment primarily due to changes in assumptions related to projected future revenues and cash flows from the dates the goodwill was originally recorded. These changes in assumptions reflect delays in the construction of third-party takeaway capacity in the Northeast.

The Partnership determines the fair value of our reporting units using the discounted cash flow method, the guideline company method, or a weighted combination of the discounted cash flow method and the guideline company method. Determining the fair value of a reporting unit requires judgment and the use of significant estimates and assumptions. Such estimates and assumptions include revenue growth rates, operating margins, weighted average costs of capital and future

market conditions, among others. The Partnership believes the estimates and assumptions used in our impairment assessments are reasonable and based on available market information, but variations in any of the assumptions could result in materially different calculations of fair value and determinations of whether or not an impairment is indicated. Under the discounted cash flow method, the Partnership determines fair value based on estimated future cash flows of each reporting unit including estimates for capital expenditures, discounted to present value using the risk-adjusted industry rate, which reflect the overall level of inherent risk of the reporting unit. Cash flow projections are derived from one year budgeted amounts and five year operating forecasts plus an estimate of later period cash flows, all of which are evaluated by management. Subsequent period cash flows are developed for each reporting unit using growth rates that management believes are reasonably likely to occur. Under the guideline company method, the Partnership determines the estimated fair value of each of our reporting units by applying valuation multiples of comparable publicly-traded companies to each reporting unit's projected EBITDA and then averaging that estimate with similar historical calculations using a three year average. In addition, the Partnership estimates a reasonable control premium representing the incremental value that accrues to the majority owner from the opportunity to dictate the strategic and operational actions of the business.

Management does not believe that any of the goodwill balances in its reporting units is currently at significant risk of impairment; however, of the $2.39 billion of goodwill on the Partnership's consolidated balance sheet as of December 31, 2020, approximately $368 million is recorded in reporting units for which the estimated fair value exceeded the carrying value by less than 20% in the most recent quantitative test.

Asset Retirement Obligations

We have determined that we are obligated by contractual or regulatory requirements to remove facilities or perform other remediation upon retirement of certain assets. The fair value of any ARO is determined based on estimates and assumptions related to retirement costs, which the Partnership bases on historical retirement costs, future inflation rates and credit-adjusted risk-free interest rates. These fair value assessments are considered to be Level 3 measurements, as they are based on both observable and unobservable inputs. Changes in the liability are recorded for the passage of time (accretion) or for revisions to cash flows originally estimated to settle the ARO.

An ARO is required to be recorded when a legal obligation to retire an asset exists and such obligation can be reasonably estimated. We will record an ARO in the periods in which management can reasonably estimate the settlement dates.

As of December 31, 2020 and 2019, other non-current liabilities in the Partnership's consolidated balance sheets included AROs of $270 million and $247 million, respectively. For the years ended December 31, 2020, 2019 and 2018 aggregate accretion expense related to AROs was $16 million, $5 million and $13 million, respectively.

Except for the AROs discussed above, management was not able to reasonably measure the fair value of AROs as of December 31, 2020 and 2019, in most cases because the settlement dates were indeterminable. Although a number of onshore assets in our systems are subject to agreements or regulations that give rise to an ARO upon discontinued use of these assets, AROs were not recorded because these assets have an indeterminate removal or abandonment date given the expected continued use of the assets with proper maintenance or replacement. Our subsidiaries also have legal obligations for several other assets at previously owned refineries, pipelines and terminals, for which it is not possible to estimate when the obligations will be settled. Consequently, the retirement obligations for these assets cannot be measured at this time. At the end of the useful life of these underlying assets, our subsidiaries are legally or contractually required to abandon in place or remove the asset. We believe we may have additional AROs related to pipeline assets and storage tanks, for which it is not possible to estimate whether or when the AROs will be settled. Consequently, these AROs cannot be measured at this time. Sunoco LP also has AROs related to the estimated future cost to remove underground storage tanks.

Individual component assets have been and will continue to be replaced, but the pipeline and the natural gas gathering and processing systems will continue in operation as long as supply and demand for natural gas exists. Based on the widespread use of natural gas in industrial and power generation activities, management expects supply and demand to exist for the foreseeable future. We have in place a rigorous repair and maintenance program that keeps the pipelines and the natural gas gathering and processing systems in good working order. Therefore, although some of the individual assets may be replaced, the pipelines and the natural gas gathering and processing systems themselves will remain intact indefinitely.

As of December 31, 2020 and 2019, other non-current assets on the Partnership's consolidated balance sheets included $34 million and $31 million, respectively, of funds that were legally restricted for the purpose of settling AROs.

Accrued and Other Current Liabilities

Accrued and other current liabilities consisted of the following:

	December 31,	
	2020	2019
Interest payable	$ 600	$ 579
Customer advances and deposits	161	123
Accrued capital expenditures	604	1,334
Accrued wages and benefits	109	217
Taxes payable other than income taxes	446	263
Exchanges payable	127	67
Other	728	759
Total accrued and other current liabilities	$ 2,775	$ 3,342

Deposits or advances are received from our customers as prepayments for natural gas deliveries in the following month. Prepayments and security deposits may be required when customers exceed their credit limits or do not qualify for open credit.

Redeemable Noncontrolling Interests

Our redeemable noncontrolling interests relate to certain preferred unitholders of one of our consolidated subsidiaries that have the option to convert their preferred units to such subsidiary's common units at the election of the holders and the noncontrolling interest holders in one of our consolidated subsidiaries that have the option to sell their interests to us. In accordance with applicable accounting guidance, the noncontrolling interest is excluded from total equity and reflected as redeemable noncontrolling interests on our consolidated balance sheets. See Note 7 for further information.

Environmental Remediation

We accrue environmental remediation costs for work at identified sites where an assessment has indicated that cleanup costs are probable and reasonably estimable. Such accruals are undiscounted and are based on currently available information, estimated timing of remedial actions and related inflation assumptions, existing technology and presently enacted laws and regulations. If a range of probable environmental cleanup costs exists for an identified site, the minimum of the range is accrued unless some other point in the range is more likely in which case the most likely amount in the range is accrued.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable approximate their fair value.

Based on the estimated borrowing rates currently available to us and our subsidiaries for loans with similar terms and average maturities, the aggregate fair value and carrying amount of our debt obligations as of December 31, 2020 was $56.21 billion and $51.44 billion, respectively. As of December 31, 2019, the aggregate fair value and carrying amount of our debt obligations was $54.79 billion and $51.05 billion, respectively. The fair value of our consolidated debt obligations is a Level 2 valuation based on the observable inputs used for similar liabilities.

We have commodity derivatives, interest rate derivatives and embedded derivatives in our preferred units that are accounted for as assets and liabilities at fair value in our consolidated balance sheets. We determine the fair value of our assets and liabilities subject to fair value measurement by using the highest possible "level" of inputs. Level 1 inputs are observable quotes in an active market for identical assets and liabilities. We consider the valuation of marketable securities and commodity derivatives transacted through a clearing broker with a published price from the appropriate exchange as a Level 1 valuation. Level 2 inputs are inputs observable for similar assets and liabilities. We consider OTC commodity derivatives entered into directly with third parties as a Level 2 valuation since the values of these derivatives are quoted on an exchange for similar transactions. Additionally, we consider our options transacted through our clearing broker as having Level 2 inputs due to the level of activity of these contracts on the exchange in which they trade. We consider the valuation of our interest rate derivatives as Level 2 as the primary input, the LIBOR curve, is based on quotes from an active exchange of Eurodollar futures for the same period as the future interest swap settlements. Level 3 inputs are unobservable. During the year ended December 31, 2020, no transfers were made between any levels within the fair value hierarchy.

The following tables summarize the fair value of our financial assets and liabilities measured and recorded at fair value on a recurring basis as of December 31, 2020 and 2019 based on inputs used to derive their fair values:

		Fair Value Measurements at December 31, 2020	
	Fair Value Total	Level 1	Level 2
Assets:			
Commodity derivatives:			
Natural Gas:			
Basis Swaps IFERC/NYMEX	$ 12	$ 12	$ —
Swing Swaps IFERC	1	—	1
Fixed Swaps/Futures	13	13	—
Forward Physical Contracts	5	—	5
Power:			
Forwards	4	—	4
Futures	2	2	—
Options – Calls	1	1	—
NGLs – Forwards/Swaps	127	127	—
Refined Products – Futures	3	3	—
Crude – Forwards/Swaps	—	—	—
Total commodity derivatives	168	158	10
Other non-current assets	34	22	12
Total assets	$ 202	$ 180	$ 22
Liabilities:			
Interest rate derivatives	$ (448)	$ —	$ (448)
Commodity derivatives:			
Natural Gas:			
Basis Swaps IFERC/NYMEX	(11)	(11)	—
Swing Swaps IFERC	(3)	—	(3)
Fixed Swaps/Futures	(13)	(13)	—
Forward Physical Contracts	(1)	—	(1)
Power:			
Futures	(3)	(3)	—
NGLs – Forwards/Swaps	(227)	(227)	—
Refined Products – Futures	(11)	(11)	—
Total commodity derivatives	(269)	(265)	(4)
Total liabilities	$ (717)	$ (265)	$ (452)

	Fair Value Total	Fair Value Measurements at December 31, 2019 Level 1	Level 2
Assets:			
Commodity derivatives:			
Natural Gas:			
Basis Swaps IFERC/NYMEX	$ 17	$ 17	$ —
Swing Swaps IFERC	1	—	1
Fixed Swaps/Futures	65	65	—
Forward Physical Contracts	3	—	3
Power:			
Power – Forwards	11	—	11
Futures	4	4	—
Options – Puts	1	1	—
Options – Calls	1	1	—
NGLs – Forwards/Swaps	260	260	—
Refined Products – Futures	8	8	—
Crude - Forwards/Swaps	13	13	—
Total commodity derivatives	384	369	15
Other non-current assets	31	20	11
Total assets	$ 415	$ 389	$ 26
Liabilities:			
Interest rate derivatives	$ (399)	$ —	$ (399)
Commodity derivatives:			
Natural Gas:			
Basis Swaps IFERC/NYMEX	(49)	(49)	—
Swing Swaps IFERC	(1)	—	(1)
Fixed Swaps/Futures	(43)	(43)	—
Power:			
Forwards	(5)	—	(5)
Futures	(3)	(3)	—
NGLs – Forwards/Swaps	(278)	(278)	—
Refined Products – Futures	(10)	(10)	—
Total commodity derivatives	(389)	(383)	(6)
Total liabilities	$ (788)	$ (383)	$ (405)

Contributions in Aid of Construction Costs

On certain of our capital projects, third parties are obligated to reimburse us for all or a portion of project expenditures. The majority of such arrangements are associated with pipeline construction and production well tie-ins. Contributions in aid of construction costs (“CIAC”) are netted against our project costs as they are received, and any CIAC which exceeds our total project costs, is recognized as other income in the period in which it is realized.

Shipping and Handling Costs

Shipping and handling costs are included in cost of products sold, except for shipping and handling costs related to fuel consumed for compression and treating which are included in operating expenses.

Costs and Expenses

Cost of products sold include actual cost of fuel sold, adjusted for the effects of our hedging and other commodity derivative activities, and the cost of appliances, parts and fittings. Operating expenses include all costs incurred to provide

products to customers, including compensation for operations personnel, insurance costs, vehicle maintenance, advertising costs, purchasing costs and plant operations. Selling, general and administrative expenses include all partnership related expenses and compensation for executive, partnership, and administrative personnel.

We record the collection of taxes to be remitted to government authorities on a net basis, except for consumer excise taxes collected by Sunoco LP on sales of refined products and merchandise which are included in both revenues and costs and expenses in the consolidated statements of operations, with no effect on net income. For the years ended December 31, 2020, 2019 and 2018, excise taxes collected by Sunoco LP were $301 million, $386 million and $370 million, respectively.

Issuances of Subsidiary Units

We record changes in our ownership interest of our subsidiaries as equity transactions, with no gain or loss recognized in consolidated net income or comprehensive income. For example, upon our subsidiary's issuance of common units in a public offering, we record any difference between the amount of consideration received or paid and the amount by which the noncontrolling interests are adjusted as a change in partners' capital.

Income Taxes

ET is a publicly traded limited partnership and is not taxable for federal and most state income tax purposes. As a result, our earnings or losses, to the extent not included in a taxable subsidiary, for federal and most state purposes are included in the tax returns of the individual partners. Net earnings for financial statement purposes may differ significantly from taxable income reportable to Unitholders as a result of differences between the tax basis and financial reporting basis of assets and liabilities, in addition to the allocation requirements related to taxable income under our Third Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement").

As a publicly traded limited partnership, we are subject to a statutory requirement that our "qualifying income" (as defined by the Internal Revenue Code, related Treasury Regulations, and Internal Revenue Service ("IRS") pronouncements) exceed 90% of our total gross income, determined on a calendar year basis. If our qualifying income does not meet this statutory requirement, ET would be taxed as a corporation for federal and state income tax purposes. For the years ended December 31, 2020, 2019 and 2018, our qualifying income met the statutory requirement.

The Partnership conducts certain activities through corporate subsidiaries which are subject to federal, state and local income taxes. These corporate subsidiaries include ETP Holdco, Inland Corporation, Sunoco Property Company LLC and Aloha. The Partnership and its corporate subsidiaries account for income taxes under the asset and liability method.

Under this method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rate is recognized in earnings in the period that includes the enactment date. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts more likely than not to be realized.

The determination of the provision for income taxes requires significant judgment, use of estimates, and the interpretation and application of complex tax laws. Significant judgment is required in assessing the timing and amounts of deductible and taxable items and the probability of sustaining uncertain tax positions. The benefits of uncertain tax positions are recorded in our financial statements only after determining a more-likely-than-not probability that the uncertain tax positions will withstand challenge, if any, from taxing authorities. When facts and circumstances change, we reassess these probabilities and record any changes through the provision for income taxes.

Accounting for Derivative Instruments and Hedging Activities

For qualifying hedges, we formally document, designate and assess the effectiveness of transactions that receive hedge accounting treatment and the gains and losses offset related results on the hedged item in the statement of operations. The market prices used to value our financial derivatives and related transactions have been determined using independent third-party prices, readily available market information, broker quotes and appropriate valuation techniques.

At inception of a hedge, we formally document the relationship between the hedging instrument and the hedged item, the risk management objectives, and the methods used for assessing and testing effectiveness and how any ineffectiveness will be measured and recorded. We also assess, both at the inception of the hedge and on a quarterly basis, whether the derivatives that are used in our hedging transactions are highly effective in offsetting changes in cash flows. If we determine that a derivative is no longer highly effective as a hedge, we discontinue hedge accounting prospectively by including changes in the fair value of the derivative in net income for the period.

If we designate a commodity hedging relationship as a fair value hedge, we record the changes in fair value of the hedged asset or liability in cost of products sold in our consolidated statements of operations. This amount is offset by the changes in fair value of the related hedging instrument. Any ineffective portion or amount excluded from the assessment of hedge ineffectiveness is also included in the cost of products sold in the consolidated statements of operations.

Cash flows from derivatives accounted for as cash flow hedges are reported as cash flows from operating activities, in the same category as the cash flows from the items being hedged.

If we designate a derivative financial instrument as a cash flow hedge and it qualifies for hedge accounting, the change in the fair value is deferred in AOCI until the underlying hedged transaction occurs. Any ineffective portion of a cash flow hedge's change in fair value is recognized each period in earnings. Gains and losses deferred in AOCI related to cash flow hedges remain in AOCI until the underlying physical transaction occurs, unless it is probable that the forecasted transaction will not occur by the end of the originally specified time period or within an additional two-month period of time thereafter. For financial derivative instruments that do not qualify for hedge accounting, the change in fair value is recorded in cost of products sold in the consolidated statements of operations.

We manage a portion of our interest rate exposures by utilizing interest rate swaps and similar instruments. Certain of our interest rate derivatives are accounted for as either cash flow hedges or fair value hedges. For interest rate derivatives accounted for as either cash flow or fair value hedges, we report realized gains and losses and ineffectiveness portions of those hedges in interest expense. For interest rate derivatives not designated as hedges for accounting purposes, we report realized and unrealized gains and losses on those derivatives in "Gains (losses) on interest rate derivatives" in the consolidated statements of operations.

Non-Cash Compensation

For awards of restricted units, we recognize compensation expense over the vesting period based on the grant-date fair value, which is determined based on the market price of the underlying common units on the grant date. For awards of cash restricted units, we remeasure the fair value of the award at the end of each reporting period based on the market price of the underlying common units as of the reporting date, and the fair value is recorded in other non-current liabilities on our consolidated balance sheets.

Pensions and Other Postretirement Benefit Plans

The Partnership recognizes the overfunded or underfunded status of defined benefit pension and other postretirement plans, measured as the difference between the fair value of the plan assets and the benefit obligation (the projected benefit obligation for pension plans and the accumulated postretirement benefit obligation for other postretirement plans). Each overfunded plan is recognized as an asset and each underfunded plan is recognized as a liability. Changes in the funded status of the plan are recorded in the year in which the change occurs within AOCI in equity or, for entities applying regulatory accounting, as a regulatory asset or regulatory liability.

Allocation of Income

For purposes of maintaining partner capital accounts, the Partnership Agreement specifies that items of income and loss shall generally be allocated among the partners in accordance with their percentage interests.

3. ACQUISITIONS, DIVESTITURES AND RELATED TRANSACTIONS:

Pending Enable Acquisition

On February 17, 2021, the Partnership announced its entry into a definitive merger agreement to acquire Enable. Under the terms of the merger agreement, Enable's common unitholders will receive 0.8595 of an ET common unit in exchange for each Enable common unit. In addition, each outstanding Enable Series A preferred unit will be exchanged for 0.0265 of an ET Series G preferred unit, and ET will make a $10 million cash payment for Enable's general partner. The transaction is subject to the approval of Enable's unitholders and other customary regulatory approvals.

SemGroup Acquisition and ET Contribution of SemGroup Assets to ETO

On December 5, 2019, ET completed the acquisition of SemGroup pursuant to the terms of the Agreement and Plan of Merger, dated as of September 15, 2019 (the "Merger Agreement"). Under the terms of the Merger Agreement, a wholly owned subsidiary of ET merged with and into SemGroup (the "SemGroup Transaction"), with SemGroup surviving the merger. At the effective time of the SemGroup Transaction on December 5, 2019, each share of class A common stock, par value $0.01 per share, of SemGroup issued and outstanding immediately prior to the effective time was converted into the

right to receive (i) $6.80 in cash, without interest, and (ii) 0.7275 ET Common Units representing limited partner interests in ET. Each share of Series A Cumulative Perpetual Convertible Preferred Stock, par value $0.01 per share, of SemGroup that was issued and outstanding as of immediately prior to the effective time was redeemed by SemGroup for cash at a price per share equal to 101% of the liquidation preference.

During the first and second quarters of 2020, ET contributed former SemGroup assets to ETO through sale and contribution transactions. The following table represents the fair value, as of December 5, 2019, of the SemGroup assets and liabilities transferred from ET to ETO:

	At December 5, 2019
Total current assets	$ 794
Property, plant and equipment	3,891
Other non-current assets	617
Goodwill	295
Intangible assets	460
Total assets	$ 6,057
Total current liabilities	$ 629
Long-term debt, less current maturities [(1)]	2,576
Other non-current liabilities	197
Energy Transfer Canada Preferred shares	241
Total liabilities	3,643
Noncontrolling interest	822
Partners' capital	1,592
Total liabilities and partners' capital	$ 6,057

[(1)] Long-term debt at December 5, 2019 includes SemGroup senior notes with an aggregate principal amount of $1.375 billion and SemGroup subsidiary debt of $593 million, all of which was redeemed in December 2019, subsequent to the close of the SemGroup Transaction.

During 2020, the Partnership has recorded impairments on certain of the contributed SemGroup assets. Those impairments include a $244 million impairment of goodwill and a $129 million impairment of other non-current assets.

ET Contribution of Assets to ETO

Immediately prior to the closing of the Energy Transfer Merger discussed in Note 1, ET contributed the following to ETO:

- 2,263,158 common units representing limited partner interests in Sunoco LP to ETO in exchange for 2,874,275 ETO common units;
- 100 percent of the limited liability company interests in Sunoco GP LLC, the sole general partner of Sunoco LP, and all of the IDRs in Sunoco LP, to ETO in exchange for 42,812,389 ETO common units;
- 12,466,912 common units representing limited partner interests in USAC and 100 percent of the limited liability company interests in USA Compression GP, LLC, the general partner of USAC, to ETO in exchange for 16,134,903 ETO common units; and
- a 100 percent limited liability company interest in Lake Charles LNG and a 60 percent limited liability company interest in each of Energy Transfer LNG Export, LLC, ET Crude Oil Terminals, LLC and ETC Illinois LLC to ETO in exchange for 37,557,815 ETO common units.

USAC Acquisition

On April 2, 2018, ET acquired a controlling interest in USAC, a publicly traded partnership that provides compression services in the United States. Specifically, the Partnership acquired (i) all of the outstanding limited liability company interests in USA Compression GP, LLC ("USAC GP"), the general partner of USAC, and (ii) 12,466,912 USAC common

units representing limited partner interests in USAC for cash consideration equal to $250 million (the "USAC Transaction"). Concurrently, USAC cancelled its IDRs and converted its economic general partner interest into a non-economic general partner interest in exchange for the issuance of 8,000,000 USAC common units to USAC GP.

Concurrent with these transactions, ETO contributed to USAC all of the issued and outstanding membership interests of CDM for aggregate consideration of approximately $1.7 billion, consisting of (i) 19,191,351 USAC common units, (ii) 6,397,965 units of a newly authorized and established class of units representing limited partner interests in USAC ("USAC Class B Units") and (iii) $1.23 billion in cash, including customary closing adjustments (the "CDM Contribution"). The USAC Class B Units are a new class of partnership interests of USAC that have substantially all of the rights and obligations of a USAC common unit, except the USAC Class B Units will not participate in distributions for the first four quarters following the closing date of April 2, 2018. Each USAC Class B Unit will automatically convert into one USAC common unit on the first business day following the record date attributable to the quarter ending June 30, 2019.

Prior to the USAC acquisition, the CDM entities were indirect wholly-owned subsidiaries of ETO. Beginning April 2018, ETE's consolidated financial statements reflected USAC as a consolidated subsidiary.

Summary of Assets Acquired and Liabilities Assumed

The USAC Transaction was recorded using the acquisition method of accounting, which requires, among other things, that assets acquired and liabilities assumed be recognized on the balance sheet at their fair values as of the acquisition date.

The total purchase price was allocated as follows:

	At April 2, 2018
Total current assets[2]	$ 786
Property, plant and equipment	1,332
Other non-current assets	15
Goodwill[1]	366
Intangible assets	222
Total assets	$ 2,721
Total current liabilities	$ 110
Long-term debt, less current maturities	1,527
Other non-current liabilities	2
Total liabilities	1,639
Noncontrolling interest	832
Partners' capital	250
Total liabilities and partners' capital	$ 2,721

(1) None of the goodwill is expected to be deductible for tax purposes. Goodwill recognized from the business combination primarily relates to the value attributed to additional growth opportunities, synergies and operating leverage within USAC's operations.

(2) Includes cash and cash equivalents of $711 million held by USAC as of the acquisition date.

The fair values of the assets acquired and liabilities assumed were determined using various valuation techniques, including the income and market approaches.

Sunoco LP Retail Store Divestment

On January 23, 2018, Sunoco LP completed the disposition of assets pursuant to the purchase agreement with 7-Eleven, Inc. (the "7-Eleven Transaction"). As a result of the 7-Eleven Transaction, previously eliminated wholesale motor fuel sales to Sunoco LP's retail locations are reported as wholesale motor fuel sales to third parties.

In connection with the 7-Eleven Transaction, Sunoco LP entered into a 15-year take-or-pay fuel supply arrangement with 7-Eleven and SEI Fuel. For the period from January 1, 2018 through January 22, 2018, Sunoco LP recorded sales to the sites that were subsequently sold to 7-Eleven of $199 million, which sales were eliminated in consolidation.

The Partnership has concluded that it meets the accounting requirements for reporting the financial position, results of operations and cash flows of the 7-Eleven Transaction and the operations of the related assets as discontinued operations.

There were no results of operations associated with discontinued operations for the year ended December 31, 2019. The results of operations associated with discontinued operations for the years ended December 31, 2018 and 2017 are presented in the following table:

	Year Ended December 31, 2018
REVENUES	$ 349
COSTS AND EXPENSES	
Cost of products sold	305
Operating expenses	61
Selling, general and administrative	7
Total costs and expenses	373
OPERATING LOSS	(24)
OTHER EXPENSE	
Interest expense, net	2
Loss on extinguishment of debt	20
Other, net	61
LOSS FROM DISCONTINUED OPERATIONS BEFORE INCOME TAX EXPENSE	(107)
Income tax expense	158
LOSS FROM DISCONTINUED OPERATIONS, NET OF INCOME TAXES	(265)
LOSS FROM DISCONTINUED OPERATIONS, NET OF INCOME TAXES ATTRIBUTABLE TO ET	$ (10)

4. INVESTMENTS IN UNCONSOLIDATED AFFILIATES:

Citrus

ETO owns CrossCountry Energy, LLC, a wholly-owned subsidiary of ETO, which in turn owns a 50% interest in Citrus. The other 50% interest in Citrus is owned by a subsidiary of KMI. Citrus owns 100% of FGT, an approximately 5,362-mile natural gas pipeline system that originates in Texas and delivers natural gas to the Florida peninsula. Our investment in Citrus is reflected in our interstate transportation and storage segment.

FEP

ETO has a 50% interest in FEP which owns the Fayetteville Express Pipeline, an approximately 185-mile natural gas pipeline that originates in Conway County, Arkansas, continues eastward through White County, Arkansas and terminates at an interconnect with Trunkline in Panola County, Mississippi. ETO’s investment in FEP is reflected in the interstate transportation and storage segment.

MEP

ETO owns a 50% interest in MEP, which owns the Midcontinent Express Pipeline, an approximately 500-miles natural gas pipeline that extends from Southeast Oklahoma, across Northeast Texas, Northern Louisiana and Central Mississippi to an interconnect with the Transcontinental natural gas pipeline system in Butler, Alabama. ETO’s investment in MEP is reflected in the interstate transportation and storage segment.

White Cliffs

We own a 51% interest in White Cliffs, which was acquired by ET in the SemGroup acquisition and contributed to ETO in January 2020. White Cliffs consists of two parallel, 12-inch common carrier pipelines: one crude oil pipeline and one NGL pipeline. These pipelines transport crude and NGLs from Platteville, Colorado to Cushing, Oklahoma. The Partnership recorded an impairment of its investment in White Cliffs of $129 million during the year ended December 31, 2020 due to a decrease in projected future revenues and cash flows as a result of the overall market demand decline that occurred subsequent to the SemGroup acquisition and related purchase price allocation in December 2019.

The carrying values of the Partnership's investments in unconsolidated affiliates as of December 31, 2020 and 2019 were as follows:

	December 31,	
	2020	2019
Citrus	$ 1,867	$ 1,876
FEP	4	218
MEP	406	429
White Cliffs	274	436
Other	509	501
Total	$ 3,060	$ 3,460

The following table presents equity in earnings (losses) of unconsolidated affiliates:

	Years Ended December 31,		
	2020	2019	2018
Citrus	$ 162	$ 148	$ 141
FEP [(1)]	(139)	59	55
MEP	(6)	15	31
White Cliffs	20	4	—
Other	82	76	117
Total equity in earnings of unconsolidated affiliates	$ 119	$ 302	$ 344

[(1)] For the year ended December 31, 2020, equity in earnings (losses) of unconsolidated affiliates includes the impact of non-cash impairments recorded by FEP, which reduced the Partnership's equity in earnings by $208 million.

Summarized Financial Information

The following tables present aggregated selected balance sheet and income statement data for our unconsolidated affiliates, Citrus, FEP, MEP, and White Cliffs (on a 100% basis) for all periods presented, except as noted below:

	December 31,	
	2020	2019
Current assets	$ 227	$ 247
Property, plant and equipment, net	7,339	7,680
Other assets	58	40
Total assets	$ 7,624	$ 7,967
Current liabilities	$ 600	$ 738
Non-current liabilities	3,298	3,242
Equity	3,726	3,987
Total liabilities and equity	$ 7,624	$ 7,967

	Years Ended December 31,		
	2020	2019	2018
Revenue	$ 1,243	$ 1,192	$ 1,249
Operating income	6	683	723
Net income (loss)	(199)	443	460

In addition to the equity method investments described above we have other equity method investments which are not significant to our consolidated financial statements.

5. NET INCOME PER LIMITED PARTNER UNIT:

Basic net income per limited partner unit is computed by dividing net income, after considering the General Partner's interest, by the weighted average number of limited partner interests outstanding. Diluted net income per limited partner unit is computed by dividing net income (as adjusted as discussed herein), after considering the General Partner's interest, by the weighted average number of limited partner interests outstanding and the assumed conversion of the ET Series A Convertible Preferred Units, as discussed in Note 8. For the diluted earnings per share computation, income allocable to the limited partners is reduced, where applicable, for the decrease in earnings from ET's limited partner unit ownership in ETO or Sunoco LP that would have resulted assuming the incremental units related to our or Sunoco LP's equity incentive plans, as applicable, had been issued during the respective periods. Such units have been determined based on the treasury stock method.

A reconciliation of net income and weighted average units used in computing basic and diluted net income per unit is as follows:

	Years Ended December 31,		
	2020	2019	2018
Income from continuing operations	$ 140	$ 4,825	$ 3,685
Less: Net income attributable to redeemable noncontrolling interests	49	51	39
Less: Income from continuing operations attributable to noncontrolling interests	739	1,256	1,888
Income (loss) from continuing operations, net of noncontrolling interests	(648)	3,518	1,758
Less: General Partner's interest in income (loss) from continuing operations	(1)	4	3
Less: ET Series A Convertible Preferred Unitholders' interest in net income from continuing operations	—	—	33
Income (loss) from continuing operations available to Limited Partners	$ (647)	$ 3,514	$ 1,722
Basic Income (Loss) from Continuing Operations per Limited Partner Unit:			
Weighted average limited partner units	2,695.6	2,628.0	1,423.8
Basic income (loss) from continuing operations per Limited Partner unit	$ (0.24)	$ 1.34	$ 1.21
Basic loss from discontinued operations per Limited Partner unit	$ —	$ —	$ (0.01)
Diluted Income (Loss) from Continuing Operations per Limited Partner Unit:			
Income (loss) from continuing operations available to Limited Partners	$ (647)	$ 3,514	$ 1,722
Dilutive effect of equity-based compensation of subsidiaries and distributions to convertible units	—	(1)	33
Diluted income (loss) from continuing operations available to Limited Partners	(647)	3,513	1,755
Weighted average limited partner units	2,695.6	2,628.0	1,423.8
Dilutive effect of unconverted unit awards and ET Series A Convertible Preferred Units	—	—	30.3
Dilutive effect of unvested unit awards	—	9.6	7.3
Weighted average limited partner units, assuming dilutive effect of unvested unit awards	2,695.6	2,637.6	1,461.4
Diluted income (loss) from continuing operations per Limited Partner unit	$ (0.24)	$ 1.33	$ 1.20
Diluted loss from discontinued operations per Limited Partner unit	$ —	$ —	$ (0.01)

6. DEBT OBLIGATIONS:

Our debt obligations consist of the following:

	December 31,	
	2020	2019
Parent Company Indebtedness:		
7.50% Senior Notes due October 15, 2020 [1]	$ —	$ 52
4.25% Senior Notes due March 15, 2023	5	5
5.875% Senior Notes due January 15, 2024	23	23
5.50% Senior Notes due June 1, 2027	44	44
	72	124
Subsidiary Indebtedness:		
ETO Debt		
5.50% Senior Notes due February 15, 2020 [1]	—	250
5.75% Senior Notes due September 1, 2020 [1]	—	400
4.15% Senior Notes due October 1, 2020 [1]	—	1,050
7.50% Senior Notes due October 15, 2020 [1]	—	1,135
4.40% Senior Notes due April 1, 2021 [2]	600	600
4.65% Senior Notes due June 1, 2021 [2]	800	800
5.20% Senior Notes due February 1, 2022	1,000	1,000
4.65% Senior Notes due February 15, 2022	300	300
5.875% Senior Notes due March 1, 2022	900	900
5.00% Senior Notes due October 1, 2022	700	700
3.45% Senior Notes due January 15, 2023	350	350
3.60% Senior Notes due February 1, 2023	800	800
4.25% Senior Notes due March 15, 2023	995	995
4.20% Senior Notes due September 15, 2023	500	500
4.50% Senior Notes due November 1, 2023	600	600
5.875% Senior Notes due January 15, 2024	1,127	1,127
4.90% Senior Notes due February 1, 2024	350	350
7.60% Senior Notes due February 1, 2024	277	277
4.25% Senior Notes due April 1, 2024	500	500
4.50% Senior Notes due April 15, 2024	750	750
9.00% Debentures due November 1, 2024	65	65
4.05% Senior Notes due March 15, 2025	1,000	1,000
2.90% Senior Notes due May 15, 2025	1,000	—
5.95% Senior Notes due December 1, 2025	400	400
4.75% Senior Notes due January 15, 2026	1,000	1,000
3.90% Senior Notes due July 15, 2026	550	550
4.20% Senior Notes due April 15, 2027	600	600
5.50% Senior Notes due June 1, 2027	956	956
4.00% Senior Notes due October 1, 2027	750	750
4.95% Senior Notes due June 15, 2028	1,000	1,000
5.25% Senior Notes due April 15, 2029	1,500	1,500
8.25% Senior Notes due November 15, 2029	267	267
3.75% Senior Note due May 15, 2030	1,500	—
4.90% Senior Notes due March 15, 2035	500	500
6.625% Senior Notes due October 15, 2036	400	400
5.80% Senior Notes due June 15, 2038	500	500

7.50% Senior Notes due July 1, 2038	550	550
6.85% Senior Notes due February 15, 2040	250	250
6.05% Senior Notes due June 1, 2041	700	700
6.50% Senior Notes due February 1, 2042	1,000	1,000
6.10% Senior Notes due February 15, 2042	300	300
4.95% Senior Notes due January 15, 2043	350	350
5.15% Senior Notes due February 1, 2043	450	450
5.95% Senior Notes due October 1, 2043	450	450
5.30% Senior Notes due April 1, 2044	700	700
5.15% Senior Notes due March 15, 2045	1,000	1,000
5.35% Senior Notes due May 15, 2045	800	800
6.125% Senior Notes due December 15, 2045	1,000	1,000
5.30% Senior Notes due April 15, 2047	900	900
5.40% Senior Notes due October 1, 2047	1,500	1,500
6.00% Senior Notes due June 15, 2048	1,000	1,000
6.25% Senior Notes due April 15, 2049	1,750	1,750
5.00% Senior Notes due May 15, 2050	2,000	—
Floating Rate Junior Subordinated Notes due November 1, 2066	546	546
ETO $2.00 billion Term Loan facility due October 2022	2,000	2,000
ETO $5.00 billion Revolving Credit Facility due December 2023	3,103	4,214
Unamortized premiums, discounts and fair value adjustments, net	(17)	(5)
Deferred debt issuance costs	(215)	(207)
	42,654	42,120
Transwestern Debt		
5.36% Senior Notes due December 9, 2020 [(1)]	—	175
5.89% Senior Notes due May 24, 2022	150	150
5.66% Senior Notes due December 9, 2024	175	175
6.16% Senior Notes due May 24, 2037	75	75
Deferred debt issuance costs	—	(1)
	400	574
Panhandle Debt		
7.60% Senior Notes due February 1, 2024	82	82
7.00% Senior Notes due July 15, 2029	66	66
8.25% Senior Notes due November 15, 2029	33	33
Floating Rate Junior Subordinated Notes due November 1, 2066	54	54

Unamortized premiums, discounts and fair value adjustments, net	10	11
	245	246
Bakken Project Debt		
3.625% Senior Notes due April 1, 2022	650	650
3.90% Senior Notes due April 1, 2024	1,000	1,000
4.625% Senior Notes due April 1, 2029	850	850
Unamortized premiums, discounts and fair value adjustments, net	(3)	(3)
Deferred debt issuance costs	(13)	(16)
	2,484	2,481
Sunoco LP Debt		
4.875% Senior Notes Due January 15, 2023	436	1,000
5.50% Senior Notes Due February 15, 2026	800	800
6.00% Senior Notes Due April 15, 2027	600	600
5.875% Senior Notes Due March 15, 2028	400	400
4.50% Senior Notes due May 15, 2029	800	—
Sunoco LP $1.50 billion Revolving Credit Facility due July 2023	—	162
Lease-related obligations	103	135
Deferred debt issuance costs	(27)	(26)
	3,112	3,071
USAC Debt		
6.875% Senior Notes due April 1, 2026	725	725
6.875% Senior Notes due September 1, 2027	750	750
USAC $1.60 billion Revolving Credit Facility due April 2023	474	403
Deferred debt issuance costs	(22)	(26)
	1,927	1,852
SemGroup Debt		
HFOTCO Tax Exempt Notes due 2050	225	225
Energy Transfer Canada Revolver due February 25, 2024	57	92
Energy Transfer Canada Term Loan A due February 25, 2024	261	269
Unamortized premiums, discounts and fair value adjustments, net	—	1
Deferred debt issuance costs	(2)	(3)
	541	584
Other	3	2
Total debt	51,438	51,054
Less: Current maturities of long-term debt	21	26
Long-term debt, less current maturities	$ 51,417	$ 51,028

(1) As of December 31, 2019, these notes were classified as long-term as management had the intent and ability to refinance the borrowings on a long-term basis. The notes were redeemed in January 2020.

(2) As of December 31, 2020, these notes were classified as long-term as management had the intent and ability to refinance the borrowings on a long-term basis.

The following table reflects future maturities of long-term debt for each of the next five years and thereafter. These amounts exclude $289 million in unamortized premiums, fair value adjustments and deferred debt issuance costs, net:

2021	$	1,420
2022		5,731
2023		7,292
2024		4,621
2025		2,408
Thereafter		30,255
Total	$	51,727

Long-term debt reflected on our consolidated balance sheets includes fair value adjustments related to interest rate swaps, which represent fair value adjustments that had been recorded in connection with fair value hedge accounting prior to the termination of the interest rate swap.

Notes and Debentures

ET Senior Notes

The ET Senior Notes are the Parent Company's senior obligations, ranking equally in right of payment with our other existing and future unsubordinated debt and senior to any of its future subordinated debt. The Parent Company's obligations under the ET Senior Notes previously were secured on a first-priority basis with its obligations under the Revolver Credit Agreement and the ET Term Loan Facility, by a lien on substantially all of the Parent Company's and certain of its subsidiaries' tangible and intangible assets, subject to certain exceptions and permitted liens. Subsequent to the termination of the Revolver Credit Agreement and the ET Term Loan Facility, the collateral securing the ET Senior Notes was released. The ET Senior Notes are not guaranteed by any of the Parent Company's subsidiaries.

The covenants related to the ET Senior Notes include a limitation on liens, a limitation on transactions with affiliates, a restriction on sale-leaseback transactions and limitations on mergers and sales of all or substantially all of the Parent Company's assets.

ETO Senior Notes

The ETO senior notes were registered under the Securities Act of 1933 (as amended). The Partnership may redeem some or all of the ETO senior notes at any time, or from time to time, pursuant to the terms of the indenture and related indenture supplements related to the ETO senior notes. The balance is payable upon maturity. Interest on the ETO senior notes is paid semi-annually.

The ETO senior notes are unsecured obligations of the Partnership and as a result, the ETO senior notes effectively rank junior to any future indebtedness of ours or our subsidiaries that is both secured and unsubordinated to the extent of the value of the assets securing such indebtedness, and the ETO senior notes effectively rank junior to all indebtedness and other liabilities of our existing and future subsidiaries.

ETO January 2020 Senior Notes Offering and Redemption

On January 22, 2020, ETO completed a registered offering (the "January 2020 Senior Notes Offering") of $1 billion aggregate principal amount of ETO's 2.900% Senior Notes due 2025, $1.5 billion aggregate principal amount of ETO's 3.750% Senior Notes due 2030, and $2 billion aggregate principal amount of ETO's 5.000% Senior Notes due 2050, (collectively, the "Notes"). The Notes are fully and unconditionally guaranteed by the Partnership's wholly-owned subsidiary, Sunoco Logistics Partners Operations L.P., on a senior unsecured basis.

Utilizing proceeds from the January 2020 Senior Notes Offering, ETO redeemed its $400 million aggregate principal amount of 5.75% Senior Notes due September 1, 2020, its $1.05 billion aggregate principal amount of 4.15% Senior Notes due October 1, 2020, its $1.14 billion aggregate principal amount of 7.50% Senior Notes due October 15, 2020, its $250 million aggregate principal amount of 5.50% Senior Notes due February 15, 2020, ET's $52 million aggregate principal amount of 7.50% Senior Notes due October 15, 2020 and Transwestern's $175 million aggregate principal amount of 5.36% Senior Notes due December 9, 2020.

Transwestern Senior Notes

The Transwestern senior notes are redeemable at any time in whole or pro rata, subject to a premium or upon a change of control event or an event of default, as defined. The balance is payable upon maturity. Interest is paid semi-annually.

Sunoco LP November 2020 Senior Notes Offering and Repurchase

On November 9, 2020, Sunoco LP completed a private offering of $800 million in aggregate principal amount of 4.500% senior notes due 2029. Sunoco LP used the proceeds to fund the tender offer on its 4.875% $1 billion senior notes due 2023. Approximately 56% of the 2023 senior notes were tendered. On January 15, 2021, Sunoco LP repurchased the remaining outstanding portion of its 2023 senior notes.

Term Loans, Credit Facilities and Commercial Paper

ETO Term Loan

On October 17, 2019, ETO entered into a term loan credit agreement (the "ETO Term Loan") providing for a $2.00 billion three-year term loan credit facility. Borrowings under the term loan agreement mature on October 17, 2022 and are available for working capital purposes and for general partnership purposes. The term loan agreement is unsecured and is guaranteed by our subsidiary, Sunoco Logistics Operations.

As of December 31, 2020, the ETO Term Loan had $2.00 billion outstanding and was fully drawn. The weighted average interest rate on the total amount outstanding as of December 31, 2020 was 1.15%.

ETO Five-Year Credit Facility

ETO's revolving credit facility (the "ETO Five-Year Credit Facility") allows for unsecured borrowings up to $5.00 billion and matures on December 1, 2023. The ETO Five-Year Credit Facility contains an accordion feature, under which the total aggregate commitment may be increased up to $6.00 billion under certain conditions.

As of December 31, 2020, the ETO Five-Year Credit Facility had $3.10 billion outstanding, of which $1.66 billion was commercial paper. The amount available for future borrowings was $1.79 billion after accounting for outstanding letters of credit in the amount of $109 million. The weighted average interest rate on the total amount outstanding as of December 31, 2020 was 1.12%.

ETO 364-Day Facility

ETO's 364-day revolving credit facility (the "ETO 364-Day Facility") allows for unsecured borrowings up to $1.00 billion and matures on November 26, 2021. As of December 31, 2020, the ETO 364-Day Facility had no outstanding borrowings.

Sunoco LP Credit Facility

Sunoco LP maintains a $1.50 billion revolving credit facility (the "Sunoco LP Credit Facility"). As of December 31, 2020, the Sunoco LP Credit Facility had no outstanding borrowings and $8 million in standby letters of credit. The amount available for future borrowings was $1.5 billion at December 31, 2020.

USAC Credit Facility

USAC maintains a $1.60 billion revolving credit facility (the "USAC Credit Facility"), which matures on April 2, 2023 and permits up to $400 million of future increases in borrowing capacity. As of December 31, 2020, USAC had $474 million of outstanding borrowings and no outstanding letters of credit under the credit agreement. As of December 31, 2020, USAC had $1.1 billion of availability under its credit facility. The weighted average interest rate on the total amount outstanding as of December 31, 2020 was 3.27%.

Energy Transfer Canada Credit Facilities

Energy Transfer Canada is party to a credit agreement providing for a C$350 million (US$275 million at the December 31, 2020 exchange rate) senior secured term loan facility, a C$525 million (US$412 million at the December 31, 2020 exchange rate) senior secured revolving credit facility, and a C$300 million (US$236 million at the December 31, 2020 exchange rate) senior secured construction loan facility (the "KAPS Facility"). The term loan facility and the revolving credit facility mature on February 25, 2024. The KAPS Facility matures on June 13, 2024. Energy Transfer Canada may incur additional term loans and revolving commitments in an aggregate amount not to exceed C$250 million (US$196

million at the December 31, 2020 exchange rate), subject to receiving commitments for such additional term loans or revolving commitments from either new lenders or increased commitments from existing lenders.

Covenants Related to Our Credit Agreements

Covenants Related to the Parent Company

The Term Loan Facility and ET Revolving Credit Facility previously contained customary representations, warranties, covenants, and events of default, including a change of control event of default and limitations on incurrence of liens, new lines of business, merger, transactions with affiliates and restrictive agreements. Both facilities have been paid off and terminated.

Covenants Related to ETO

The agreements relating to the ETO senior notes contain restrictive covenants customary for an issuer with an investment-grade rating from the rating agencies, which covenants include limitations on liens and a restriction on sale-leaseback transactions.

The ETO Credit Facilities (defined as the ETO Term Loan, ETO Five-Year Credit Facility and ETO 364-Day Credit Facility) contain covenants that limit (subject to certain exceptions) the Partnership's and certain of the Partnership's subsidiaries' ability to, among other things:

- incur indebtedness;
- grant liens;
- enter into mergers;
- dispose of assets;
- make certain investments;
- make Distributions (as defined in the ETO Credit Facilities) during certain Defaults (as defined in the ETO Credit Facilities) and during any Event of Default (as defined in the ETO Credit Facilities);
- engage in business substantially different in nature than the business currently conducted by the Partnership and its subsidiaries;
- engage in transactions with affiliates; and
- enter into restrictive agreements.

The ETO Credit Facilities applicable margin and rate used in connection with the interest rates and commitment fees, respectively, are based on the credit ratings assigned to our senior, unsecured, non-credit enhanced long-term debt. The applicable margin for eurodollar rate loans under the ETO Five-Year Credit Facility ranges from 1.125% to 2.000% and the applicable margin for base rate loans ranges from 0.125% to 1.000%. The applicable rate for commitment fees under the ETO Five-Year Credit Facility ranges from 0.125% to 0.300%. The applicable margin for eurodollar rate loans under the ETO 364-Day Facility ranges from 1.500% to 2.000% and the applicable margin for base rate loans ranges from 0.500% to 1.000%. The applicable rate for commitment fees under the ETO 364-Day Facility ranges from 0.125% to 0.225%.

The ETO Credit Facilities contain various covenants including limitations on the creation of indebtedness and liens and related to the operation and conduct of our business. The ETO Credit Facilities also limit us, on a rolling four quarter basis, to a maximum Consolidated Funded Indebtedness to Consolidated EBITDA ratio, as defined in the underlying credit agreements, of 5.0 to 1, which can generally be increased to 5.5 to 1 during a Specified Acquisition Period. Our Leverage Ratio was 4.31 to 1 at December 31, 2020, as calculated in accordance with the credit agreements.

The agreements relating to the Transwestern senior notes contain certain restrictions that, among other things, limit the incurrence of additional debt, the sale of assets and the payment of dividends and specify a maximum debt to capitalization ratio.

Failure to comply with the various restrictive and affirmative covenants of our revolving credit facilities could require us to pay debt balances prior to scheduled maturity and could negatively impact the Partnership's or our subsidiaries' ability to incur additional debt and/or our ability to pay distributions to Unitholders.

Covenants Related to Panhandle

Panhandle is not party to any lending agreement that would accelerate the maturity date of any obligation due to a failure to maintain any specific credit rating, nor would a reduction in any credit rating, by itself, cause an event of default under any of Panhandle's lending agreements.

Panhandle's restrictive covenants include restrictions on liens securing debt and guarantees and restrictions on mergers and on the sales of assets. A breach of any of these covenants could result in acceleration of Panhandle's debt.

Covenants Related to Sunoco LP

The Sunoco LP Credit Facility contains various customary representations, warranties, covenants and events of default, including a change of control event of default, as defined therein. Sunoco LP's Credit Facility requires Sunoco LP to maintain a Net Leverage Ratio of not more than 5.5 to 1. The maximum Net Leverage Ratio is subject to upwards adjustment of not more than 6.0 to 1 for a period not to exceed three fiscal quarters in the event Sunoco LP engages in certain specified acquisitions of not less than $50 million (as permitted under Sunoco LP's Credit Facility agreement). The Sunoco LP Credit Facility also requires Sunoco LP to maintain an Interest Coverage Ratio (as defined in the Sunoco LP's Credit Facility agreement) of not less than 2.25 to 1.

Covenants Related to USAC

The USAC Credit Facility contains covenants that limit (subject to certain exceptions) USAC's ability to, among other things:

- grant liens;
- make certain loans or investments;
- incur additional indebtedness or guarantee other indebtedness;
- merge or consolidate;
- sell our assets; or
- make certain acquisitions.

The credit facility is also subject to the following financial covenants, including covenants requiring us to maintain:

- a minimum EBITDA to interest coverage ratio of 2.5 to 1.0, determined as of the last day of each fiscal quarter; and
- a maximum funded debt to EBITDA ratio, determined as of the last day of each fiscal quarter, for the annualized trailing three months of (i) 5.75 to 1 through the end of the fiscal quarter ending December 31, 2020 and (ii) 5.5 to 1 for the fiscal quarters ending March 31, 2021 and June 30, 2021, (iii) 5.25 to 1 for the fiscal quarters ending September 30, 2021 and December 31, 2021 and (iv) 5.0 to 1 thereafter, subject to a provision for increases to such thresholds, in the case of any fiscal quarter ending September 30, 2021 or thereafter, by 0.50 in connection with certain future acquisitions for the six consecutive month period following the period in which any such acquisition occurs, provided that, in any event, such ratio shall not exceed 5.5 to 1.

Covenants Related to the HFOTCO Tax Exempt Notes

The indentures covering HFOTCO's tax exempt notes due 2050 ("IKE Bonds") include customary representations and warranties and affirmative and negative covenants. Such covenants include limitations on the creation of new liens, indebtedness, making of certain restricted payments and payments on indebtedness, making certain dispositions, making material changes in business activities, making fundamental changes including liquidations, mergers or consolidations, making certain investments, entering into certain transactions with affiliates, making amendments to certain credit or organizational agreements, modifying the fiscal year, creating or dealing with hazardous materials in certain ways, entering into certain hedging arrangements, entering into certain restrictive agreements, funding or engaging in sanctioned activities, taking actions or causing the trustee to take actions that materially adversely affect the rights, interests, remedies or security of the bondholders, taking actions to remove the trustee, making certain amendments to the bond documents, and taking actions or omitting to take actions that adversely impact the tax exempt status of the IKE Bonds.

Compliance with our Covenants

Failure to comply with the various restrictive and affirmative covenants of our revolving credit facilities and note agreements could require us or our subsidiaries to pay debt balances prior to scheduled maturity and could negatively impact the subsidiaries ability to incur additional debt and/or our ability to pay distributions.

We and our subsidiaries were in compliance with all requirements, tests, limitations, and covenants related to our debt agreements as of December 31, 2020.

7. REDEEMABLE NONCONTROLLING INTERESTS:

Certain redeemable noncontrolling interests in the Partnership's subsidiaries are reflected as mezzanine equity on the consolidated balance sheet. Redeemable noncontrolling interests as of December 31, 2020 included a balance of $477 million related to the USAC Preferred Units described below and a balance of $15 million related to noncontrolling interest holders in one of the Partnership's consolidated subsidiaries that have the option to sell their interests to the Partnership. In addition, redeemable noncontrolling interests includes a balance of $270 million in Energy Transfer Canada preferred shares acquired as part of the 2019 merger with SemGroup.

USAC Series A Preferred Units

In 2018, USAC issued 500,000 USAC Preferred Units in a private placement at a price of $1,000 per USAC Preferred Unit, for total gross proceeds of $500 million in a private placement.

The USAC Preferred Units are entitled to receive cumulative quarterly distributions equal to $24.375 per USAC Preferred Unit, subject to increase in certain limited circumstances. The USAC Preferred Units will have a perpetual term, unless converted or redeemed. Certain portions of the USAC Preferred Units will be convertible into USAC common units at the election of the holders beginning in 2021. To the extent the holders of the USAC Preferred Units have not elected to convert their preferred units by the fifth anniversary of the issue date, USAC will have the option to redeem all or any portion of the USAC Preferred Units for cash. In addition, at any time on or after the tenth anniversary of the issue date, the holders of the USAC Preferred Units will have the right to require USAC to redeem all or any portion of the USAC Preferred Units, and the Partnership may elect to pay up to 50% of such redemption amount in USAC common units.

Energy Transfer Canada Redeemable Preferred Stock

Energy Transfer Canada has 300,000 shares of cumulative preferred stock issued and outstanding. The preferred stock is redeemable at Energy Transfer Canada's option subsequent to January 3, 2021 at a redemption price of C$1,100 (US$864 at the December 31, 2020 exchange rate) per share. The preferred stock is redeemable by the holder contingent upon a change of control or liquidation of Energy Transfer Canada. The preferred stock is convertible to Energy Transfer Canada common shares in the event of an initial public offering by Energy Transfer Canada.

The preferred stock was recorded at fair value in connection with the SemGroup purchase accounting. Dividends on the preferred stock are payable in-kind through the quarter ending June 30, 2020. The dividends paid-in-kind increased the liquidation preference such that as of December 31, 2020, the preferred stock was convertible into 344,419 shares.

8. EQUITY:

Limited Partner Units

Limited partner interests in the Partnership are represented by Common Units that entitle the holders thereof to the rights and privileges specified in the Partnership Agreement. The Partnership's Common Units are registered under the Securities Exchange Act of 1934 (as amended) and are listed for trading on the NYSE. Each holder of a Common Unit is entitled to one vote per unit on all matters presented to the Limited Partners for a vote. In addition, if at any time any person or group (other than the Partnership's General Partner and its affiliates) owns beneficially 20% or more of all Common Units, any Common Units owned by that person or group may not be voted on any matter and are not considered to be outstanding when sending notices of a meeting of Unitholders (unless otherwise required by law), calculating required votes, determining the presence of a quorum or for other similar purposes under the Partnership Agreement. The Common Units are entitled to distributions of Available Cash as described below under "Parent Company Quarterly Distributions of Available Cash."

As of December 31, 2020, there were issued and outstanding 2.70 billion Common Units representing an aggregate 99.9% limited partner interest in the Partnership.

Our Partnership Agreement contains specific provisions for the allocation of net earnings and losses to the partners for purposes of maintaining the partner capital accounts. For any fiscal year that the Partnership has net profits, such net profits are first allocated to the General Partner until the aggregate amount of net profits for the current and all prior fiscal years equals the aggregate amount of net losses allocated to the General Partner for the current and all prior fiscal years. Second, such net profits shall be allocated to the Limited Partners pro rata in accordance with their respective sharing ratios. For any fiscal year in which the Partnership has net losses, such net losses shall be first allocated to the Limited Partners in proportion to their respective adjusted capital account balances, as defined by the Partnership Agreement, (before taking into account such net losses) until their adjusted capital account balances have been reduced to zero. Second, all remaining net losses shall be allocated to the General Partner. The General Partner may distribute to the Limited Partners funds of the Partnership that the General Partner reasonably determines are not needed for the payment of existing or foreseeable Partnership obligations and expenditures.

Common Units

The change in ET Common Units during the years ended December 31, 2020, 2019 and 2018 was as follows:

	Years Ended December 31,		
	2020	2019	2018
Number of Common Units, beginning of period	2,689.6	2,619.4	1,079.1
Conversion of ET Series A Convertible Preferred Units to common units	—	—	79.1
Common Units issued in mergers and acquisitions	—	57.6	1,458.9
Common Units repurchased	—	(1.9)	—
Issuance of Common Units	12.8	14.5	2.3
Number of Common Units, end of period	2,702.4	2,689.6	2,619.4

In October 2018, ET issued 1.46 billion ET Common Units in connection with the Energy Transfer Merger.

In December 2019, ET issued 57.6 million ET Common Units in connection with the SemGroup acquisition.

ET Series A Convertible Preferred Units

In May 2018, the Partnership converted its 329.3 million Series A Convertible Preferred Units into approximately 79.1 million ET common units in accordance with the terms of ET's partnership agreement.

ET Class A Units

In connection with the Energy Transfer Merger, the Partnership issued 647,745,099 Class A units ("ET Class A Units") representing limited partner interests in the Partnership to LE GP, LLC ("LE GP"), the general partner of ET. The number of ET Class A Units issued allows LE GP and its affiliates to retain a voting interest in the Partnership that is identical to their voting interest in the Partnership prior to the completion of the Merger. The ET Class A Units are entitled to vote together with the Partnership's common units, as a single class, except as required by law. Additionally, ET's partnership agreement provides that, under certain circumstances, upon the issuance by the Partnership of additional common units or any securities that have voting rights that are pari passu with the Partnership common units, the Partnership will issue to any holder of ET Class A Units additional ET Class A Units such that the holder maintains a voting interest in the Partnership that is identical to its voting interest in the Partnership prior to such issuance. The ET Class A Units are not entitled to distributions and otherwise have no economic attributes.

ET Repurchase Program

In February 2015, the Partnership announced a common unit repurchase program, whereby the Partnership may repurchase up to an additional $2 billion of ET Common Units in the open market at the Partnership's discretion, subject to market conditions and other factors, and in accordance with applicable regulatory requirements. The Partnership repurchased no ET Common Units under this program in 2020 and 1.9 million ET Common Units in 2019. As of December 31, 2020, $911 million remained available to repurchase under the current program.

ET Distribution Reinvestment Program

During the year ended December 31, 2020, distributions of $78 million were reinvested under the distribution reinvestment program. As of December 31, 2020, a total of 21 million common units remain available to be issued under the existing registration statement in connection with the distribution reinvestment program.

Sale of Common Units by Subsidiaries

The Parent Company accounts for the difference between the carrying amount of its investment in subsidiaries and the underlying book value arising from issuance of units by subsidiaries (excluding unit issuances to the Parent Company) as a capital transaction. If a subsidiary issues units at a price less than the Parent Company's carrying value per unit, the Parent Company assesses whether the investment has been impaired, in which case a provision would be reflected in our statement of operations. The Parent Company did not recognize any impairment related to the issuances of subsidiary common units during the periods presented.

ETO Class K Units

As of December 31, 2020, a total of 101.5 million Class K Units were held by wholly-owned subsidiaries of ETO. Each Class K Unit is entitled to a quarterly cash distribution of $0.67275 per Class K Unit prior to ETO making distributions of available cash to any class of units, excluding any cash available distributions or dividends or capital stock sales proceeds received by ETO from ETP Holdco. If the Partnership is unable to pay the Class K Unit quarterly distribution with respect to any quarter, the accrued and unpaid distributions will accumulate until paid and any accumulated balance will accrue 1.5% per annum until paid.

ETO Class L Units

On December 31, 2018, ETO issued a new class of limited partner interests titled Class L Units to two wholly-owned subsidiaries of the Partnership when the Partnership's previously outstanding Class E units and Class G units held by such subsidiaries were converted into Class L Units. As a result of the conversion, the Class E units and Class G units were cancelled.

The Class L Units generally do not have any voting rights. The Class L Units are entitled to aggregate cash distributions equal to 7.65% per annum of the total amount of cash generated by us and our subsidiaries, other than ETP Holdco, and available for distribution. Distributions shall be paid quarterly, in arrears, within 45 days after the end of each quarter. As the Class L Units are owned by a wholly-owned subsidiary, the cash distributions on those units are eliminated in our consolidated financial statements.

ETO Class M Units

On July 1, 2019, ETO issued a new class of limited partner interests titled Class M Units to ETP Holdco, a wholly-owned subsidiary of the Partnership, in exchange for the contribution of ETP Holdco's equity ownership interest in Panhandle to the Partnership.

The Class M Units generally do not have any voting rights. The Class M Units are entitled to aggregate cash distributions equal to 8.00% per annum of the total amount of cash generated by us and our subsidiaries, other than ETP Holdco, and available for distribution. Distributions shall be paid quarterly, in arrears, within 45 days after the end of each quarter. As the Class M Units are owned by a wholly-owned subsidiary, the cash distributions on those units are eliminated in our consolidated financial statements.

ETO Class N Units

In April and May, 2020, ETO issued a new class of limited partner interests titles Class N Units in connection with a series of internal transactions to simplify its capital structure. All of the Class N Units are held by ETP Holdco.

The Class N Units generally do not have any voting rights. each Class N Unit is entitled to a quarterly cash distribution of $0.2375 per Class N Unit prior to ETO making distributions of available cash to any class of units, excluding any cash available distributions or dividends or capital stock sales proceeds received by ETO from ETP Holdco. Distributions shall be paid quarterly, in arrears, within 45 days after the end of each quarter. If the Partnership is unable to pay the Class N Unit quarterly distribution with respect to any quarter, the accrued and unpaid distributions will accumulate until paid and any accumulated balance will accrue 1.5% per annum until paid. As the Class N Units are owned by a wholly-owned subsidiary, the cash distributions on those units are eliminated in our consolidated financial statements.

ETO Preferred Units

As of December 31, 2020 and 2019, ETO's outstanding preferred units included 950,000 Series A Preferred Units, 550,000 Series B Preferred Units, 18,000,000 Series C Preferred Units, 17,800,000 Series D Preferred Units and 32,000,000 Series E Preferred Units. As of December 31, 2020, ETO's outstanding preferred units also included 500,000 Series F Preferred Units and 1,100,000 Series G Preferred Units.

ETO Series A Preferred Units

Distributions on the ETO Series A Preferred Units will accrue and be cumulative from and including the date of original issue to, but excluding, February 15, 2023, at a rate of 6.250% per annum of the stated liquidation preference of $1,000. On and after February 15, 2023, distributions on the ETO Series A Preferred Units will accumulate at a percentage of the $1,000 liquidation preference equal to an annual floating rate of the three-month LIBOR, determined quarterly, plus a spread of 4.028% per annum. The ETO Series A Preferred Units are redeemable at ETO's option on or after February 15, 2023 at a redemption price of $1,000 per ETO Series A Preferred Unit, plus an amount equal to all accumulated and unpaid distributions thereon to, but excluding, the date of redemption.

ETO Series B Preferred Units

Distributions on the ETO Series B Preferred Units will accrue and be cumulative from and including the date of original issue to, but excluding, February 15, 2028, at a rate of 6.625% per annum of the stated liquidation preference of $1,000. On and after February 15, 2028, distributions on the ETO Series B Preferred Units will accumulate at a percentage of the $1,000 liquidation preference equal to an annual floating rate of the three-month LIBOR, determined quarterly, plus a spread of 4.155% per annum. The ETO Series B Preferred Units are redeemable at ETO's option on or after February 15, 2028 at a redemption price of $1,000 per ETO Series B Preferred Unit, plus an amount equal to all accumulated and unpaid distributions thereon to, but excluding, the date of redemption.

ETO Series C Preferred Units

Distributions on the ETO Series C Preferred Units will accrue and be cumulative from and including the date of original issue to, but excluding, May 15, 2023, at a rate of 7.375% per annum of the stated liquidation preference of $25. On and after May 15, 2023, distributions on the ETO Series C Preferred Units will accumulate at a percentage of the $25 liquidation preference equal to an annual floating rate of the three-month LIBOR, determined quarterly, plus a spread of 4.530% per annum. The ETO Series C Preferred Units are redeemable at ETO's option on or after May 15, 2023 at a redemption price of $25 per ETO Series C Preferred Unit, plus an amount equal to all accumulated and unpaid distributions thereon to, but excluding, the date of redemption.

ETO Series D Preferred Units

Distributions on the ETO Series D Preferred Units will accrue and be cumulative from and including the date of original issue to, but excluding, August 15, 2023, at a rate of 7.625% per annum of the stated liquidation preference of $25. On and after August 15, 2023, distributions on the ETO Series D Preferred Units will accumulate at a percentage of the $25 liquidation preference equal to an annual floating rate of the three-month LIBOR, determined quarterly, plus a spread of 4.738% per annum. The ETO Series D Preferred Units are redeemable at ETO's option on or after August 15, 2023 at a redemption price of $25 per ETO Series D Preferred Unit, plus an amount equal to all accumulated and unpaid distributions thereon to, but excluding, the date of redemption.

ETO Series E Preferred Units

Distributions on the ETO Series E Preferred Units will accrue and be cumulative from and including the date of original issue to, but excluding, May 15, 2024, at a rate of 7.600% per annum of the stated liquidation preference of $25. On and after May 15, 2024, distributions on the ETO Series E Preferred Units will accumulate at a percentage of the $25 liquidation preference equal to an annual floating rate of the three-month LIBOR, determined quarterly, plus a spread of 5.161% per annum. The ETO Series E Preferred Units are redeemable at ETO's option on or after May 15, 2024 at a redemption price of $25 per ETO Series E Preferred Unit, plus an amount equal to all accumulated and unpaid distributions thereon to, but excluding, the date of redemption.

ETO Series F Preferred Units

On January 22, 2020, ETO issued 500,000 of its 6.750% Series F Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Units representing limited partner interest in ETO, at a price to the public of $1,000 per unit. Distributions on the Series F Preferred Units are cumulative from and including the original issue date and will be payable semi-annually in

arrears on the 15th day of May and November of each year, commencing on May 15, 2020 to, but excluding, May 15, 2025, at a rate equal to 6.750% per annum of the $1,000 liquidation preference. On and after May 15, 2025, the distribution rate on the ETO Series F Preferred Units will equal a percentage of the $1,000 liquidation preference equal to the five-year U.S. treasury rate plus a spread of 5.134% per annum. The ETO Series F Preferred Units are redeemable at ETO's option on or after May 15, 2025 at a redemption price of $1,000 per ETO Series F Preferred Unit, plus an amount equal to all accumulated and unpaid distributions thereon to, but excluding, the date of redemption.

ETO Series G Preferred Units

On January 22, 2020, ETO issued 1,100,000 of its 7.125% Series G Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Units representing limited partner interest in ETO, at a price to the public of $1,000 per unit. Distributions on the ETO Series G Preferred Units are cumulative from and including the original issue date and will be payable semi-annually in arrears on the 15th day of May and November of each year, commencing on May 15, 2020 to, but excluding, May 15, 2030, at a rate equal to 7.125% per annum of the $1,000 liquidation preference. On and after May 15, 2030, the distribution rate on the ETO Series G Preferred Units will equal a percentage of the $1,000 liquidation preference equal to the five-year U.S. treasury rate plus a spread of 5.306% per annum. The ETO Series G Preferred Units are redeemable at ETO's option on or after May 15, 2030 at a redemption price of $1,000 per ETO Series G Preferred Unit, plus an amount equal to all accumulated and unpaid distributions thereon to, but excluding, the date of redemption.

Subsidiary Equity Transactions

Sunoco LP's Equity Distribution Program

Sunoco LP is party to an equity distribution agreement for an at-the-market ("ATM") offering pursuant to which Sunoco LP may sell its common units from time to time. For the years ended December 31, 2020, 2019 and 2018, Sunoco LP issued no units under its ATM program. As of December 31, 2020, $295 million of Sunoco LP common units remained available to be issued under the currently effective equity distribution agreement.

USAC's Distribution Reinvestment Program

During the year ended December 31, 2020 and 2019, distributions of $1.9 million and $1 million, respectively, were reinvested under the USAC distribution reinvestment program resulting in the issuance of approximately 188,695 and 60,584 USAC common units, respectively.

USAC's Warrant Private Placement

On April 2, 2018, USAC issued two tranches of warrants to purchase USAC common units (the "USAC Warrants"), which included USAC Warrants to purchase 5,000,000 common units with a strike price of $17.03 per unit and USAC Warrants to purchase 10,000,000 common units with a strike price of $19.59 per unit. The USAC Warrants may be exercised by the holders thereof at any time beginning on the one year anniversary of the closing date and before the tenth anniversary of the closing date. Upon exercise of the USAC Warrants, USAC may, at its option, elect to settle the USAC Warrants in common units on a net basis.

USAC's Class B Units

The USAC Class B Units, all of which are owned by ETO, are a new class of partnership interests of USAC that have substantially all of the rights and obligations of a USAC common unit, except the USAC Class B Units will not participate in distributions for the first four quarters following the closing date of the USAC Transaction on April 2, 2018. Each USAC Class B Unit automatically converted into one USAC common unit on the first business day following the record date attributable to the quarter ending June 30, 2019.

On July 30, 2019, the 6,397,965 USAC Class B units held by the Partnership converted into 6,397,965 common units representing limited partner interests in USAC. These common units participate in distributions declared by USAC.

Parent Company Quarterly Distributions of Available Cash

Our distribution policy is consistent with the terms of our Partnership Agreement, which requires that we distribute all of our available cash quarterly. The Parent Company's only cash-generating assets currently consist of distributions from its interest in ETO.

Our distributions declared and paid with respect to our common units were as follows:

Quarter Ended	Record Date	Payment Date	Rate
December 31, 2017 [1]	February 8, 2018	February 20, 2018	$ 0.3050
March 31, 2018 [1]	May 7, 2018	May 21, 2018	0.3050
June 30, 2018	August 6, 2018	August 20, 2018	0.3050
September 30, 2018	November 8, 2018	November 19, 2018	0.3050
December 31, 2018	February 8, 2019	February 19, 2019	0.3050
March 31, 2019	May 7, 2019	May 20, 2019	0.3050
June 30, 2019	August 6, 2019	August 19, 2019	0.3050
September 30, 2019	November 5, 2019	November 19, 2019	0.3050
December 31, 2019	February 7, 2020	February 19, 2020	0.3050
March 31, 2020	May 7, 2020	May 19, 2020	0.3050
June 30, 2020	August 7, 2020	August 19, 2020	0.3050
September 30, 2020	November 6, 2020	November 19, 2020	0.1525
December 31, 2020	February 8, 2021	February 19, 2021	0.1525

(1) Certain common unitholders elected to participate in a plan pursuant to which those unitholders elected to forego their cash distributions on all or a portion of their common units for a period of up to nine quarters commencing with the distribution for the quarter ended March 31, 2016 and, in lieu of receiving cash distributions on these common units for each such quarter, each said unitholder received ET Series A Convertible Preferred Units (on a one-for-one basis for each common unit as to which the participating unitholder elected be subject to this plan) that entitled them to receive a cash distribution of up to $0.11 per unit. See additional information below.

Our distributions declared and paid with respect to ET Series A Convertible Preferred Unit were as follows:

Quarter Ended	Record Date	Payment Date	Rate
December 31, 2016	February 7, 2017	February 21, 2017	$ 0.1100
March 31, 2017	May 10, 2017	May 19, 2017	0.1100
June 30, 2017	August 7, 2017	August 21, 2017	0.1100
September 30, 2017	November 7, 2017	November 20, 2017	0.1100
December 31, 2017	February 8, 2018	February 20, 2018	0.1100
March 31, 2018	May 7, 2018	May 21, 2018	0.1100

ETO Preferred Unit Distributions

Distributions on the ETO's Series A, Series B, Series C, Series D, Series E, Series F and Series G preferred units declared and/or paid by ETO were as follows:

Period Ended	Record Date	Payment Date	Series A [1]	Series B [1]	Series C	Series D	Series E	Series F [1]	Series G [1]
June 30, 2018	August 1, 2018	August 15, 2018	$ 31.2500	$ 33.1250	$ 0.5634 *	$ —	$ —	$ —	$ —
September 30, 2018	November 1, 2018	November 15, 2018	—	—	0.4609	0.5931 *	—	—	—
December 31, 2018	February 1, 2019	February 15, 2019	31.2500	33.1250	0.4609	0.4766	—	—	—
March 31, 2019	May 1, 2019	May 15, 2019	—	—	0.4609	0.4766	—	—	—
June 30, 2019	August 1, 2019	August 15, 2019	31.2500	33.1250	0.4609	0.4766	0.5806 *	—	—
September 30, 2019	November 1, 2019	November 15, 2019	—	—	0.4609	0.4766	0.4750	—	—
December 31, 2019	February 3, 2020	February 18, 2020	31.2500	33.1250	0.4609	0.4766	0.4750	—	—
March 31, 2020	May 1, 2020	May 15, 2020	—	—	0.4609	0.4766	0.4750	21.19 *	22.36 *
June 30, 2020	August 3, 2020	August 17, 2020	31.2500	33.1250	0.4609	0.4766	0.4750	—	—
September 30, 2020	November 2, 2020	November 15, 2020	—	—	0.4609	0.4766	0.4750	33.75	35.625
December 31, 2020	February 1, 2021	February 16, 2021	31.2500	33.1250	0.4609	0.4766	0.4750	—	—

* Represent prorated initial distributions.

[1] ETO Series A Preferred Unit, ETO Series B Preferred Unit, ETO Series F Preferred Unit and ETO Series G Preferred Unit distributions are paid on a semi-annual basis.

Sunoco LP Cash Distributions

The following table illustrates the percentage allocations of available cash from operating surplus between Sunoco LP's common unitholders and the holder of its IDRs based on the specified target distribution levels, after the payment of distributions to Class C unitholders. The amounts set forth under "marginal percentage interest in distributions" are the percentage interests of the IDR holder and the common unitholders in any available cash from operating surplus which Sunoco LP distributes up to and including the corresponding amount in the column "total quarterly distribution per unit target amount." The percentage interests shown for common unitholders and IDR holder for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution.

		Marginal Percentage Interest in Distributions	
	Total Quarterly Distribution Target Amount	Common Unitholders	Holder of IDRs
Minimum Quarterly Distribution	$0.4375	100%	—%
First Target Distribution	$0.4375 to $0.503125	100%	—%
Second Target Distribution	$0.503125 to $0.546875	85%	15%
Third Target Distribution	$0.546875 to $0.656250	75%	25%
Thereafter	Above $0.656250	50%	50%

Distributions on Sunoco LP's units declared and/or paid by Sunoco LP were as follows:

Quarter Ended	Record Date	Payment Date	Rate
December 31, 2017	February 6, 2018	February 14, 2018	$ 0.8255
March 31, 2018	May 7, 2018	May 15, 2018	0.8255
June 30, 2018	August 7, 2018	August 15, 2018	0.8255
September 30, 2018	November 6, 2018	November 14, 2018	0.8255
December 31, 2018	February 6, 2019	February 14, 2019	0.8255
March 31, 2019	May 7, 2019	May 15, 2019	0.8255
June 30, 2019	August 6, 2019	August 14, 2019	0.8255
September 30, 2019	November 5, 2019	November 19, 2019	0.8255
December 31, 2019	February 7, 2020	February 19, 2020	0.8255
March 31, 2020	May 7, 2020	May 19, 2020	0.8255
June 30, 2020	August 7, 2020	August 19, 2020	0.8255
September 30, 2020	November 6, 2020	November 19, 2020	0.8255
December 31, 2020	February 8, 2021	February 19, 2021	0.8255

USAC Cash Distributions

Subsequent to the Energy Transfer Merger and USAC Transactions described in Note 1 and Note 3, respectively, ETO owned approximately 39.7 million USAC common units and 6.4 million USAC Class B units. Subsequent to the conversion of the USAC Class B Units to USAC common units on July 30, 2019, ETO owns approximately 46.1 million USAC common units. As of December 31, 2020, USAC had approximately 97.0 million common units outstanding. USAC currently has a non-economic general partner interest and no outstanding IDRs.

Distributions on USAC's units declared and/or paid by USAC subsequent to the USAC transaction on April 2, 2018 were as follows:

Quarter Ended	Record Date	Payment Date	Rate
March 31, 2018	May 1, 2018	May 11, 2018	$ 0.5250
June 30, 2018	July 30, 2018	August 10, 2018	0.5250
September 30, 2018	October 29, 2018	November 9, 2018	0.5250
December 31, 2018	January 28, 2019	February 8, 2019	0.5250
March 31, 2019	April 29, 2019	May 10, 2019	0.5250
June 30, 2019	July 29, 2019	August 9, 2019	0.5250
September 30, 2019	October 28, 2019	November 8, 2019	0.5250
December 31, 2019	January 27, 2020	February 7, 2020	0.5250
March 31, 2020	April 27, 2020	May 8, 2020	0.5250
June 30, 2020	July 31, 2020	August 10, 2020	0.5250
September 30, 2020	October 26, 2020	November 6, 2020	0.5250
December 31, 2020	January 25, 2021	February 5, 2021	0.5250

Accumulated Other Comprehensive Income

The following table presents the components of AOCI, net of tax:

	December 31,	
	2020	2019
Available-for-sale securities	$ 18	$ 13
Foreign currency translation adjustment	7	2
Actuarial loss related to pensions and other postretirement benefits	(7)	(25)
Investments in unconsolidated affiliates, net	(14)	(1)
Total AOCI, net of tax	4	(11)
Amounts attributable to noncontrolling interests	2	—
Total AOCI included in partners' capital, net of tax	$ 6	$ (11)

The table below sets forth the tax amounts included in the respective components of other comprehensive income:

	December 31,	
	2020	2019
Available-for-sale securities	$ (1)	$ (1)
Foreign currency translation adjustment	8	2
Actuarial loss relating to pension and other postretirement benefits	3	8
Total	$ 10	$ 9

9. NON-CASH COMPENSATION PLANS:

We, Sunoco LP and USAC, have issued equity incentive plans for employees, officers and directors, which provide for various types of awards, including options to purchase Common Units, restricted units, phantom units, distribution equivalent rights ("DERs"), common unit appreciation rights, cash restricted units and other non-cash compensation awards. As of December 31, 2020, an aggregate total of 34.3 million ET Common Units remain available to be awarded under our equity incentive plans.

ET Long-Term Incentive Plan

We have granted restricted unit awards to employees that vest over a specified time period, typically a five-year service vesting requirement, with vesting based on continued employment as of each applicable vesting date. Upon vesting, ET Common Units are issued. These unit awards entitle the recipients of the unit awards to receive, with respect to each Common Unit subject to such award that has not either vested or been forfeited, a cash payment equal to each cash distribution per Common Unit made by us on our Common Units promptly following each such distribution by us to our Unitholders. We refer to these rights as "distribution equivalent rights." Under our equity incentive plans, our non-employee directors each receive grants with a five-year service vesting requirement.

The following table shows the activity of the awards granted to employees and non-employee directors:

	Number of Units	Weighted Average Grant-Date Fair Value Per Unit
Unvested awards as of December 31, 2019	28.0	$ 13.89
Awards granted	9.4	6.29
Awards vested	(6.9)	14.78
Awards forfeited	(1.1)	13.85
Unvested awards as of December 31, 2020	29.4	11.26

During the years ended December 31, 2020, 2019, and 2018, the weighted average grant-date fair value per unit award granted was $6.29, $12.51 and $13.00, respectively. The total fair value of awards vested was $51 million, $47 million, and $49 million, respectively, based on the market price of the respective Common Units as of the vesting date. As of

December 31, 2020, a total of 29.4 million unit awards remain unvested, for which ET expects to recognize a total of $193 million in compensation expense over a weighted average period of 2.8 years.

Cash Restricted Units. The Partnership has also granted cash restricted units, which vest through three year of service. A cash restricted unit entitles the award recipient to receive cash equal to the market value of one one ET Common Unit upon vesting. In December 2020, the Partnership granted a total of 7.7 million cash restricted units.

Subsidiary Long-Term Incentive Plans

Each of Sunoco LP and USAC has granted restricted or phantom unit awards (collectively, the "Subsidiary Unit Awards") to employees and directors that entitle the grantees to receive common units of the respective subsidiary. In some cases, at the discretion of the respective subsidiary's compensation committee, the grantee may instead receive an amount of cash equivalent to the value of common units upon vesting. Substantially all of the Subsidiary Unit Awards are time-vested grants, which generally vest over a three or five-year period, that entitles the grantees of the unit awards to receive an amount of cash equal to the per unit cash distributions made by the respective subsidiaries during the period the restricted unit is outstanding.

The following table summarizes the activity of the Subsidiary Unit Awards:

	Sunoco LP		USAC	
	Number of Units	Weighted Average Grant-Date Fair Value Per Unit	Number of Units	Weighted Average Grant-Date Fair Value Per Unit
Unvested awards as of December 31, 2019	2.1	$ 29.21	1.8	$ 15.09
Awards granted	0.7	28.63	0.7	12.55
Awards vested	(0.5)	30.47	(0.2)	17.27
Awards forfeited	(0.2)	29.11	(0.2)	15.36
Unvested awards as of December 31, 2020	2.1	28.63	2.1	14.88

The following table summarizes the weighted average grant-date fair value per unit award granted:

	Years Ended December 31,		
	2020	2019	2018
Sunoco LP	$ 28.63	$ 30.70	$ 27.67
USAC	12.55	15.88	15.47

The total fair value of Subsidiary Unit Awards vested for the years ended December 31, 2020, 2019 and 2018 was $16 million, $17 million, and $22 million, respectively, based on the market price of Sunoco LP and USAC common units as of the vesting date for the years ended December 31, 2020. 2019 and 2018. As of December 31, 2020, estimated compensation cost related to Subsidiary Unit Awards not yet recognized was $39 million, and the weighted average period over which this cost is expected to be recognized in expense is 3.6 years.

10. INCOME TAXES:

As a partnership, we are not subject to United States federal income tax and most state income taxes. However, the Partnership conducts certain activities through corporate subsidiaries which are subject to federal and state income taxes.

The components of the federal and state income tax expense (benefit) of our taxable subsidiaries were summarized as follows:

	Years Ended December 31,		
	2020	2019	2018
Current expense (benefit):			
Federal	$ (6)	$ (20)	$ (8)
State	32	(2)	19
Foreign	1	—	—
Total	27	(22)	11
Deferred expense (benefit):			
Federal	176	174	181
State	41	43	(188)
Foreign	(7)	—	—
Total	210	217	(7)
Total income tax expense from continuing operations	$ 237	$ 195	$ 4

Historically, our effective tax rate has differed from the statutory rate primarily due to partnership earnings that are not subject to United States federal and most state income taxes at the partnership level. A reconciliation of income tax expense at the United States statutory rate to the Partnership's income tax benefit for the years ended December 31, 2020, 2019 and 2018 is as follows:

	Years Ended December 31,		
	2020	2019	2018
Income tax expense at United States statutory rate	$ 79	$ 1,054	$ 775
Increase (reduction) in income taxes resulting from:			
Partnership earnings not subject to tax	88	(866)	(647)
Noncontrolling interests	16	—	—
State tax, net of federal tax benefit	58	12	(125)
Dividend received deduction	—	(3)	(5)
Foreign taxes	(7)	—	—
Other	3	(2)	6
Income tax expense from continuing operations	$ 237	$ 195	$ 4

Deferred taxes result from the temporary differences between financial reporting carrying amounts and the tax basis of existing assets and liabilities. The table below summarizes the principal components of the deferred tax assets (liabilities) as follows:

	December 31,	
	2020	2019
Deferred income tax assets:		
Net operating losses, alternative minimum tax credit and other carryforwards	$ 1,047	$ 936
Pension and other postretirement benefits	—	7
Other	34	85
Total deferred income tax assets	1,081	1,028
Valuation allowance	(134)	(95)
Net deferred income tax assets	947	933
Deferred income tax liabilities:		
Property, plant and equipment	(298)	(501)
Investments in affiliates	(3,994)	(3,547)
Trademarks	(77)	(72)
Other	(6)	(21)
Total deferred income tax liabilities	(4,375)	(4,141)
Net deferred income taxes	$ (3,428)	$ (3,208)

As of December 31, 2020, ETP Holdco had a federal net operating loss carryforward of $3.73 billion, of which $1.3 billion will expire in 2031 through 2037 while the remaining can be carried forward indefinitely. A total of $787 million of the federal net operating loss carryforward is limited under IRC §382. Although we expect to fully utilize the IRC §382 limited federal net operating loss, the amount utilized in a particular year may be limited. As of December 31, 2020, Sunoco Property Company LLC, a corporate subsidiary of Sunoco LP, had a state net operating loss carrryforward of $121 million, which we expect to fully utilize. Sunoco Property Company LLC has no federal net operating loss carryforward.

Our corporate subsidiaries have state net operating loss carryforward benefits of $174 million, net of federal tax, some of which expire between 2021 and 2039, while others are carried forward indefinitely. Our corporate subsidiaries have Canadian net operating losses of $7 million that will begin to expire in 2033. Our corporate subsidiaries have cumulative excess business interest expense of $129 million available for carryforward indefinitely. A valuation allowance of $89 million is attributable to state net operating loss carryforward benefits primarily attributable to significant restrictions on their use in the Commonwealth of Pennsylvania. A separate valuation allowance of $45 million is attributable to foreign tax credits.

The following table sets forth the changes in unrecognized tax benefits:

	Years Ended December 31,		
	2020	2019	2018
Balance at beginning of year	$ 94	$ 624	$ 609
Additions attributable to tax positions taken in the current year	—	—	8
Additions attributable to tax positions taken in prior years	—	11	7
Reduction attributable to tax positions taken in prior years	—	(541)	—
Lapse of statute	(4)	—	—
Balance at end of year	$ 90	$ 94	$ 624

As of December 31, 2020, we had $90 million ($48 million after federal income tax benefits) related to tax positions which, if recognized, would impact our effective tax rate.

Our policy is to accrue interest expense and penalties on income tax underpayments (overpayments) as a component of income tax expense. During 2020, we recognized interest and penalties of less than $7 million. At December 31, 2020, we have interest and penalties accrued of $10 million, net of tax.

We appealed the adverse Court of Federal Claims decision against ETC Sunoco regarding the IRS' denial of ethanol blending credits claims under Section 6426 to the Federal Circuit. The Federal Circuit affirmed the CFC's denial on November 1, 2018. ETC Sunoco filed a petition for certiorari with the Supreme Court on May 24, 2019 to review the Federal Circuit's affirmation of the CFC's ruling, and the Court denied Sunoco's petition on October 7, 2019. The petition for certiorari applied to ETC Sunoco's 2004 through 2009 tax years, and 2010 through 2011 remained on extension with the IRS through September 28, 2020. We filed a petition for the 2010 and 2011 years in the Federal District Court for the Northern District of Texas on September 25, 2020. Due to the uncertainty surrounding the litigation, a reserve of $530 million was previously established for the full amount of the pending refund claims, and the receivable and reserve for this issue were netted in the consolidated balance sheet. Subsequent to the Supreme Court's denial of the petition in October 2019, the receivable and reserve have been reversed, with no impact to the Partnership's financial position and results of operations.

In November 2015, the Pennsylvania Commonwealth Court determined in Nextel Communications v. Commonwealth ("Nextel") that the Pennsylvania limitation on NOL carryforward deductions violated the uniformity clause of the Pennsylvania Constitution and struck the NOL limitation in its entirety. In October 2017, the Pennsylvania Supreme Court affirmed the decision with respect to the uniformity clause violation; however, the Court reversed with respect to the remedy and instead severed the flat-dollar limitation, leaving the percentage-based limitation intact. Nextel subsequently filed a petition for writ of certiorari with the United States Supreme Court, and this was denied on June 11, 2018. Now certain Pennsylvania taxpayers are proceeding with litigation in Pennsylvania state courts on issues not addressed by the Pennsylvania Supreme Court in Nextel, specifically, whether the Due Process and Equal Protection Clauses of the United States Constitution and the Remedies Clause of the Pennsylvania Constitution require a court to grant the taxpayer relief. ETC Sunoco has recognized approximately $67 million ($53 million after federal income tax benefits) in tax benefit based on previously filed tax returns and certain previously filed protective claims as relates to its cases currently held pending the Nextel matter. However, based upon the Pennsylvania Supreme Court's October 2017 decision, and because of uncertainty in the breadth of the application of the decision, we have reserved $34 million ($27 million after federal income tax benefits) against the receivable.

In general, ET and its subsidiaries are no longer subject to examination by the IRS, and most state jurisdictions, for the 2014 and prior tax years.

ET and its subsidiaries also have various state and local income tax returns in the process of examination or administrative appeal in various jurisdictions. We believe the appropriate accruals or unrecognized tax benefits have been recorded for any potential assessment with respect to these examinations.

11. REGULATORY MATTERS, COMMITMENTS, CONTINGENCIES AND ENVIRONMENTAL LIABILITIES:

FERC Proceedings

By order issued January 16, 2019, the FERC initiated a review of Panhandle's existing rates pursuant to Section 5 of the Natural Gas Act ("NGA") to determine whether the rates currently charged by Panhandle are just and reasonable and set the matter for hearing. On August 30, 2019, Panhandle filed a general rate proceeding under Section 4 of the NGA. The Natural Gas Act Section 5 and Section 4 proceedings were consolidated by the order of the Chief Judge dated October 1, 2019. A hearing in the combined proceedings commenced on August 25, 2020 and adjourned on September 15, 2020. By an order dated January 19, 2021, the Chief Judge has extended the deadline for the initial decision to March 2021.

Commitments

In the normal course of business, ETO purchases, processes and sells natural gas pursuant to long-term contracts and enters into long-term transportation and storage agreements. Such contracts contain terms that are customary in the industry. ETO believes that the terms of these agreements are commercially reasonable and will not have a material adverse effect on its financial position or results of operations.

Our joint venture agreements require that we fund our proportionate share of capital contributions to its unconsolidated affiliates. Such contributions will depend upon our unconsolidated affiliates' capital requirements, such as for funding capital projects or repayment of long-term obligations.

We have certain non-cancelable rights-of-way (“ROW”) commitments, which require fixed payments and either expire upon our chosen abandonment or at various dates in the future. The table below reflects ROW expense included in operating expenses in the accompanying statements of operations:

	Years Ended December 31,		
	2020	2019	2018
ROW expense	$ 47	$ 45	$ 46

PES Refinery Fire and Bankruptcy

We previously owned an approximately 7.4% indirect non-operating interest in PES, which owned a former refinery in Philadelphia. In addition, the Partnership previously provided logistics services to PES under commercial contracts and Sunoco LP previously purchased refined products from PES. In June 2019, an explosion and fire occurred at the refinery complex.

On July 21, 2019, PES Holdings, LLC and seven of its subsidiaries (collectively, the "Debtors") filed voluntary petitions in the United States Bankruptcy Court for the District of Delaware seeking relief under the provisions of Chapter 11 of the United States Bankruptcy Code, as a result of the explosion and fire at the Philadelphia refinery complex. The Debtors have also defaulted on a $75 million note payable to a subsidiary of the Partnership. In June 2020, the Partnership received $12 million from PES on the note payable and recorded a reserve for the remaining $63 million note balance.

In addition, the Partnership’s subsidiaries retained certain environmental remediation liabilities when the refinery was sold to PES. As of December 31, 2020, the Partnership has funded these environmental remediation liabilities through its wholly-owned captive insurance company, based upon actuarially determined estimates for such costs, and these liabilities are included in the total environmental liabilities discussed below under “Environmental Remediation.” It may be necessary for the Partnership to record additional environmental remediation liabilities in the future depending upon the use of such property by the buyer; however, management is not currently able to estimate such additional liabilities.

PES has rejected certain of the Partnership’s commercial contracts pursuant to Section 365 of the Bankruptcy Code; however, the impact of the bankruptcy on the Partnership’s commercial contracts and related revenue loss (temporary or permanent) is unknown at this time. In addition, Sunoco LP has been successful at acquiring alternative supplies to replace fuel volume lost from PES and does not anticipate any material impact to its business going forward.

Litigation and Contingencies

We may, from time to time, be involved in litigation and claims arising out of our operations in the normal course of business. Natural gas and crude oil are flammable and combustible. Serious personal injury and significant property damage can arise in connection with their transportation, storage or use. In the ordinary course of business, we are sometimes threatened with or named as a defendant in various lawsuits seeking actual and punitive damages for product liability, personal injury and property damage. We maintain liability insurance with insurers in amounts and with coverage and deductibles management believes are reasonable and prudent, and which are generally accepted in the industry. However, there can be no assurance that the levels of insurance protection currently in effect will continue to be available at reasonable prices or that such levels will remain adequate to protect us from material expenses related to product liability, personal injury or property damage in the future.

We or our subsidiaries are a party to various legal proceedings and/or regulatory proceedings incidental to our businesses. For each of these matters, we evaluate the merits of the case, our exposure to the matter, possible legal or settlement strategies, the likelihood of an unfavorable outcome and the availability of insurance coverage. If we determine that an unfavorable outcome of a particular matter is probable and can be estimated, we accrue the contingent obligation, as well as any expected insurance recoverable amounts related to the contingency. As new information becomes available, our estimates may change. The impact of these changes may have a significant effect on our results of operations in a single period.

As of December 31, 2020 and 2019, accruals of approximately $77 million and $120 million, respectively, were reflected on our consolidated balance sheets related to contingent obligations that met both the probable and reasonably estimable criteria. In addition, we may recognize additional contingent losses in the future related to (i) contingent matters for which a loss is currently considered reasonably possible but not probable and/or (ii) losses in excess of amounts that have already been accrued for such contingent matters. In some of these cases, we are not able to estimate possible losses or a range of possible losses in excess of amounts accrued. For such matters where additional contingent losses can be reasonably estimated, the range of additional losses is estimated to be up to approximately $80 million.

The outcome of these matters cannot be predicted with certainty and there can be no assurance that the outcome of a particular matter will not result in the payment of amounts that have not been accrued for the matter. Furthermore, we may revise accrual amounts or our estimates of reasonably possible losses prior to resolution of a particular contingency based on changes in facts and circumstances or changes in the expected outcome.

Dakota Access Pipeline

On July 27, 2016, the Standing Rock Sioux Tribe ("SRST") filed a lawsuit in the United States District Court for the District of Columbia ("District Court") that challenged permits issued by the United States Army Corps of Engineers ("USACE") that allowed Dakota Access, LLC ("Dakota Access") to cross the Missouri River at Lake Oahe in North Dakota. The case was subsequently amended to challenge an easement issued by the USACE that allowed the pipeline to cross land owned by the USACE adjacent to the Missouri River. Dakota Access and the Cheyenne River Sioux Tribe ("CRST") intervened. Separate lawsuits filed by the Oglala Sioux Tribe ("OST") and the Yankton Sioux Tribe ("YST") were consolidated with this action and several individual tribal members intervened (collectively, with SRST and CRST, the "Tribes"). On March 25, 2020, the District Court remanded the case back to the USACE for preparation of an Environment Impact Statement ("EIS"). On July 6, 2020, the District Court vacated the easement and ordered Dakota Access to be shut down and emptied of oil by August 5, 2020. Dakota Access and the USACE appealed to the United States Court of Appeals for the District of Columbia ("Court of Appeals"), which granted an administrative stay of the District Court's July 6 order and ordered further briefing on whether to fully stay the July 6 order. On August 5, 2020, the Court of Appeals 1) granted a stay of the portion of the District Court order that required Dakota Access to shut the pipeline down and empty it of oil, 2) denied a motion to stay the March 25 order pending a decision on the merits by the Court of Appeals as to whether the USACE would be required to prepare an EIS, and 3) denied a motion to stay the District Court's order to vacate the easement during this appeal process. The August 5 order also stated that the Court of Appeals expected the USACE to clarify its position with respect to whether the USACE intended to allow the continued operation of the pipeline notwithstanding the vacatur of the easement and that the District Court may consider additional relief, if necessary.

On August 10, 2020, the District Court ordered the USACE to submit a status report by August 31, 2020, clarifying its position with regard to its decision-making process with respect to the continued operation of the pipeline. On August 31, 2020, the USACE submitted a status report that indicated that it considered the presence of the pipeline at the Lake Oahe crossing without an easement to constitute an encroachment on federal land, and that it was still considering whether to exercise its enforcement discretion regarding this encroachment. Following the filing of this status report, the District Court ordered briefing on whether to enjoin the operation of the pipeline. That motion was fully briefed as of January 8, 2021. The District Court has yet to rule on this matter.

On January 26, 2021, the Court of Appeals affirmed the District Court's March 25, 2020 order requiring an EIS and its July 6, 2020 order vacating the easement. In this same January 26 order, the Court of Appeals also overturned the District Court's July 6, 2020 order that the pipeline shut down and be emptied of oil.

The District Court scheduled a status conference for February 10, 2021 to discuss the effects of the Court of Appeals' January 26, 2021 order on the pending motion for injunctive relief, as well as USACE's expectations as to how it will proceed regarding its enforcement discretion regarding the easement. At the request of the USACE, on February 9, 2021 the District Court granted a two-month continuance for the status conference until April 9, 2021.

The pipeline continues to operate pending rulings from the District Court. ET cannot determine when or how these lawsuits will be resolved or the impact they may have on the Dakota Access pipelines; however, ET expects after the law and complete record are fully considered, the issues in this litigation will be resolved in a manner that will allow the pipeline to continue to operate.

In addition, lawsuits and/or regulatory proceedings or actions of this or a similar nature could result in interruptions to construction or operations of current or future projects, delays in completing those projects and/or increased project costs, all of which could have an adverse effect on our business and results of operations.

Mont Belvieu Incident

On June 26, 2016, a hydrocarbon storage well located on another operator's facility adjacent to Lone Star NGL LLC's ("Lone Star") facilities in Mont Belvieu, Texas experienced an over-pressurization resulting in a subsurface release. The subsurface release caused a fire at Lone Star's South Terminal and damage to Lone Star's storage well operations at its South and North Terminals. Normal operations have resumed at the facilities with the exception of one of Lone Star's storage wells; however, Lone Star is still quantifying the extent of its incurred and ongoing damages and has obtained, and will continue to seek, reimbursement for these losses.

MTBE Litigation

ETC Sunoco Holdings LLC and Sunoco (R&M), LLC (collectively, "Sunoco Defendants") are defendants in lawsuits alleging MTBE contamination of groundwater. The plaintiffs, state-level governmental entities, assert product liability, nuisance, trespass, negligence, violation of environmental laws, and/or deceptive business practices claims. The plaintiffs seek to recover compensatory damages, and in some cases also seek natural resource damages, injunctive relief, punitive damages, and attorneys' fees.

As of December 31, 2020, Sunoco Defendants are defendants in five cases, including one case each initiated by the States of Maryland and Rhode Island, one by the Commonwealth of Pennsylvania and two by the Commonwealth of Puerto Rico. The more recent Puerto Rico action is a companion case alleging damages for additional sites beyond those at issue in the initial Puerto Rico action. The actions brought by the State of Maryland and Commonwealth of Pennsylvania have also named as defendants ETO, ETP Holdco Corporation, and Sunoco Partners Marketing & Terminals L.P. ("SPMT").

It is reasonably possible that a loss may be realized in the remaining cases; however, we are unable to estimate the possible loss or range of loss in excess of amounts accrued. An adverse determination with respect to one or more of the MTBE cases could have a significant impact on results of operations during the period in which any such adverse determination occurs, but such an adverse determination likely would not have a material adverse effect on the Partnership's consolidated financial position.

Regency Merger Litigation

On June 10, 2015, Adrian Dieckman ("Dieckman"), a purported Regency unitholder, filed a class action complaint related to the Regency-ETO merger (the "Regency Merger") in the Court of Chancery of the State of Delaware (the "Regency Merger Litigation"), on behalf of Regency's common unitholders against Regency GP LP, Regency GP LLC, ET, ETO, ETP GP, and the members of Regency's board of directors.

The Regency Merger Litigation alleges that the Regency Merger breached the Regency partnership agreement. On March 29, 2016, the Delaware Court of Chancery granted the defendants' motion to dismiss the lawsuit in its entirety. Plaintiff appealed, and the Delaware Supreme Court reversed the judgment of the Court of Chancery. Plaintiff then filed an Amended Verified Class Action Complaint, which defendants moved to dismiss. The Court of Chancery granted in part and denied in part the motions to dismiss, dismissing the claims against all defendants other than Regency GP LP and Regency GP LLC (the "Regency Defendants"). The Court of Chancery later granted plaintiff's unopposed motion for class certification. Trial was held on December 10-16, 2019, and a post-trial hearing was held on May 6, 2020. On February 15, 2021, the Court of Chancery ruled in favor of the Regency Defendants on both remaining counts at issue in this litigation.

The Regency Defendants cannot predict whether the plaintiff will appeal this decision.

Litigation Filed By or Against Williams

In April and May 2016, the Williams Companies, Inc. ("Williams") filed two lawsuits (the "Williams Litigation") against ET, LE GP, and, in one of the lawsuits, Energy Transfer Corp LP, ETE Corp GP, LLC, and Energy Transfer Equity GP, LLC (collectively, "ET Defendants"), alleging that ET Defendants breached their obligations under the ET-Williams merger agreement (the "Merger Agreement"). In general, Williams alleges that ET Defendants breached the Merger Agreement by (a) failing to use commercially reasonable efforts to obtain from Latham & Watkins LLP ("Latham") the delivery of a tax opinion concerning Section 721 of the Internal Revenue Code ("721 Opinion"), (b) issuing the Partnership's Series A Convertible Preferred Units (the "Issuance"), and (c) making allegedly untrue representations and warranties in the Merger Agreement.

After a two-day trial on June 20 and 21, 2016, the Court ruled in favor of ET Defendants and issued a declaratory judgment that ET could terminate the merger after June 28, 2016 because of Latham's inability to provide the required 721 Opinion. The Court did not reach a decision regarding Williams' claims related to the Issuance nor the alleged untrue representations and warranties. On March 23, 2017, the Delaware Supreme Court affirmed the Court's ruling on the June 2016 trial.

In September 2016, the parties filed amended pleadings. Williams filed an amended complaint seeking a $410 million termination fee based on the alleged breaches of the Merger Agreement listed above. ET Defendants filed amended counterclaims and affirmative defenses, asserting that Williams materially breached the Merger Agreement by, among other things, (a) failing to use its reasonable best efforts to consummate the merger, (b) failing to provide material information to ET for inclusion in the Form S-4 related to the merger, (c) failing to facilitate the financing of the merger, and (d) breaching the Merger Agreement's forum-selection clause.

In July 2020, the Court denied ET Defendant's Motion for Summary Judgment and Williams' Motion for Partial Summary Judgment. ET Defendants cannot predict the outcome of the Williams Litigation or any lawsuits that might be filed subsequent to the date of this filing; nor can ET Defendants predict the amount of time and expense that will be required to resolve these lawsuits. ET Defendants believe that Williams' claims are without merit and intend to defend vigorously against them.

Rover

On November 3, 2017, the State of Ohio and the Ohio Environmental Protection Agency ("Ohio EPA") filed suit against Rover and other defendants seeking to recover civil penalties allegedly owed and certain injunctive relief related to permit compliance. The defendants filed several motions to dismiss, which were granted on all counts. The Ohio EPA appealed, and on December 9, 2019, the Fifth District Court of Appeals entered a unanimous judgment affirming the trial court. The Ohio EPA sought review from the Ohio Supreme Court, which the defendants opposed in briefs filed in February 2020. On April 22, 2020, the Ohio Supreme Court granted the Ohio EPA's request for review. Briefing has concluded and oral argument was held on January 26, 2021.

Revolution

On September 10, 2018, a pipeline release and fire (the "Incident") occurred on the Revolution Pipeline, a natural gas gathering line located in Center Township, Beaver County, Pennsylvania. There were no injuries. On February 8, 2019, the Pennsylvania Department of Environmental Protection ("PADEP") issued a Permit Hold on any requests for approvals/permits or permit amendments for any project in Pennsylvania pursuant to the state's water laws. The Partnership filed an appeal of the Permit Hold with the Pennsylvania Environmental Hearing Board. On January 3, 2020, the Partnership entered into a Consent Order and Agreement with the PADEP in which, among other things, the Permit Hold was lifted, the Partnership agreed to pay a $28.6 million civil penalty and fund a $2 million community environmental project, and all related appeals were withdrawn. On November 11, 2020, the PADEP issued an order that required additional approvals and work prior to placing the Revolution Pipeline back in service. The Partnership filed an appeal of this order on December 8, 2020.

The Pennsylvania Office of Attorney General has commenced an investigation regarding the Incident, and the United States Attorney for the Western District of Pennsylvania has issued a federal grand jury subpoena for documents relevant to the Incident. The scope of these investigations is not further known at this time.

Chester County, Pennsylvania Investigation

In December 2018, the former Chester County District Attorney (the "Chester County DA") sent a letter to the Partnership stating that his office was investigating the Partnership and related entities for "potential crimes" related to the Mariner East pipelines.

Subsequently, the matter was submitted to an Investigating Grand Jury in Chester County, Pennsylvania, which has issued subpoenas seeking documents and testimony. On September 24, 2019, the Chester County DA sent a Notice of Intent to the Partnership of its intent to pursue an abatement action if certain conditions were not remediated. The Partnership responded to the Notice of Intent within the proscribed time period.

In December 2019, the Chester County DA announced charges against a current employee related to the provision of security services. On June 25, 2020, a preliminary hearing was held on the charges against the employee, and the judge dismissed all charges.

Delaware County, Pennsylvania Investigation

On March 11, 2019, the Delaware County District Attorney's Office (the "Delaware County DA") announced that the Delaware County DA and the Pennsylvania Attorney General's Office, at the request of the Delaware County DA, are conducting an investigation of alleged criminal misconduct involving the construction and related activities of the Mariner East pipelines in Delaware County. On March 16, 2020, the Pennsylvania Attorney General Office served a Statewide Investigating Grand Jury subpoena for documents relating to inadvertent returns and water supplies related to the Mariner East pipelines. While the Partnership will cooperate with the subpoena, it intends to vigorously defend itself.

Shareholder Litigation Regarding Pennsylvania Pipeline Construction

Four purported unitholders of ET filed derivative actions against various past and current members of ET's Board of Directors, LE GP, and ET, as a nominal defendant that assert claims for breach of fiduciary duties, unjust enrichment, waste of corporate assets, breach of ET's limited partnership agreement, tortious interference, abuse of control, and gross

mismanagement related primarily to matters involving the construction of pipelines in Pennsylvania. They also seek damages and changes to ET's corporate governance structure. See *Bettiol v. LE GP*, Case No. 3:19-cv-02890-X (N.D. Tex.); *Davidson v. Kelcy L. Warren*, Cause No. DC-20-02322 (44th Judicial District of Dallas County, Texas); *Harris v. Kelcy L. Warren*, Case No. 2:20-cv-00364-GAM (E.D. Pa.); and *King v. LE GP*, Case No. 3:20-cv-00719-X (N.D. Tex.). Another purported unitholder of ET, Allegheny County Employees' Retirement System ("ACERS"), individually and on behalf of all others similarly situated, filed a suit under the federal securities laws purportedly on behalf of a class, against ET and three of ET's directors, Kelcy L. Warren, John W. McReynolds, and Thomas E. Long. See *Allegheny County Emps.' Ret. Sys. v. Energy Transfer LP*, Case No. 2:20-00200-GAM (E.D. Pa.). On June 15, 2020, ACERS filed an amended complaint and added as additional defendants ET directors Marshall McCrea and Matthew Ramsey, as well as Michael J. Hennigan and Joseph McGinn. The amended complaint asserts claims for violations of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder related primarily to matters involving the construction of pipelines in Pennsylvania. On August 14, 2020, the defendants filed a motion to dismiss ACERS' amended complaint. The Court has not yet ruled on the motion to dismiss. The defendants cannot predict the outcome of these lawsuits or any lawsuits that might be filed subsequent to the date of this filing; nor can the defendants predict the amount of time and expense that will be required to resolve these lawsuits. However, the defendants believe that the claims are without merit and intend to vigorously contest them.

Cline Class Action Lawsuit

On July 7, 2017, Perry Cline filed a class action complaint in the Eastern District of Oklahoma against Sunoco, Inc. (R&M) and Sunoco Partners Marketing & Terminals L.P. (collectively, "SPMT") that alleged SPMT failed to make timely payments of oil and gas proceeds from Oklahoma wells and to pay statutory interest for those untimely payments. On October 3, 2019, the Court certified a class to include all persons who received untimely payments from Oklahoma wells on or after July 7, 2012 and who have not already been paid statutory interest on the untimely payments (the "Class"). Excluded from the Class are those entitled to payments of proceeds that qualify as "minimum pay," prior period adjustments, and pass through payments, as well as governmental agencies and publicly traded oil and gas companies.

After a bench trial, on August 17, 2020, Judge John Gibney (sitting from the Eastern District of Virginia) issued an opinion that awarded the Class actual damages of $74.8 million for late payment interest for identified and unidentified royalty owners and interest-on-interest. This amount was later amended to $80.7 million to account for interest accrued from trial (the "Order"). Judge Gibney also awarded punitive damages in the amount of $75 million. The Class is also seeking attorneys' fees.

On August 27, 2020, SPMT filed its Notice of Appeal with the 10th Circuit and appealed the entirety of the Order. SPMT cannot predict the outcome of the case, nor can SPMT predict the amount of time and expense that will be required to resolve the appeal, but intends to vigorously appeal the entirety of the Order.

Environmental Matters

Our operations are subject to extensive federal, tribal, state and local environmental and safety laws and regulations that require expenditures to ensure compliance, including related to air emissions and wastewater discharges, at operating facilities and for remediation at current and former facilities as well as waste disposal sites. Historically, our environmental compliance costs have not had a material adverse effect on our results of operations but there can be no assurance that such costs will not be material in the future or that such future compliance with existing, amended or new legal requirements will not have a material adverse effect on our business and operating results. Costs of planning, designing, constructing and operating pipelines, plants and other facilities must incorporate compliance with environmental laws and regulations and safety standards. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal penalties, the imposition of investigatory, remedial and corrective action obligations, natural resource damages, the issuance of injunctions in affected areas and the filing of federally authorized citizen suits. Contingent losses related to all significant known environmental matters have been accrued and/or separately disclosed. However, we may revise accrual amounts prior to resolution of a particular contingency based on changes in facts and circumstances or changes in the expected outcome.

Environmental exposures and liabilities are difficult to assess and estimate due to unknown factors such as the magnitude of possible contamination, the timing and extent of remediation, the determination of our liability in proportion to other parties, improvements in cleanup technologies and the extent to which environmental laws and regulations may change in the future. Although environmental costs may have a significant impact on the results of operations for any single period, we believe that such costs will not have a material adverse effect on our financial position.

Based on information available at this time and reviews undertaken to identify potential exposure, we believe the amount reserved for environmental matters is adequate to cover the potential exposure for cleanup costs.

In February 2017, we received letters from the DOJ on behalf of EPA and Louisiana Department of Environmental Quality ("LDEQ") notifying SPLP and Mid-Valley Pipeline Company ("Mid-Valley") that enforcement actions were being pursued for three separate crude oil releases: (a) an estimated 550 barrels released from the Colmesneil-to-Chester pipeline in Tyler County, Texas ("Colmesneil") which allegedly occurred in February 2013; (b) an estimated 4,509 barrels released from the Longview-to-Mayersville pipeline in Caddo Parish, Louisiana (a/k/a Milepost 51.5) which allegedly occurred in October 2014; and (c) an estimated 40 barrels released from the Wakita 4-inch gathering line in Oklahoma which allegedly occurred in January 2015. In January 2019, a Consent Decree approved by all parties as well as an accompanying Complaint was filed in the United States District Court for the Western District of Louisiana seeking public comment and final court approval to resolve all penalties with the DOJ and LDEQ for the three releases. Subsequently, the court approved the Consent Decree and the penalty payment of $5.4 million was satisfied. The Consent Decree requires certain injunctive relief to be completed on the Longview-to-Mayersville pipeline within three years, but the injunctive relief is not expected to have any material impact on operations. In addition to resolution of the civil penalty and injunctive relief, we continue to discuss natural resource damages with the Louisiana trustees related to the Caddo Parish, Louisiana release.

In October 2018, the Pipeline and Hazardous Materials Safety Administration ("PHMSA") issued a notice of proposed safety order (the "Notice") to SPMT, a wholly-owned subsidiary of ETO. The Notice alleged that conditions exist on certain pipeline facilities owned and operated by SPMT in Nederland, Texas that pose a pipeline integrity risk to public safety, property or the environment. The Notice also made preliminary findings of fact and proposed corrective measures. SPMT responded to the Notice by submitting a timely written response on November 2, 2018, attended an informal consultation held on January 30, 2019 and entered into a consent agreement with PHMSA resolving the issues in the Notice as of March 2019. The Remedial Work Plan was approved by PHMSA on August 28, 2020.

On June 4, 2019, the Oklahoma Corporation Commission's ("OCC") Transportation Division filed a complaint against SPLP seeking a penalty of up to $1 million related to a May 2018 rupture near Edmond, Oklahoma. The release occurred on the Noble to Douglas 8" pipeline in an area of external corrosion and caused the release of approximately fifteen barrels of crude oil. SPLP responded immediately to the release and remediated the surrounding environment and pipeline in cooperation with the OCC. The OCC filed the complaint alleging that SPLP failed to provide adequate cathodic protection to the pipeline causing the failure. SPLP is negotiating a settlement agreement with the OCC for a lesser penalty. The OCC has accepted our counter offer in conjunction with a proposed consent order. The Consent Order was presented to the OCC at a hearing on August 18, 2020, and is awaiting final signature by the OCC Commissioners.

Environmental Remediation

Our subsidiaries are responsible for environmental remediation at certain sites, including the following:

- certain of our interstate pipelines conduct soil and groundwater remediation related to contamination from past uses of PCBs. PCB assessments are ongoing and, in some cases, our subsidiaries could be contractually responsible for contamination caused by other parties.
- certain gathering and processing systems are responsible for soil and groundwater remediation related to releases of hydrocarbons.
- legacy sites related to Sunoco that are subject to environmental assessments, including formerly owned terminals and other logistics assets, retail sites that Sunoco no longer operates, closed and/or sold refineries and other formerly owned sites.
- Sunoco is potentially subject to joint and several liability for the costs of remediation at sites at which it has been identified as a potentially responsible party ("PRP"). As of December 31, 2020, Sunoco had been named as a PRP at approximately 35 identified or potentially identifiable "Superfund" sites under federal and/or comparable state law. Sunoco is usually one of a number of companies identified as a PRP at a site. Sunoco has reviewed the nature and extent of its involvement at each site and other relevant circumstances and, based upon Sunoco's purported nexus to the sites, believes that its potential liability associated with such sites will not be significant.

To the extent estimable, expected remediation costs are included in the amounts recorded for environmental matters in our consolidated balance sheets. In some circumstances, future costs cannot be reasonably estimated because remediation activities are undertaken as claims are made by customers and former customers. To the extent that an environmental remediation obligation is recorded by a subsidiary that applies regulatory accounting policies, amounts that are expected to be recoverable through tariffs or rates are recorded as regulatory assets on our consolidated balance sheets.

The table below reflects the amounts of accrued liabilities recorded in our consolidated balance sheets related to environmental matters that are considered to be probable and reasonably estimable. Currently, we are not able to estimate

possible losses or a range of possible losses in excess of amounts accrued. Except for matters discussed above, we do not have any material environmental matters assessed as reasonably possible that would require disclosure in our consolidated financial statements.

	December 31,	
	2020	2019
Current	$ 44	$ 46
Non-current	262	274
Total environmental liabilities	$ 306	$ 320

We have established a wholly-owned captive insurance company to bear certain risks associated with environmental obligations related to certain sites that are no longer operating. The premiums paid to the captive insurance company include estimates for environmental claims that have been incurred but not reported, based on an actuarially determined fully developed claims expense estimate. In such cases, we accrue losses attributable to unasserted claims based on the discounted estimates that are used to develop the premiums paid to the captive insurance company.

During the years ended December 31, 2020 and 2019, the Partnership recorded $29 million and $39 million, respectively, of expenditures related to environmental cleanup programs.

Our pipeline operations are subject to regulation by the United States Department of Transportation under PHMSA, pursuant to which PHMSA has established requirements relating to the design, installation, testing, construction, operation, replacement and management of pipeline facilities. Moreover, PHMSA, through the Office of Pipeline Safety, has promulgated a rule requiring pipeline operators to develop integrity management programs to comprehensively evaluate their pipelines, and take measures to protect pipeline segments located in what the rule refers to as “high consequence areas.” Activities under these integrity management programs involve the performance of internal pipeline inspections, pressure testing or other effective means to assess the integrity of these regulated pipeline segments, and the regulations require prompt action to address integrity issues raised by the assessment and analysis. Integrity testing and assessment of all of these assets will continue, and the potential exists that results of such testing and assessment could cause us to incur future capital and operating expenditures for repairs or upgrades deemed necessary to ensure the continued safe and reliable operation of our pipelines; however, no estimate can be made at this time of the likely range of such expenditures.

Our operations are also subject to the requirements of OSHA, and comparable state laws that regulate the protection of the health and safety of employees. In addition, the Occupational Safety and Health Administration’s hazardous communication standard requires that information be maintained about hazardous materials used or produced in our operations and that this information be provided to employees, state and local government authorities and citizens. We believe that our past costs for OSHA required activities, including general industry standards, record keeping requirements, and monitoring of occupational exposure to regulated substances have not had a material adverse effect on our results of operations but there is no assurance that such costs will not be material in the future.

12. REVENUE:

Disaggregation of revenue

The major types of revenue within our reportable segments, are as follows:

- intrastate transportation and storage;
- interstate transportation and storage;
- midstream;
- NGL and refined products transportation and services;
- crude oil transportation and services;
- investment in Sunoco LP;
  - fuel distribution and marketing;
  - all other;
- investment in USAC;
  - contract operations;

- retail parts and services; and
- all other.

Note 17 depicts the disaggregation of revenue by segment, with revenue amounts reflected in accordance with ASC Topic 606.

Intrastate transportation and storage revenue

Our intrastate transportation and storage segment's revenues are determined primarily by the volume of capacity our customers reserve as well as the actual volume of natural gas that flows through the transportation pipelines or that is injected or withdrawn into or out of our storage facilities. Firm transportation and storage contracts require customers to pay certain minimum fixed fees regardless of the volume of commodity they transport or store. These contracts typically include a variable incremental charge based on the actual volume of transportation commodity throughput or stored commodity injected/withdrawn. Under interruptible transportation and storage contracts, customers are not required to pay any fixed minimum amounts, but are instead billed based on actual volume of commodity they transport across our pipelines or inject/withdraw into or out of our storage facilities. Payment for services under these contracts are typically due the month after the services have been performed.

The performance obligation with respect to firm contracts is a promise to provide a single type of service (transportation or storage) daily over the life of the contract, which is fundamentally a "stand-ready" service. While there can be multiple activities required to be performed, these activities are not separable because such activities in combination are required to successfully transfer the overall service for which the customer has contracted. The fixed consideration of the transaction price is allocated ratably over the life of the contract and revenue for the fixed consideration is recognized over time, because the customer simultaneously receives and consumes the benefit of this "stand-ready" service. Incremental fees associated with actual volume for each respective period are recognized as revenue in the period the incremental volume of service is performed.

The performance obligation with respect to interruptible contracts is also a promise to provide a single type of service, but such promise is made on a case-by-case basis at the time the customer requests the service and we accept the customer's request. Revenue is recognized for interruptible contracts at the time the services are performed.

Our intrastate transportation and storage segment also generates revenues and margin from the sale of natural gas to electric utilities, independent power plants, local distribution companies, industrial end-users and other marketing companies on the HPL System. Generally, we purchase natural gas from the market, including purchases from our marketing operations, and from producers at the wellhead.

Interstate transportation and storage revenue

Our interstate transportation and storage segment's revenues are determined primarily by the amount of capacity our customers reserve as well as the actual volume of natural gas that flows through the transportation pipelines or that is injected into or withdrawn out of our storage facilities. Our interstate transportation and storage segment's contracts can be firm or interruptible. Firm transportation and storage contracts require customers to pay certain minimum fixed fees regardless of the volume of commodity transported or stored. In exchange for such fees, we must stand ready to perform a contractually agreed-upon minimum volume of services whenever the customer requests such services. These contracts typically include a variable incremental charge based on the actual volume of transportation commodity throughput or stored commodity injected or withdrawn. Under interruptible transportation and storage contracts, customers are not required to pay any fixed minimum amounts, but are instead billed based on actual volume of commodity they transport across our pipelines or inject into or withdraw out of our storage facilities. Consequently, we are not required to stand ready to provide any contractually agreed-upon volume of service, but instead provides the services based on existing capacity at the time the customer requests the services. Payment for services under these contracts are typically due the month after the services have been performed.

The performance obligation with respect to firm contracts is a promise to provide a single type of service (transportation or storage) daily over the life of the contract, which is fundamentally a "stand-ready" service. While there can be multiple activities required to be performed, these activities are not separable because such activities in combination are required to successfully transfer the overall service for which the customer has contracted. The fixed consideration of the transaction price is allocated ratably over the life of the contract and revenue for the fixed consideration is recognized over time, because the customer simultaneously receives and consumes the benefit of this "stand-ready" service. Incremental fees associated with actual volume for each respective period are recognized as revenue in the period the incremental volume of service is performed.

The performance obligation with respect to interruptible contracts is also a promise to provide a single type of services, but such promise is made on a case-by-case basis at the time the customer requests the service and we accept the customer's request. Revenue is recognized for interruptible contracts at the time the services are performed.

Lake Charles LNG's revenues are primarily derived from terminalling services for shippers by receiving LNG at the facility for storage and delivering such LNG to shippers, either in liquid state or gaseous state after regasification. Lake Charles LNG derives all of its revenue from a series of long-term contracts with a wholly-owned subsidiary of Shell. Terminalling revenue is generated from fees paid by Shell for storage and other associated services at the terminal. Payment for services under these contracts are typically due the month after the services have been performed.

The terminalling agreements are considered to be firm agreements, because they include fixed fee components that are charged regardless of the volumes transported by Shell or services provided at the terminal.

The performance obligation with respect to firm contracts is a promise to provide a single type of service (terminalling) daily over the life of the contract, which is fundamentally a "stand-ready" service. While there can be multiple activities required to be performed, these activities are not separable because such activities in combination are required to successfully transfer the overall service for which the customer has contracted. The fixed consideration of the transaction price is allocated ratably over the life of the contract and revenue for the fixed consideration is recognized over time, because the customer simultaneously receives and consumes the benefit of this "stand-ready" service. Incremental fees associated with actual volume for each respective period are recognized as revenue in the period the incremental volume of service is performed.

Midstream revenue

Our midstream segment's revenues are derived primarily from margins we earn for natural gas volumes that are gathered, processed, and/or transported. The various types of revenue contracts our midstream segment enters into include:

Fixed fee gathering and processing: Contracts under which we provide gathering and processing services in exchange for a fixed cash fee per unit of volume. Revenue for cash fees is recognized when the service is performed.

Keepwhole: Contracts under which we gather raw natural gas from a third-party producer, process the gas to convert it to pipeline quality natural gas, and redeliver to the producer a thermal-equivalent volume of pipeline quality natural gas. In exchange for these services, we retain the NGLs extracted from the raw natural gas received from the producer as well as cash fees paid by the producer. The value of NGLs retained as well as cash fees is recognized as revenue when the services are performed.

Percent of Proceeds ("POP"): Contracts under which we provide gathering and processing services in exchange for a specified percentage of the producer's commodity ("POP percentage") and also in some cases additional cash fees. The two types of POP revenue contracts are described below:

- *In-Kind POP:* We retain our POP percentage (non-cash consideration) and also any additional cash fees in exchange for providing the services. We recognize revenue for the non-cash consideration and cash fees at the time the services are performed.
- *Mixed POP:* We purchase NGLs from the producer and retain a portion of the residue gas as non-cash consideration for services provided. We may also receive cash fees for such services. Under Topic 606, these agreements were determined to be hybrid agreements which were partially supply agreements (for the NGLs we purchased) and customer agreements (for the services provided related to the product that was returned to the customer). Given that these are hybrid agreements, we split the cash and non-cash consideration between revenue and a reduction of costs based on the value of the service provided vs. the value of the supply received.

Payment for services under these contracts are typically due the month after the services have been performed.

The performance obligations with respect to our midstream segment's contracts are to provide gathering, transportation and processing services, each of which would be completed on or about the same time, and each of which would be recognized on the same line item on the income statement, therefore identification of separate performance obligations would not impact the timing or geography of revenue recognition.

Certain contracts of our midstream segment include throughput commitments under which customers commit to purchasing a certain minimum volume of service over a specified time period. If such volume of service is not purchased by the customer, deficiency fees are billed to the customer. In some cases, the customer is allowed to apply any deficiency fees paid to future purchases of services. In such cases, we defer revenue recognition until the customer uses the deficiency

fees for services provided or becomes unable to use the fees as payment for future services due to expiration of the contractual period the fees can be applied or physical inability of the customer to utilize the fees due to capacity constraints.

Our midstream segment also generates revenues from the sale of residue gas and NGLs at the tailgate of our processing facilities primarily to affiliates and some third-party customers.

NGL and refined products transportation and services revenue

Our NGL and refined products segment's revenues are primarily derived from transportation, fractionation, blending, and storage of NGL and refined products as well as acquisition and marketing activities. Revenues are generated utilizing a complementary network of pipelines, storage and blending facilities, and strategic off-take locations that provide access to multiple NGL markets. Transportation, fractionation, and storage revenue is generated from fees charged to customers under a combination of firm and interruptible contracts. Firm contracts are in the form of take-or-pay arrangements where certain fees will be charged to customers regardless of the volume of service they request for any given period. Under interruptible contracts, customers are not required to pay any fixed minimum amounts, but are instead billed based on actual volume of service provided for any given period. Payment for services under these contracts are typically due the month after the services have been performed.

The performance obligation with respect to firm contracts is a promise to provide a single type of service (transportation, fractionation, blending, or storage) daily over the life of the contract, which is fundamentally a "stand-ready" service. While there can be multiple activities required to be performed, these activities are not separable because such activities in combination are required to successfully transfer the overall service for which the customer has contracted. The fixed consideration of the transaction price is allocated ratably over the life of the contract and revenue for the fixed consideration is recognized over time, because the customer simultaneously receives and consumes the benefit of this "stand-ready" service. Incremental fees associated with actual volume for each respective period are recognized as revenue in the period the incremental volume of service is performed.

The performance obligation with respect to interruptible contracts is also a promise to provide a single type of services, but such promise is made on a case-by-case basis at the time the customer requests the service and we accept the customer's request. Revenue is recognized for interruptible contracts at the time the services are performed.

Acquisition and marketing contracts are in most cases short-term agreements involving purchase and/or sale of NGLs and other related hydrocarbons at market rates. These contracts were not affected by ASC 606.

Crude oil transportation and services revenue

Our crude oil transportation and services segment revenues are primarily derived from providing transportation, terminalling and acquisition and marketing services to crude oil markets throughout the southwest, midwest and northeastern United States. Crude oil transportation revenue is generated from tariffs paid by shippers utilizing our transportation services and is generally recognized as the related transportation services are provided. Crude oil terminalling revenue is generated from fees paid by customers for storage and other associated services at the terminal. Crude oil acquisition and marketing revenue is generated from sale of crude oil acquired from a variety of suppliers to third parties. Payment for services under these contracts are typically due the month after the services have been performed.

Certain transportation and terminalling agreements are considered to be firm agreements, because they include fixed fee components that are charged regardless of the volume of crude oil transported by the customer or services provided at the terminal. For these agreements, any fixed fees billed in excess of services provided are not recognized as revenue until the earlier of (i) the time at which the customer applies the fees against cost of service provided in a later period, or (ii) the customer becomes unable to apply the fees against cost of future service due to capacity constraints or contractual terms.

The performance obligation with respect to firm contracts is a promise to provide a single type of service (transportation or terminalling) daily over the life of the contract, which is fundamentally a "stand-ready" service. While there can be multiple activities required to be performed, these activities are not separable because such activities in combination are required to successfully transfer the overall service for which the customer has contracted. The fixed consideration of the transaction price is allocated ratably over the life of the contract and revenue for the fixed consideration is recognized over time, because the customer simultaneously receives and consumes the benefit of this "stand-ready" service. Incremental fees associated with actual volume for each respective period are recognized as revenue in the period the incremental volume of service is performed.

The performance obligation with respect to interruptible contracts is also a promise to provide a single type of service, but such promise is made on a case-by-case basis at the time the customer requests the service and/or product and we accept the customer's request. Revenue is recognized for interruptible contracts at the time the services are performed.

Acquisition and marketing contracts are in most cases short-term agreements involving purchase and/or sale of crude oil at market rates. These contracts were not affected by ASC 606.

Sunoco LP's fuel distribution and marketing revenue

Sunoco LP's fuel distribution and marketing operations earn revenue from the following channels: sales to dealers, sales to distributors, unbranded wholesale revenue, commission agent revenue, rental income and other income. Motor fuel revenue consists primarily of the sale of motor fuel under supply agreements with third party customers and affiliates. Fuel supply contracts with Sunoco LP's customers generally provide that Sunoco LP distribute motor fuel at a formula price based on published rates, volume-based profit margin, and other terms specific to the agreement. The customer is invoiced the agreed-upon price with most payment terms ranging less than 30 days. If the consideration promised in a contract includes a variable amount, Sunoco LP estimates the variable consideration amount and factors in such an estimate to determine the transaction price under the expected value method.

Revenue is recognized under the motor fuel contracts at the point in time the customer takes control of the fuel. At the time control is transferred to the customer the sale is considered final, because the agreements do not grant customers the right to return motor fuel. Under the new standard, to determine when control transfers to the customer, the shipping terms of the contract are assessed as shipping terms are considered a primary indicator of the transfer of control. For FOB shipping point terms, revenue is recognized at the time of shipment. The performance obligation with respect to the sale of goods is satisfied at the time of shipment since the customer gains control at this time under the terms. Shipping and/or handling costs that occur before the customer obtains control of the goods are deemed to be fulfillment activities and are accounted for as fulfillment costs. Once the goods are shipped, Sunoco LP is precluded from redirecting the shipment to another customer and revenue is recognized.

Commission agent revenue consists of sales from commission agent agreements between Sunoco LP and select operators. Sunoco LP supplies motor fuel to sites operated by commission agents and sells the fuel directly to the end customer. In commission agent arrangements, control of the product is transferred at the point in time when the goods are sold to the end customer. To reflect the transfer of control, Sunoco LP recognizes commission agent revenue at the point in time fuel is sold to the end customer.

Sunoco LP receives rental income from leased or subleased properties. Revenue from leasing arrangements for which Sunoco LP is the lessor are recognized ratably over the term of the underlying lease.

Sunoco LP's all other revenue

Sunoco LP's all other operations earn revenue from the following channels: motor fuel sales, rental income and other income. Motor fuel sales consist of fuel sales to consumers at company-operated retail stores. Other income includes merchandise revenue that comprises the in-store merchandise and food service sales at company-operated retail stores, and other revenue that represents a variety of other services within Sunoco LP's all other operations including credit card processing, car washes, lottery, automated teller machines, money orders, prepaid phone cards and wireless services. Revenue from all other operations is recognized when (or as) the performance obligations are satisfied (i.e. when the customer obtains control of the good or the service is provided).

USAC's contract operations revenue

USAC's revenue from contracted compression, station, gas treating and maintenance services is recognized ratably under its fixed-fee contracts over the term of the contract as services are provided to its customers. Initial contract terms typically range from six months to five years, however USAC usually continues to provide compression services at a specific location beyond the initial contract term, either through contract renewal or on a month-to-month or longer basis. USAC primarily enters into fixed-fee contracts whereby its customers are required to pay the monthly fee even during periods of limited or disrupted throughput. Services are generally billed monthly, one month in advance of the commencement of the service month, except for certain customers who are billed at the beginning of the service month, and payment is generally due 30 days after receipt of the invoice. Amounts invoiced in advance are recorded as deferred revenue until earned, at which time they are recognized as revenue. The amount of consideration USAC receives and revenue it recognizes is based upon the fixed fee rate stated in each service contract.

Variable consideration exists in select contracts when billing rates vary based on actual equipment availability or volume of total installed horsepower.

USAC's contracts with customers may include multiple performance obligations. For such arrangements, USAC allocates revenues to each performance obligation based on its relative standalone service fee. USAC generally determines standalone service fees based on the service fees charged to customers or using expected cost plus margin.

The majority of USAC's service performance obligations are satisfied over time as services are rendered at selected customer locations on a monthly basis and based upon specific performance criteria identified in the applicable contract. The monthly service for each location is substantially the same service month to month and is promised consecutively over the service contract term. USAC measures progress and performance of the service consistently using a straight-line, time-based method as each month passes, because its performance obligations are satisfied evenly over the contract term as the customer simultaneously receives and consumes the benefits provided by its service. If variable consideration exists, it is allocated to the distinct monthly service within the series to which such variable consideration relates. USAC has elected to apply the invoicing practical expedient to recognize revenue for such variable consideration, as the invoice corresponds directly to the value transferred to the customer based on its performance completed to date.

There are typically no material obligations for returns or refunds. USAC's standard contracts do not usually include material non-cash consideration.

USAC's retail parts and services revenue

USAC's retail parts and service revenue is earned primarily on freight and crane charges that are directly reimbursable by USAC's customers and maintenance work on units at its customers' locations that are outside the scope of its core maintenance activities. Revenue from retail parts and services is recognized at the point in time the part is transferred or service is provided and control is transferred to the customer. At such time, the customer has the ability to direct the use of the benefits of such part or service after USAC has performed its services. USAC bills upon completion of the service or transfer of the parts, and payment is generally due 30 days after receipt of the invoice. The amount of consideration USAC receives and revenue it recognizes is based upon the invoice amount. There are typically no material obligations for returns, refunds, or warranties. USAC's standard contracts do not usually include material variable or non-cash consideration.

All other revenue

Our all other segment primarily includes our compression equipment business which provides full-service compression design and manufacturing services for the oil and gas industry. It also includes the management of coal and natural resources properties and the related collection of royalties. We also earn revenues from other land management activities, such as selling standing timber, leasing coal-related infrastructure facilities, and collecting oil and gas royalties. These operations also include end-user coal handling facilities. There were no material changes to the manner in which revenues within this segment are recorded under the new standard.

Contract Balances with Customers

The Partnership satisfies its obligations by transferring goods or services in exchange for consideration from customers. The timing of performance may differ from the timing the associated consideration is paid to or received from the customer, thus resulting in the recognition of a contract asset or a contract liability.

The Partnership recognizes a contract asset when making upfront consideration payments to certain customers or when providing services to customers prior to the time at which the Partnership is contractually allowed to bill for such services.

The Partnership recognizes a contract liability if the customer's payment of consideration precedes the Partnership's fulfillment of the performance obligations. Certain contracts contain provisions requiring customers to pay a fixed minimum fee, but allows customers to apply such fees against services to be provided at a future point in time. These amounts are reflected as deferred revenue until the customer applies the deficiency fees to services provided or becomes unable to use the fees as payment for future services due to expiration of the contractual period the fees can be applied or physical inability of the customer to utilize the fees due to capacity constraints. Additionally, Sunoco LP maintains some franchise agreements requiring dealers to make one-time upfront payments for long-term license agreements. Sunoco LP recognizes a contract liability when the upfront payment is received and recognizes revenue over the term of the license.

The following table summarizes the consolidated activity of our contract liabilities:

	Contract Liabilities
Balance, December 31, 2019	$ 394
Additions	651
Revenue recognized	(680)
Balance, December 31, 2019	365
Additions	771
Revenue recognized	(846)
Balance, December 31, 2020	$ 290

The balances of Sunoco LP's contract assets and contract liabilities as of December 31, 2020 and 2019 were as follows:

	December 31, 2020	December 31, 2019
Contract Balances		
Contract asset	$ 121	$ 117
Accounts receivable from contracts with customers	256	366

Costs to Obtain or Fulfill a Contract

Sunoco LP recognizes an asset from the costs incurred to obtain a contract (e.g. sales commissions) only if it expects to recover those costs. On the other hand, the costs to fulfill a contract are capitalized if the costs are specifically identifiable to a contract, would result in enhancing resources that will be used in satisfying performance obligations in future and are expected to be recovered. These capitalized costs are recorded as a part of other current assets and other non-current assets and are amortized on a systematic basis consistent with the pattern of transfer of the goods or services to which such costs relate. The amount of amortization expense that Sunoco LP recognized for the years ended December 31, 2020, 2019 and 2018 was $18 million, $17 million and $14 million, respectively. Sunoco LP has also made a policy election of expensing the costs to obtain a contract, as and when they are incurred, in cases where the expected amortization period is one year or less.

Performance Obligations

At contract inception, the Partnership assesses the goods and services promised in its contracts with customers and identifies a performance obligation for each promise to transfer a good or service (or bundle of goods or services) that is distinct. To identify the performance obligations, the Partnership considers all the goods or services promised in the contract, whether explicitly stated or implied based on customary business practices. For a contract that has more than one performance obligation, the Partnership allocates the total contract consideration it expects to be entitled to, to each distinct performance obligation based on a standalone-selling price basis. Revenue is recognized when (or as) the performance obligations are satisfied, that is, when the customer obtains control of the good or service. Certain of our contracts contain variable components, which, when combined with the fixed component are considered a single performance obligation. For these types of contracts, only the fixed component of the contracts are included in the table below.

Sunoco LP distributes fuel under long-term contracts to branded distributors, branded and unbranded third-party dealers, and branded and unbranded retail fuel outlets. Sunoco LP branded supply contracts with distributors generally have both time and volume commitments that establish contract duration. These contracts have an initial term of approximately nine years, with an estimated, volume-weighted term remaining of approximately four years.

As part of the asset purchase agreement with 7-Eleven, Sunoco LP and 7-Eleven and SEI Fuel (collectively, the "Distributor") have entered into a 15-year take-or-pay fuel supply agreement in which the Distributor is required to purchase a volume of fuel that provides Sunoco LP a minimum amount of gross profit annually. Sunoco LP expects to recognize this revenue in accordance with the contract as Sunoco LP transfers control of the product to the customer. However, in case of annual shortfall Sunoco LP will recognize the amount payable by the Distributor at the sooner of the time at which the Distributor makes up the shortfall or becomes contractually or operationally unable to do so. The transaction price of the contract is variable in nature, fluctuating based on market conditions. The Partnership has elected to take the practical expedient not to estimate the amount of variable consideration allocated to wholly unsatisfied performance obligations.

In some contractual arrangements, Sunoco LP grants dealers a franchise license to operate Sunoco LP's retail stores over the life of a franchise agreement. In return for the grant of the retail store license, the dealer makes a one-time nonrefundable franchise fee payment to Sunoco LP plus sales based royalties payable to Sunoco LP at a contractual rate during the period of the franchise agreement. Under the requirements of ASC Topic 606, the franchise license is deemed to be a symbolic license for which recognition of revenue over time is the most appropriate measure of progress toward complete satisfaction of the performance obligation. Revenue from this symbolic license is recognized evenly over the life of the franchise agreement.

As of December 31, 2020, the aggregate amount of transaction price allocated to unsatisfied (or partially satisfied) performance obligations was $40.35 billion, and the Partnership expects to recognize this amount as revenue within the time bands illustrated below:

	Years Ending December 31,				
	2021	2022	2023	Thereafter	Total
Revenue expected to be recognized on contracts with customers existing as of December 31, 2020	$ 5,120	$ 5,475	$ 5,051	$ 24,701	$ 40,347

Practical Expedients Utilized by the Partnership

The Partnership elected the following practical expedients in accordance with Topic 606:

- *Right to invoice:* The Partnership elected to utilize an output method to recognize revenue that is based on the amount to which the Partnership has a right to invoice a customer for services performed to date, if that amount corresponds directly with the value provided to the customer for the related performance or its obligation completed to date. As such, the Partnership recognized revenue in the amount to which it had the right to invoice customers.
- *Significant financing component:* The Partnership elected not to adjust the promised amount of consideration for the effects of significant financing component if the Partnership expects, at contract inception, that the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service will be one year or less.
- *Unearned variable consideration:* The Partnership elected to only disclose the unearned fixed consideration associated with unsatisfied performance obligations related to our various customer contracts which contain both fixed and variable components.
- *Incremental costs of obtaining a contract:* The Partnership generally expenses sales commissions when incurred because the amortization period would have been less than one year. We record these costs within general and administrative expenses. The Partnership elected to expense the incremental costs of obtaining a contract when the amortization period for such contracts would have been one year or less.
- *Shipping and handling costs:* The Partnership elected to account for shipping and handling activities that occur after the customer has obtained control of a good as fulfillment activities (i.e., an expense) rather than as a promised service.
- *Measurement of transaction price:* The Partnership has elected to exclude from the measurement of transaction price all taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction and collected by the Partnership from a customer (i.e., sales tax, value added tax, etc.).
- *Variable consideration of wholly unsatisfied performance obligations:* The Partnership has elected to exclude the estimate of variable consideration to the allocation of wholly unsatisfied performance obligations.

13. LEASE ACCOUNTING:

Lessee Accounting

The Partnership leases terminal facilities, tank cars, office space, land and equipment under non-cancelable operating leases whose initial terms are typically five to 15 years, with some real estate leases having terms of 40 years or more, along with options that permit renewals for additional periods. At the inception of each, we determine if the arrangement is a lease or contains an embedded lease and review the facts and circumstances of the arrangement to classify lease assets as operating or finance leases under Topic 842. The Partnership has elected not to record any leases with terms of 12 months or less on the balance sheet.

At present, the majority of the Partnership's active leases are classified as operating in accordance with Topic 842. Balances related to operating leases are included in operating lease ROU assets, accrued and other current liabilities, operating lease current liabilities and non-current operating lease liabilities in our consolidated balance sheets. Finance leases represent a small portion of the active lease agreements and are included in finance lease ROU assets, current maturities of long-term debt and long-term debt, less current maturities in our consolidated balance sheets. The ROU assets represent the Partnership's right to use an underlying asset for the lease term and lease liabilities represent the obligation of the Partnership to make minimum lease payments arising from the lease for the duration of the lease term.

Most leases include one or more options to renew, with renewal terms that can extend the lease term from one to 20 years or greater. The exercise of lease renewal options is typically at the sole discretion of the Partnership and lease extensions are evaluated on a lease-by-lease basis. Leases containing early termination clauses typically require the agreement of both parties to the lease. At the inception of a lease, all renewal options reasonably certain to be exercised are considered when determining the lease term. Presently, the Partnership does not have leases that include options to purchase or automatic transfer of ownership of the leased property to the Partnership. The depreciable life of lease assets and leasehold improvements are limited by the expected lease term.

To determine the present value of future minimum lease payments, we use the implicit rate when readily determinable. Presently, because many of our leases do not provide an implicit rate, the Partnership applies its incremental borrowing rate based on the information available at the lease commencement date to determine the present value of minimum lease payments. The operating and finance lease ROU assets include any lease payments made and exclude lease incentives.

Minimum rent payments are expensed on a straight-line basis over the term of the lease. In addition, some leases require additional contingent or variable lease payments, which are based on the factors specific to the individual agreement. Variable lease payments the Partnership is typically responsible for include payment of real estate taxes, maintenance expenses and insurance.

For short-term leases (leases that have term of twelve months or less upon commencement), lease payments are recognized on a straight-line basis and no ROU assets are recorded.

The components of operating and finance lease amounts recognized in the accompanying consolidated balance sheet as of December 31, 2020 and 2019 were as follows:

	December 31,	
	2020	2019
Operating leases:		
Lease right-of-use assets, net	$ 863	$ 935
Operating lease current liabilities	53	60
Accrued and other current liabilities	1	1
Non-current operating lease liabilities	837	901
Finance leases:		
Property, plant and equipment, net	$ 1	1
Lease right-of-use assets, net	3	29
Accrued and other current liabilities	1	1
Current maturities of long-term debt	1	6
Long-term debt, less current maturities	6	26
Other non-current liabilities	1	2

The components of lease expense for the years ended December 31, 2020 and 2019 were as follows:

	Income Statement Location	Year Ended December 31, 2020	2019
Operating lease costs:			
Operating lease cost	Cost of goods sold	$ 14	$ 28
Operating lease cost	Operating expenses	75	73
Operating lease cost	Selling, general and administrative	17	16
Total operating lease costs		106	117
Finance lease costs:			
Amortization of lease assets	Depreciation, depletion and amortization	3	6
Interest on lease liabilities	Interest expense, net of capitalized interest	1	1
Total finance lease costs		4	7
Short-term lease cost	Operating expenses	31	42
Variable lease cost	Operating expenses	16	17
Lease costs, gross		157	183
Less: Sublease income	Other revenue	48	47
Lease costs, net		$ 109	$ 136

The weighted average remaining lease terms and weighted average discount rates as of December 31, 2020 and 2019 were as follows:

	December 31, 2020	2019
Weighted-average remaining lease term (years):		
Operating leases	22	24
Finance leases	9	5
Weighted-average discount rate (%):		
Operating leases	5 %	5 %
Finance leases	8 %	5 %

Cash flows and non-cash activity related to leases for the years ended December 31, 2020 and 2019 were as follows:

	Year Ended December 31, 2020	2019
Operating cash flows from operating leases	$ (117)	$ (159)
Lease assets obtained in exchange for new finance lease liabilities	—	28
Lease assets obtained in exchange for new operating lease liabilities	42	40

Maturities of lease liabilities as of December 31, 2020 are as follows:

	Operating leases	Finance leases	Total
2021	$ 99	$ 2	$ 101
2022	85	2	87
2023	79	2	81
2024	76	1	77
2025	75	1	76
Thereafter	1,140	4	1,144
Total lease payments	1,554	12	1,566
Less: present value discount	664	3	667
Present value of lease liabilities	$ 890	$ 9	$ 899

Lessor Accounting

The Partnership leases or subleases a portion of its real estate portfolio to third-party companies as a stable source of long-term revenue. Our lessor and sublease portfolio consists mainly of operating leases with convenience store operators. At this time, most lessor agreements contain five-year terms with renewal options to extend and early termination options based on established terms specific to the individual agreement.

Rental income included in other revenue in our consolidated statement of operations for the years ended December 31, 2020 and 2019 was $144 million and $149 million, respectively.

Future minimum operating lease payments receivable as of December 31, 2020 are as follows:

	Lease Payments
2021	$ 103
2022	64
2023	8
2024	3
2025	2
Thereafter	5
Total undiscounted cash flows	$ 185

14. DERIVATIVE ASSETS AND LIABILITIES:

Commodity Price Risk

We are exposed to market risks related to the volatility of commodity prices. To manage the impact of volatility from these prices, we utilize various exchange-traded and OTC commodity financial instrument contracts. These contracts consist primarily of futures, swaps and options and are recorded at fair value in our consolidated balance sheets.

We use futures and basis swaps, designated as fair value hedges, to hedge our natural gas inventory stored in our Bammel storage facility. At hedge inception, we lock in a margin by purchasing gas in the spot market or off peak season and entering into a financial contract. Changes in the spreads between the forward natural gas prices and the physical inventory spot price result in unrealized gains or losses until the underlying physical gas is withdrawn and the related designated derivatives are settled. Once the gas is withdrawn and the designated derivatives are settled, the previously unrealized gains or losses associated with these positions are realized.

We use futures, swaps and options to hedge the sales price of natural gas we retain for fees in our intrastate transportation and storage segment and operational gas sales on our interstate transportation and storage segment. These contracts are not designated as hedges for accounting purposes.

We use NGL and crude derivative swap contracts to hedge forecasted sales of NGL and condensate equity volumes we retain for fees in our midstream segment whereby our subsidiaries generally gather and process natural gas on behalf of

producers, sell the resulting residue gas and NGL volumes at market prices and remit to producers an agreed upon percentage of the proceeds based on an index price for the residue gas and NGL. These contracts are not designated as hedges for accounting purposes.

We utilize swaps, futures and other derivative instruments to mitigate the risk associated with market movements in the price of refined products and NGLs to manage our storage facilities and the purchase and sale of purity NGL. These contracts are not designated as hedges for accounting purposes.

We use futures and swaps to achieve ratable pricing of crude oil purchases, to convert certain expected refined product sales to fixed or floating prices, to lock in margins for certain refined products and to lock in the price of a portion of natural gas purchases or sales. These contracts are not designated as hedges for accounting purposes.

We use financial commodity derivatives to take advantage of market opportunities in our trading activities which complement our transportation and storage segment's operations and are netted in cost of products sold in our consolidated statements of operations. We also have trading and marketing activities related to power and natural gas in our all other segment which are also netted in cost of products sold. As a result of our trading activities and the use of derivative financial instruments in our transportation and storage segment, the degree of earnings volatility that can occur may be significant, favorably or unfavorably, from period to period. We attempt to manage this volatility through the use of daily position and profit and loss reports provided to our risk oversight committee, which includes members of senior management, and the limits and authorizations set forth in our commodity risk management policy.

The following table details our outstanding commodity-related derivatives:

	December 31, 2020		December 31, 2019	
	Notional Volume	Maturity	Notional Volume	Maturity
Mark-to-Market Derivatives				
(Trading)				
Natural Gas (BBtu):				
Fixed Swaps/Futures	1,603	2021-2022	1,483	2020
Basis Swaps IFERC/NYMEX[(1)]	(44,225)	2021-2022	(35,208)	2020-2024
Power (Megawatt):				
Forwards	1,392,400	2021-2029	3,213,450	2020-2029
Futures	18,706	2021-2022	(353,527)	2020
Options – Puts	519,071	2021	51,615	2020
Options – Calls	2,343,293	2021	(2,704,330)	2020-2021
(Non-Trading)				
Natural Gas (BBtu):				
Basis Swaps IFERC/NYMEX	(29,173)	2021-2022	(18,923)	2020-2022
Swing Swaps IFERC	11,208	2021	(9,265)	2020
Fixed Swaps/Futures	(53,575)	2021-2022	(3,085)	2020-2021
Forward Physical Contracts	(11,861)	2021	(13,364)	2020-2021
NGL (MBbls) – Forwards/Swaps	(5,840)	2021-2022	(1,300)	2020-2021
Crude (MBbls) – Forwards/Swaps	—	—	4,465	2020
Refined Products (MBbls) – Futures	(2,765)	2021	(2,473)	2020-2021
Corn (thousand bushels)	—	—	(1,210)	2020
Fair Value Hedging Derivatives				
(Non-Trading)				
Natural Gas (BBtu):				
Basis Swaps IFERC/NYMEX	(30,113)	2021	(31,780)	2020
Fixed Swaps/Futures	(30,113)	2021	(31,780)	2020
Hedged Item – Inventory	30,113	2021	31,780	2020

(1) Includes aggregate amounts for open positions related to Houston Ship Channel, Waha Hub, NGPL TexOk, West Louisiana Zone and Henry Hub locations.

Interest Rate Risk

We are exposed to market risk for changes in interest rates. To maintain a cost effective capital structure, we borrow funds using a mix of fixed rate debt and variable rate debt. We also manage our interest rate exposure by utilizing interest rate swaps to achieve a desired mix of fixed and variable rate debt. We also utilize forward starting interest rate swaps to lock in the rate on a portion of our anticipated debt issuances.

The following table summarizes our interest rate swaps outstanding, none of which were designated as hedges for accounting purposes:

		Notional Amount Outstanding	
Term	Type [1]	December 31, 2020	December 31, 2019
July 2020 [2][3]	Forward-starting to pay a fixed rate of 3.52% and receive a floating rate	$ —	$ 400
July 2021 [2]	Forward-starting to pay a fixed rate of 3.55% and receive a floating rate	400	400
July 2022 [2]	Forward-starting to pay a fixed rate of 3.80% and receive a floating rate	400	400

(1) Floating rates are based on 3-month LIBOR.

(2) Represents the effective date. These forward-starting swaps have terms of 30 years with a mandatory termination date the same as the effective date.

(3) The July 2020 interest rate swaps were terminated in January 2020.

Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a loss to the Partnership. Credit policies have been approved and implemented to govern the Partnership's portfolio of counterparties with the objective of mitigating credit losses. These policies establish guidelines, controls and limits to manage credit risk within approved tolerances by mandating an appropriate evaluation of the financial condition of existing and potential counterparties, monitoring agency credit ratings, and by implementing credit practices that limit exposure according to the risk profiles of the counterparties. Furthermore, the Partnership may, at times, require collateral under certain circumstances to mitigate credit risk as necessary. The Partnership also uses industry standard commercial agreements which allow for the netting of exposures associated with transactions executed under a single commercial agreement. Additionally, we utilize master netting agreements to offset credit exposure across multiple commercial agreements with a single counterparty or affiliated group of counterparties.

The Partnership's counterparties consist of a diverse portfolio of customers across the energy industry, including petrochemical companies, commercial and industrial end-users, oil and gas producers, municipalities, gas and electric utilities, midstream companies and independent power generators. Our overall exposure may be affected positively or negatively by macroeconomic or regulatory changes that impact our counterparties to one extent or another. Currently, management does not anticipate a material adverse effect in our financial position or results of operations as a consequence of counterparty non-performance.

The Partnership has maintenance margin deposits with certain counterparties in the OTC market, primarily with independent system operators and with clearing brokers. Payments on margin deposits are required when the value of a derivative exceeds our pre-established credit limit with the counterparty. Margin deposits are returned to us on or about the settlement date for non-exchange traded derivatives, and we exchange margin calls on a daily basis for exchange traded transactions. Since the margin calls are made daily with the exchange brokers, the fair value of the financial derivative instruments are deemed current and netted in deposits paid to vendors within other current assets in the consolidated balance sheets.

For financial instruments, failure of a counterparty to perform on a contract could result in our inability to realize amounts that have been recorded on our consolidated balance sheets and recognized in net income or other comprehensive income.

Derivative Summary

The following table provides a summary of our derivative assets and liabilities:

	Fair Value of Derivative Instruments			
	Asset Derivatives		Liability Derivatives	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Derivatives designated as hedging instruments:				
Commodity derivatives (margin deposits)	$ 25	$ 24	$ (32)	$ —
	25	24	(32)	—
Derivatives not designated as hedging instruments:				
Commodity derivatives (margin deposits)	90	319	(166)	(350)
Commodity derivatives	53	41	(71)	(39)
Interest rate derivatives	—	—	(448)	(399)
	143	360	(685)	(788)
Total derivatives	$ 168	$ 384	$ (717)	$ (788)

The following table presents the fair value of our recognized derivative assets and liabilities on a gross basis and amounts offset on the consolidated balance sheets that are subject to enforceable master netting arrangements or similar arrangements:

		Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Derivatives without offsetting agreements	Derivative liabilities	$ —	$ —	$ (448)	$ (399)
Derivatives in offsetting agreements:					
OTC contracts	Derivative assets (liabilities)	53	41	(71)	(39)
Broker cleared derivative contracts	Other current assets (liabilities)	115	343	(198)	(350)
		168	384	(717)	(788)
Offsetting agreements:					
Counterparty netting	Derivative assets (liabilities)	(44)	(18)	44	18
Counterparty netting	Other current assets (liabilities)	(64)	(318)	64	318
Total net derivatives		$ 60	$ 48	$ (609)	$ (452)

We disclose the non-exchange traded financial derivative instruments as derivative assets and liabilities on our consolidated balance sheets at fair value with amounts classified as either current or long-term depending on the anticipated settlement

The following tables summarize the amounts recognized with respect to our derivative financial instruments:

	Location of Gain (Loss) Recognized in Income on Derivatives	Amount of Gain (Loss) Recognized in Income Representing Hedge Ineffectiveness and Amount Excluded from the Assessment of Effectiveness		
		Years Ended December 31,		
		2020	2019	2018
Derivatives in fair value hedging relationships (including hedged item):				
Commodity derivatives	Cost of products sold	$ —	$ —	$ (3)

	Location of Gain (Loss) Recognized in Income on Derivatives	Amount of Gain (Loss) Recognized in Income on Derivatives		
		Years Ended December 31,		
		2020	2019	2018
Derivatives not designated as hedging instruments:				
Commodity derivatives – Trading	Revenues	$ —	$ (3)	$ —
Commodity derivatives – Trading	Cost of products sold	8	21	32
Commodity derivatives – Non-trading	Cost of products sold	(34)	(100)	(102)
Interest rate derivatives	Gains (losses) on interest rate derivatives	(203)	(241)	47
Total		$ (229)	$ (323)	$ (23)

15. RETIREMENT BENEFITS:

Savings and Profit Sharing Plans

We and our subsidiaries sponsor defined contribution savings and profit sharing plans, which collectively cover virtually all eligible employees, including those of ETO, Lake Charles LNG, Sunoco LP and USAC. Employer matching contributions are calculated using a formula based on employee contributions. We and our subsidiaries made matching contributions of $35 million, $66 million and $62 million to these 401(k) savings plans for the years ended December 31, 2020, 2019 and 2018, respectively.

As a result of the economic conditions in 2020, effective June 8, 2020, the Partnership ceased employer matching and profit sharing contributions through December 31, 2020. The Partnership resumed all such contributions in 2021.

Pension and Other Postretirement Benefit Plans

Panhandle

Postretirement benefits expense for the years ended December 31, 2020, 2019, and 2018 reflect the impact of changes Panhandle or its affiliates adopted as of September 30, 2013, to modify its retiree medical benefits program, effective January 1, 2014. The modification placed all eligible retirees on a common medical benefit platform, subject to limits on Panhandle's annual contribution toward eligible retirees' medical premiums. Prior to January 1, 2013, affiliates of Panhandle offered postretirement health care and life insurance benefit plans (other postretirement plans) that covered substantially all employees. Effective January 1, 2013, participation in the plan was frozen and medical benefits were no longer offered to non-union employees. Effective January 1, 2014, retiree medical benefits were no longer offered to union employees.

Effective January 1, 2018, the plan was amended to extend coverage to a closed group of former employees based on certain criteria.

ETC Sunoco

ETC Sunoco has a plan which provides health care benefits for substantially all of its current retirees. The cost to provide the postretirement benefit plan is shared by ETC Sunoco. and its retirees. Access to postretirement medical benefits was phased out or eliminated for all employees retiring after July 1, 2010. ETC Sunoco has established a trust for its postretirement benefit liabilities. The funding of the trust eliminated substantially all of ETC Sunoco's future exposure to variances between actual results and assumptions used to estimate retiree medical plan obligations.

SemGroup

SemGroup sponsors two defined benefit pension plans and a supplemental defined benefit pension plan (collectively, the "Semgroup Plans") for certain employees. The Semgroup Plans are closed to new participants and do not accrue any additional benefits.

Obligations and Funded Status

Pension and other postretirement benefit liabilities are accrued on an actuarial basis during the years an employee provides services. The following table contains information at the dates indicated about the obligations and funded status of pension and other postretirement plans on a combined basis:

	December 31, 2020			December 31, 2019		
	Pension Benefits			Pension Benefits		
	Funded Plans	Unfunded Plans	Other Postretirement Benefits	Funded Plans	Unfunded Plans	Other Postretirement Benefits
Change in benefit obligation:						
Benefit obligation at beginning of period	$ 52	$ 34	$ 208	$ 1	$ 37	$ 198
Service cost	—	—	1	—	—	1
Interest cost	2	1	5	2	1	7
Benefits paid, net	(2)	(5)	(16)	(1)	(7)	(16)
Actuarial (gain) loss and other	5	1	10	4	—	18
Settlements	(2)	—	—	(4)	—	—
SemGroup Acquisition	—	—	—	50	3	—
Benefit obligation at end of period	55	31	208	52	34	208
Change in plan assets:						
Fair value of plan assets at beginning of period	43	—	270	1	—	241
Return on plan assets and other	5	—	28	6	—	35
Employer contributions	1	—	9	1	—	10
Benefits paid, net	(2)	—	(16)	(1)	—	(16)
Settlements	(2)	—	—	(4)	—	—
SemGroup Acquisition	—	—	—	40	—	—
Fair value of plan assets at end of period	45	—	291	43	—	270
Amount underfunded (overfunded) at end of period	$ 10	$ 31	$ (83)	$ 9	$ 34	$ (62)
Amounts recognized in the consolidated balance sheets consist of:						
Non-current assets		$ —	$ 108	$ —	$ —	$ 88
Current liabilities	—	(4)	(2)	—	(5)	(2)
Non-current liabilities	(10)	(27)	(23)	(9)	(29)	(24)
	$ (10)	$ (31)	$ 83	$ (9)	$ (34)	$ 62
Amounts recognized in accumulated other comprehensive income (loss) (pre-tax basis) consist of:						
Net actuarial gain (loss)	$ —	$ 2	$ (18)	$ —	$ 1	$ (5)
Prior service cost	—	—	21	—	—	40
	$ —	$ 2	$ 3	$ —	$ 1	$ 35

The following table summarizes information at the dates indicated for plans with an accumulated benefit obligation in excess of plan assets:

	December 31, 2020			December 31, 2019		
	Pension Benefits			Pension Benefits		
	Funded Plans	Unfunded Plans	Other Postretirement Benefits	Funded Plans	Unfunded Plans	Other Postretirement Benefits
Projected benefit obligation	$ 55	$ 31	N/A	$ 51	$ 34	N/A
Accumulated benefit obligation	55	31	208	52	34	208
Fair value of plan assets	45	—	291	43	—	270

Components of Net Periodic Benefit Cost

	December 31, 2020		December 31, 2019	
	Pension Benefits	Other Postretirement Benefits	Pension Benefits	Other Postretirement Benefits
Net periodic benefit cost:				
Service cost	$ —	$ 1	$ —	$ 1
Interest cost	3	5	3	7
Expected return on plan assets	(2)	(11)	(2)	(10)
Prior service cost amortization	—	19	—	26
Net periodic benefit cost	$ 1	$ 14	$ 1	$ 24

Assumptions

The weighted-average assumptions used in determining benefit obligations at the dates indicated are shown in the table below:

	December 31, 2020		December 31, 2019	
	Pension Benefits	Other Postretirement Benefits	Pension Benefits	Other Postretirement Benefits
Discount rate	2.40 %	2.04 %	4.00 %	2.71 %

The weighted-average assumptions used in determining net periodic benefit cost for the periods presented are shown in the table below:

	December 31, 2020		December 31, 2019	
	Pension Benefits	Other Postretirement Benefits	Pension Benefits	Other Postretirement Benefits
Discount rate	3.05 %	2.94 %	3.33 %	3.76 %
Expected return on assets:				
Tax exempt accounts	4.57 %	7.00 %	3.37 %	7.00 %
Taxable accounts	—	4.75 %	—	4.75 %

The long-term expected rate of return on plan assets was estimated based on a variety of factors including the historical investment return achieved over a long-term period, the targeted allocation of plan assets and expectations concerning future returns in the marketplace for both equity and fixed income securities. Current market factors such as inflation and interest rates are evaluated before long-term market assumptions are determined. Peer data and historical returns are reviewed to ensure reasonableness and appropriateness.

The assumed health care cost trend weighted-average rates used to measure the expected cost of benefits covered by the plans are shown in the table below:

	December 31,	
	2020	2019
Health care cost trend rate	7.30 %	7.25 %
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	4.82 %	4.83 %
Year that the rate reaches the ultimate trend rate	2027	2026

Changes in the health care cost trend rate assumptions are not expected to have a significant impact on postretirement benefits.

Plan Assets

For the Panhandle plans, the overall investment strategy is to maintain an appropriate balance of actively managed investments with the objective of optimizing longer-term returns while maintaining a high standard of portfolio quality and achieving proper diversification. To achieve diversity within its other postretirement plan asset portfolio, Panhandle has targeted the following asset allocations: equity of 25% to 35%, fixed income of 65% to 75%.

The investment strategy of ETC Sunoco funded defined benefit plans is to achieve consistent positive returns, after adjusting for inflation, and to maximize long-term total return within prudent levels of risk through a combination of income and capital appreciation. The objective of this strategy is to reduce the volatility of investment returns and maintain a sufficient funded status of the plans. In anticipation of the pension plan termination, ETC Sunoco targeted the asset allocations to a more stable position by investing in growth assets and liability hedging assets.

The fair value of the pension plan assets by asset category at the dates indicated is as follows:

		Fair Value Measurements at December 31, 2020		
	Fair Value Total	Level 1	Level 2	Level 3
Asset Category:				
Cash and cash equivalents	$ 1	$ 1	$ —	$ —
Mutual funds [1]	20	20	—	—
Fixed income securities	24	—	24	—
Total	$ 45	$ 21	$ 24	$ —

[1] Comprised of approximately 100% equities as of December 31, 2020.

		Fair Value Measurements at December 31, 2019		
	Fair Value Total	Level 1	Level 2	Level 3
Asset Category:				
Cash and cash equivalents	$ 1	$ 1	$ —	$ —
Mutual funds [1]	19	19	—	—
Fixed income securities	23	—	23	—
Total	$ 43	$ 20	$ 23	$ —

[1] Comprised of approximately 100% equities as of December 31, 2019.

The fair value of other postretirement plan assets by asset category at the dates indicated is as follows:

		Fair Value Measurements at December 31, 2020		
	Fair Value Total	Level 1	Level 2	Level 3
Asset category:				
Cash and cash equivalents	$ 18	$ 18	$ —	$ —
Mutual funds[1]	202	202	—	—
Fixed income securities	71	—	71	—
Total	$ 291	$ 220	$ 71	$ —

(1) Primarily comprised of approximately 59% equities, 40% fixed income securities and 1% cash as of December 31, 2020.

		Fair Value Measurements at December 31, 2019		
	Fair Value Total	Level 1	Level 2	Level 3
Asset category:				
Cash and cash equivalents	$ 14	$ 14	$ —	$ —
Mutual funds[1]	177	177	—	—
Fixed income securities	79	—	79	—
Total	$ 270	$ 191	$ 79	$ —

(1) Primarily comprised of approximately 59% equities, 40% fixed income securities and 1% cash as of December 31, 2019.

The Level 1 plan assets are valued based on active market quotes. The Level 2 plan assets are valued based on the net asset value per share (or its equivalent) of the investments, which was not determinable through publicly published sources but was calculated consistent with authoritative accounting guidelines.

Contributions

We expect to contribute $6 million to pension plans and $8 million to other postretirement plans in 2021. The cost of the plans are funded in accordance with federal regulations, not to exceed the amounts deductible for income tax purposes.

Benefit Payments

The Partnership's estimate of expected benefit payments, which reflect expected future service, as appropriate, in each of the next five years and in the aggregate for the five years thereafter are shown in the table below:

Years	Pension Benefits - Funded Plans	Pension Benefits - Unfunded Plans	Other Postretirement Benefits (Gross, Before Medicare Part D)
2021	$ 3	$ 5	$ 18
2022	4	4	18
2023	4	4	16
2024	4	3	15
2025	2	3	14
2026 – 2030	12	9	58

The Medicare Prescription Drug Act provides for a prescription drug benefit under Medicare ("Medicare Part D") as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a prescription drug benefit that is at least actuarially equivalent to Medicare Part D.

Panhandle does not expect to receive any Medicare Part D subsidies in any future periods.

16. RELATED PARTY TRANSACTIONS:

ET previously paid ETO to provide services on its behalf and on behalf of other subsidiaries of ET, which included the reimbursement of various operating and general and administrative expenses incurred by ETO on behalf of ET and its subsidiaries. These agreements expired in 2016.

The Partnership also has related party transactions with several of its equity method investees. In addition to commercial transactions, these transactions include the provision of certain management services and leases of certain assets.

The following table summarizes the revenues from related companies on our consolidated statements of operations:

	Years Ended December 31,		
	2020	2019	2018
Affiliated revenues	$ 466	$ 492	$ 431

The following table summarizes the related company accounts receivable and accounts payable balances on our consolidated balance sheets:

	December 31,	
	2020	2019
Accounts receivable from related companies:		
FGT	$ 12	$ 50
Phillips 66	30	36
Traverse Rover LLC	—	42
Other	37	31
Total accounts receivable from related companies	$ 79	$ 159

As of December 31, 2020 and 2019, accounts payable with related companies in the Partnership's consolidated balance sheets totaled $27 million and $31 million, respectively.

17. REPORTABLE SEGMENTS:

Our reportable segments currently reflect the following segments, which conduct their business primarily in the United States:

- intrastate transportation and storage;
- interstate transportation and storage;
- midstream;
- NGL and refined products transportation and services;
- crude oil transportation and services;
- investment in Sunoco LP;
- investment in USAC; and
- all other.

Consolidated revenues and expenses reflect the elimination of all material intercompany transactions.

The investment in USAC segment reflects the results of USAC beginning April 2018, the date that the Partnership obtained control of USAC.

Revenues from our intrastate transportation and storage segment are primarily reflected in natural gas sales and gathering, transportation and other fees. Revenues from our interstate transportation and storage segment are primarily reflected in gathering, transportation and other fees. Revenues from our midstream segment are primarily reflected in natural gas sales, NGL sales and gathering, transportation and other fees. Revenues from our NGL and refined products transportation and services segment are primarily reflected in NGL sales and gathering, transportation and other fees. Revenues from our crude oil transportation and services segment are reflected in crude sales and gathering, transportation and other fees. Revenues from our investment in Sunoco LP segment are primarily reflected in refined product sales. Revenues from our investment in USAC segment are primarily reflected in gathering, transportation and other fees. Revenues from our all other segment are primarily reflected in natural gas sales.

We report Segment Adjusted EBITDA as a measure of segment performance. We define Segment Adjusted EBITDA as total Partnership earnings before interest, taxes, depreciation, depletion, amortization and other non-cash items, such as non-cash compensation expense, gains and losses on disposals of assets, the allowance for equity funds used during construction, unrealized gains and losses on commodity risk management activities, inventory valuation adjustments, non-cash impairment charges, losses on extinguishments of debt and other non-operating income or expense items. Segment Adjusted EBITDA reflect amounts for unconsolidated affiliates based on the same recognition and measurement methods used to record equity in earnings of unconsolidated affiliates. Adjusted EBITDA related to unconsolidated affiliates excludes the same items with respect to the unconsolidated affiliate as those excluded from the calculation of Segment Adjusted EBITDA and consolidated Adjusted EBITDA, such as interest, taxes, depreciation, depletion, amortization and other non-cash items. Although these amounts are excluded from Adjusted EBITDA related to unconsolidated affiliates, such exclusion should not be understood to imply that we have control over the operations and resulting revenues and expenses of such affiliates. We do not control our unconsolidated affiliates; therefore, we do not control the earnings or

cash flows of such affiliates. The use of Segment Adjusted EBITDA or Adjusted EBITDA related to unconsolidated affiliates as an analytical tool should be limited accordingly.

The following tables present financial information by segment:

	Years Ended December 31,		
	2020	2019	2018
Revenues:			
Intrastate transportation and storage:			
Revenues from external customers	$ 2,312	$ 2,749	$ 3,428
Intersegment revenues	232	350	309
	2,544	3,099	3,737
Interstate transportation and storage:			
Revenues from external customers	1,841	1,941	1,664
Intersegment revenues	20	22	18
	1,861	1,963	1,682
Midstream:			
Revenues from external customers	1,944	2,280	2,090
Intersegment revenues	3,082	3,751	5,432
	5,026	6,031	7,522
NGL and refined products transportation and services:			
Revenues from external customers	8,501	9,920	10,119
Intersegment revenues	2,012	1,721	1,004
	10,513	11,641	11,123
Crude oil transportation and services:			
Revenues from external customers	11,674	18,447	17,236
Intersegment revenues	5	—	96
	11,679	18,447	17,332
Investment in Sunoco LP:			
Revenues from external customers	10,653	16,590	16,982
Intersegment revenues	57	6	12
	10,710	16,596	16,994
Investment in USAC:			
Revenues from external customers	655	678	495
Intersegment revenues	12	20	13
	667	698	508
All other:			
Revenues from external customers	1,374	1,608	2,073
Intersegment revenues	464	81	155
	1,838	1,689	2,228
Eliminations	(5,884)	(5,951)	(7,039)
Total revenues	$ 38,954	$ 54,213	$ 54,087

	Years Ended December 31,		
	2020	2019	2018
Cost of products sold:			
Intrastate transportation and storage	$ 1,478	$ 1,909	$ 2,665
Midstream	2,598	3,577	5,145
NGL and refined products transportation and services	7,139	8,393	8,462
Crude oil transportation and services	8,838	14,832	14,384
Investment in Sunoco LP	9,654	15,380	15,872
Investment in USAC	82	91	67
All other	1,527	1,504	2,006
Eliminations	(5,829)	(5,885)	(6,998)
Total cost of products sold	$ 25,487	$ 39,801	$ 41,603

	Years Ended December 31,		
	2020	2019	2018
Depreciation, depletion and amortization:			
Intrastate transportation and storage	$ 185	$ 184	$ 169
Interstate transportation and storage	411	387	334
Midstream	1,140	1,066	1,006
NGL and refined products transportation and services	667	613	466
Crude oil transportation and services	640	437	445
Investment in Sunoco LP	189	181	167
Investment in USAC	239	231	169
All other	207	48	103
Total depreciation, depletion and amortization	$ 3,678	$ 3,147	$ 2,859

	Years Ended December 31,		
	2020	2019	2018
Equity in earnings (losses) of unconsolidated affiliates:			
Intrastate transportation and storage	$ 18	$ 18	$ 19
Interstate transportation and storage	17	222	227
Midstream	24	20	26
NGL and refined products transportation and services	60	53	64
Crude oil transportation and services	(2)	(1)	6
All other	2	(10)	2
Total equity in earnings of unconsolidated affiliates	$ 119	$ 302	$ 344

	Years Ended December 31,		
	2020	2019	2018
Segment Adjusted EBITDA:			
Intrastate transportation and storage	$ 863	$ 999	$ 927
Interstate transportation and storage	1,680	1,792	1,680
Midstream	1,670	1,602	1,627
NGL and refined products transportation and services	2,802	2,666	1,979
Crude oil transportation and services	2,258	2,898	2,385
Investment in Sunoco LP	739	665	638
Investment in USAC	414	420	289
All Other	105	98	40
Total Segment Adjusted EBITDA	10,531	11,140	9,565
Depreciation, depletion and amortization	(3,678)	(3,147)	(2,859)
Interest expense, net of interest capitalized	(2,327)	(2,331)	(2,055)
Impairment losses	(2,880)	(74)	(431)
Gains (losses) on interest rate derivatives	(203)	(241)	47
Non-cash compensation expense	(121)	(113)	(105)
Unrealized losses on commodity risk management activities	(71)	(5)	(11)
Inventory valuation adjustments	(82)	79	(85)
Losses on extinguishments of debt	(75)	(18)	(112)
Adjusted EBITDA related to unconsolidated affiliates	(628)	(626)	(655)
Equity in earnings of unconsolidated affiliates	119	302	344
Impairment of investments in unconsolidated affiliates	(129)	—	—
Adjusted EBITDA related to discontinued operations	—	—	25
Other, net	(79)	54	21
Income from continuing operations before income tax (expense) benefit	377	5,020	3,689
Income tax (expense) benefit from continuing operations	(237)	(195)	(4)
Income from continuing operations	140	4,825	3,685
Loss from discontinued operations, net of income taxes	—	—	(265)
Net income	$ 140	$ 4,825	$ 3,420

	December 31,		
	2020	2019	2018
Segment assets:			
Intrastate transportation and storage	$ 7,549	$ 6,648	$ 6,365
Interstate transportation and storage	17,730	18,111	15,081
Midstream	18,816	20,332	19,745
NGL and refined products transportation and services	21,578	19,145	18,267
Crude oil transportation and services	18,335	22,933	18,189
Investment in Sunoco LP	5,267	5,438	4,879
Investment in USAC	2,949	3,730	3,775
All other and eliminations	2,920	2,636	2,112
Total segment assets	$ 95,144	$ 98,973	$ 88,413

	Years Ended December 31,		
	2020	2019	2018
Additions to property, plant and equipment [1]:			
Intrastate transportation and storage	$ 49	$ 124	$ 344
Interstate transportation and storage	150	375	812
Midstream	487	827	1,161
NGL and refined products transportation and services	2,403	2,976	2,381
Crude oil transportation and services	291	403	474
Investment in Sunoco LP	124	148	103
Investment in USAC	119	200	205
All other	136	215	150
Total additions to property, plant and equipment [1]	$ 3,759	$ 5,268	$ 5,630

[1] Excluding acquisitions, net of contributions in aid of construction costs (capital expenditures related to the Partnership's proportionate ownership on an accrual basis).

	December 31,		
	2020	2019	2018
Investments in affiliates:			
Intrastate transportation and storage	$ 89	$ 88	$ 83
Interstate transportation and storage	2,278	2,524	2,070
Midstream	110	112	124
NGL and refined products transportation and services	509	461	243
Crude oil transportation and services	22	242	28
All other	52	33	94
Total investments in affiliates	$ 3,060	$ 3,460	$ 2,642

18. QUARTERLY FINANCIAL DATA (UNAUDITED):

Summarized unaudited quarterly financial data is presented below. Earnings per unit are computed on a stand-alone basis for each quarter and total year.

	Quarters Ended				
	March 31	June 30	September 30 [1]	December 31	Total Year
2020:					
Revenues	$ 11,627	$ 7,338	$ 9,955	$ 10,034	$ 38,954
Operating income	61	1,336	244	1,339	2,980
Net income (loss)	(964)	672	(401)	833	140
Limited Partners' interest in net income (loss)	(854)	353	(655)	509	(647)
Net income (loss) per limited partner unit:					
Basic	$ (0.32)	$ 0.13	$ (0.24)	$ 0.19	$ (0.24)
Diluted	$ (0.32)	$ 0.13	$ (0.24)	$ 0.19	$ (0.24)

[1] For the three months ended September 30, 2020, the net loss attributable to partners presented above reflects a change from the amount previously reported in the Partnership's interim financial statements, due to an adjustment to the allocation of income between the general and limited partners and the noncontrolling interest in a less than wholly-owned subsidiary of the Partnership. Basic and diluted net loss per limited partner unit have also been adjusted accordingly.

	Quarters Ended				
	March 31	June 30	September 30	December 31	Total Year
2019:					
Revenues	$ 13,121	$ 13,877	$ 13,495	$ 13,720	$ 54,213
Operating income	1,927	1,819	1,830	1,627	7,203
Income from continuing operations	1,180	1,208	1,161	1,276	4,825
Net income	1,180	1,208	1,161	1,276	4,825
Limited Partners' interest in net income	869	877	831	937	3,514
Net income per limited partner unit:					
Basic	$ 0.31	$ 0.33	$ 0.33	$ 0.37	$ 1.34
Diluted	$ 0.31	$ 0.33	$ 0.33	$ 0.37	$ 1.33

Exhibit 10.2

FIRST AMENDMENT TO THE
AMENDED AND RESTATED ENERGY TRANSFER EQUITY, L.P.
LONG-TERM INCENTIVE PLAN
January 14, 2019

This amendment (the "***Amendment***") to the Amended and Restated Energy Transfer Equity, L.P. Long-Term Incentive Plan (the "***Plan***"), is hereby adopted as of October 19, 2018 (the "***Effective Date***") by LE GP, LLC (the "***Company***"), in its capacity as the general partner of Energy Transfer LP (the "***Partnership***"), on behalf of the Partnership. Terms used but not defined herein shall have the meanings given to such terms in the Plan.

WHEREAS, the Partnership maintains the Plan for the purposes set forth therein; and

WHEREAS, the Board of Directors of the Company has previously approved the change in the name of the Partnership from Energy Transfer Equity, L.P. to Energy Transfer LP; and

WHEREAS, the officers of the Company have caused the aforementioned changes in the names of the Partnership to become effective in its jurisdictions of formation and qualifications and are now memorializing those changes in the books and records of the Partnership; and

WHEREAS, the Company now desires to amend the Plan to give the full and proper effect to such name change.

NOW, THEREFORE, effective as of the Effective Date, the Plan is amended as follows:

1. All references in the Plan to "Energy Transfer Equity, L.P." (including in the name of the Plan) shall be, and hereby are, replaced with "Energy Transfer LP".

All other provisions of the Plan shall remain the same and in full force and effect.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned has executed this Amendment, effective as of the date first set forth above.

LE GP, LLC

By: /s/ William J. Healy
Name: William J. Healy
Title: Secretary

Exhibit 21.1

LIST OF SUBSIDIARIES

SUBSIDIARIES OF ENERGY TRANSFER LP, a Delaware limited partnership:

Energy Transfer Operating, L.P., a Delaware limited partnership
Energy Transfer Partners GP, L.P., a Delaware limited partnership
Energy Transfer Partners, L.L.C., a Delaware limited liability company
ETE Services Company, LLC, a Delaware limited liability company
Sunoco Partners Lease Acquisition & Marketing LLC, a Delaware limited partnership

SUBSIDIARIES OF ENERGY TRANSFER OPERATING, L.P., a Delaware limited partnership:

Advanced Meter Solutions LLC, a Delaware limited liability company
Alpine Holding, LLC, an Oklahoma limited liability company
Aqua-ETC Water Solutions, LLC, a Delaware limited liability company
Arguelles Pipeline, S. De R.L. De C.V., a Mexico SRL
Bakken Holdings Company LLC, a Delaware limited liability company
Bakken Pipeline Investments LLC, a Delaware limited liability company
Bayou Bridge Pipeline, LLC, a Delaware limited liability company
Bayview Refining Company, LLC, a Delaware limited liability company
BBP Construction Management, LLC, a Delaware limited liability company
Blue Marlin Offshore Port LLC, a Delaware limited liability company
Buffalo Gulf Coast Terminals LLC, a Delaware limited liability company
Buffalo Parent Gulf Coast Terminals LLC, a Delaware limited liability company
Chalkley Gathering Company, LLC, a Texas limited liability company
Citrus Energy Services, Inc., a Delaware corporation
Citrus ETP Finance LLC, a Delaware limited liability company
Citrus, LLC, a Delaware limited liability company
Clean Air Action Corporation, a Delaware corporation
Comanche Trail Pipeline, LLC, a Texas limited liability company
Consorcio Terminales LLC, a Delaware limited liability company
CrossCountry Citrus, LLC, a Delaware limited liability company
CrossCountry Energy, LLC, a Delaware limited liability company
Dakota Access Holdings LLC, a Delaware limited liability company
Dakota Access Truck Terminals, LLC, a Delaware limited liability company
Dakota Access, LLC, a Delaware limited liability company
DAL-TEX Consulting, LLC, a Texas limited liability company
DAPL-ETCO Construction Management, LLC, a Delaware limited liability company
DAPL-ETCO Operations Management, LLC, a Delaware limited liability company
Dual Drive Technologies, Ltd., a Texas limited partnership
Eastern Gulf Crude Access, LLC, a Delaware limited liability company
Edwards Lime Gathering, LLC, a Delaware limited liability company
ELG Oil LLC, a Delaware limited liability company
ELG Utility LLC, a Delaware limited liability company
Energy Transfer (Beijing) Energy Technology Co., Ltd., a Chinese limited liability company
Energy Transfer Aviation LLC, a Delaware limited liability company
Energy Transfer Canada Pipelines Limited Partnership, an Alberta limited partnership
Energy Transfer Canada Pipelines ULC, an Alberta unlimited liability company
Energy Transfer Canada ULC, an Alberta unlimited liability company
Energy Transfer Crude Oil Company, LLC, a Delaware limited liability company
Energy Transfer Data Center, LLC, a Delaware limited liability company
Energy Transfer Employee Management LLC a Delaware limited liability company
Energy Transfer Fuel GP, LLC, a Delaware limited liability company
Energy Transfer Fuel, LP, a Delaware limited partnership
Energy Transfer Group, L.L.C., a Texas limited liability company
Energy Transfer International Holdings LLC, a Delaware limited liability company
Energy Transfer Interstate Holdings, LLC, a Delaware limited liability company

Energy Transfer LNG Export, LLC, a Delaware limited liability company
Energy Transfer Mexicana, LLC, a Delaware limited liability company
Energy Transfer Retail Power, LLC, a Delaware limited liability company
ET CC Holdings LLC, a Delaware limited liability company
ET Crude Oil Terminals, LLC, a Delaware limited partnership
ET Finance LLC, a Delaware limited liability company
ET Rover Pipeline LLC, a Delaware limited liability company
ET Starfish Holdings, LLC, a Delaware limited liability company
ET TexLa Holdings LLC, a Delaware limited liability company
ET TexLa Oasis GP LLC, a Delaware limited liability company
ETC Bayou Bridge Holdings, LLC, a Delaware limited liability company
ETC Champ Pipeline LLC, a Delaware limited liability company
ETC China Holdings LLC, a Delaware limited liability company
ETC Compression, LLC, a Delaware limited liability company
ETC Endure Energy L.L.C., a Delaware limited liability company
ETC Energy Transfer, LLC, a Delaware limited liability company
ETC Fayetteville Express Pipeline, LLC, a Delaware limited liability company
ETC Fayetteville Operating Company, LLC, a Delaware limited liability company
ETC Gas Company, Ltd., a Texas limited partnership
ETC Gas Storage LLC, a Delaware limited liability company
ETC Haynesville LLC, a Delaware limited liability company
ETC Hydrocarbons, LLC, a Texas limited liability company
ETC Illinois LLC, a Delaware limited liability company
ETC Interstate Procurement Company, LLC, a Delaware limited liability company
ETC Intrastate Procurement Company, LLC, a Delaware limited liability company
ETC Katy Pipeline, LLC, a Texas limited partnership
ETC Marketing, Ltd., a Texas limited partnership
ETC Midcontinent Express Pipeline, L.L.C., a Delaware limited liability company
ETC NGL Marketing, LLC, a Texas limited liability company
ETC NGL Transport, LLC, a Texas limited liability company
ETC Northeast Field Services LLC, a Delaware limited liability company
ETC Northeast Pipeline, LLC, a Delaware limited liability company
ETC PennTex LLC, a Delaware limited liability company
ETC Sunoco Holdings LLC, a Pennsylvania limited liability company
ETC Texas Pipeline, Ltd., a Texas limited partnership
ETC Tiger Pipeline, LLC, a Delaware limited liability company
ETC Tilden System LLC, a Delaware limited liability company
ETCO Holdings LLC, a Delaware limited liability company
ETP Crude LLC, a Texas limited liability company
ETP Holdco Corporation, a Delaware corporation
Evergreen Assurance, LLC, a Delaware limited liability company
Evergreen Capital Holdings, LLC, a Delaware limited liability company
Evergreen Resources Group, LLC, a Delaware limited liability company
Explorer Pipeline Company, a Delaware corporation
Fayetteville Express Pipeline LLC, a Delaware limited liability company
FEP Arkansas Pipeline, LLC, an Arkansas limited liability company
Florida Gas Transmission Company, LLC, a Delaware limited liability company
FLST LLC, a Delaware limited liability company
Glass Mountain Holding, LLC, an Oklahoma limited liability company
Grayson Pipeline, L.L.C., an Oklahoma limited liability company
Greyhawk Gas Storage Company, L.L.C., a Delaware limited liability company
Gulf States Transmission LLC, a Louisiana limited liability company
Helios Assurance Company, Limited, a Limited Bermuda other
Heritage ETC GP, L.L.C., a Delaware limited liability company
Heritage ETC, L.P., a Delaware limited partnership
HFOTCO LLC, a Texas limited liability company
Houston Pipe Line Company LP, a Delaware limited partnership
HPL Asset Holdings LP, a Delaware limited partnership

HPL GP, LLC, a Delaware limited liability company
HPL Leaseco LP, a Delaware limited partnership
HPL Resources Company LLC, a Delaware limited liability company
HPL Storage GP LLC, a Delaware limited liability company
Inland Corporation, an Ohio corporation
J.C. Nolan Pipeline Co., LLC, a Delaware limited liability company
J.C. Nolan Terminal Co., LLC, a Delaware limited liability company
Japan Sun Oil Company, Ltd., a Japan other
K.C. Asphalt L.L.C., a Colorado limited liability company
Kanawha Rail LLC, a Delaware limited liability company
LA GP, LLC, a Texas limited liability company
La Grange Acquisition, L.P., a Texas limited partnership
Lake Charles Exports, LLC, a Delaware limited liability company
Lake Charles LNG Company, LLC, Delaware limited liability company
Lake Charles LNG Export Company, LLC, a Delaware limited liability company
Lee 8 Storage Partnership, a Delaware limited partnership
LG PL, LLC, a Texas limited liability company
LGM, LLC, a Texas limited liability company
Liberty Pipeline Group, LLC, a Delaware limited liability company
Libre Insurance Company, Ltd., a Bermuda corporation
LJL, LLC, a West Virginia limited liability company
Loadout LLC, a Delaware limited liability company
Lobo Pipeline Company LLC, a Delaware limited liability company
Lone Star Marine Facilities LLC, a Delaware limited liability company
Lone Star NGL Asset GP LLC, a Delaware limited liability company
Lone Star NGL Development LP, a Delaware limited partnership
Lone Star NGL Fractionators LLC, a Delaware limited liability company
Lone Star NGL Hattiesburg LLC, a Delaware limited liability company
Lone Star NGL LLC, a Delaware limited liability company
Lone Star NGL Marketing LLC, a Delaware limited liability company
Lone Star NGL Mont Belvieu GP LLC, a Delaware limited liability company
Lone Star NGL Mont Belvieu LP, a Delaware limited partnership
Lone Star NGL Mont Belvieu Pipelines LLC, a Delaware limited liability company
Lone Star NGL Pipeline LP, a Delaware limited partnership
Lone Star NGL Product Services LLC, a Delaware limited liability company
Lone Star NGL Refinery Services LLC, a Delaware limited liability company
Lone Star NGL Sea Robin LLC, a Delaware limited liability company
Materials Handling Solutions LLC, a Delaware limited liability company
Maurepas Holding, LLC, an Oklahoma limited liability company
Maurepas Pipeline, LLC, a Delaware limited liability company
Mi Vida JV LLC, a Delaware limited liability company
Mid Valley Pipeline Company LLC, an Ohio limited liability company
Mid-America Midstream Gas Services, L.L.C., an Oklahoma limited liability company
Midcontinent Express Pipeline LLC, a Delaware limited liability company
Midstream Logistics, LLC, a Delaware limited liability company
Midwest Connector Capital Company LLC, a Delaware limited liability company
New Century Transportation, LLC, a Delaware limited liability company
Oasis Pipeline, LP, a Texas limited partnership
Ohio River System LLC, a Delaware limited liability company
Oil Casualty Insurance, Ltd., a Bermuda Limited Company
Oil Insurance Limited, Bermuda limited company
Old Ocean Pipeline, LLC, a Texas limited liability company
Orbit Gulf Coast NGL Exports, LLC, a Delaware limited liability company
Pacific Ethanol Central, LLC, a Delaware limited liability company
Pan Gas Storage LLC, a Delaware limited liability company
Panhandle Eastern Pipe Line Company, LP, a Delaware limited partnership
Panhandle Energy LNG Services, LLC, a Delaware limited liability company
Panhandle Storage LLC, a Delaware limited liability company

PEI Power II, LLC, a Pennsylvania limited liability company
PEI Power LLC, a Pennsylvania limited liability company
Pelico Pipeline, LLC, a Delaware limited liability company
Penn Virginia Operating Co., LLC, a Delaware limited liability company
PEPL Real Estate, LLC, a Delaware limited liability company
Permian Express Partners LLC, a Delaware limited liability company
Permian Express Partners Operating LLC, a Texas limited liability company
Permian Express Terminal LLC, a Delaware limited liability company
Permian Gulf Coast Pipeline LLC, a Delaware limited liability company
PES Energy Inc., a Delaware corporation
PES Equity Holdings, LLC, a Delaware limited liability company
PES Holdings, LLC, a Delaware limited liability company
PG Energy Inc., a Pennsylvania corporation
Philadelphia Energy Solutions LLC, a Delaware limited liability company
Philadelphia Energy Solutions Refining and Marketing LLC, a Delaware limited liability company
Price River Terminal, LLC, a Texas limited liability company
Ranch Westex JV LLC, a Delaware limited liability company
Red Bluff Express Pipeline, LLC, a Delaware limited liability company
Regency Employees Management Holdings LLC, a Delaware limited liability company
Regency Energy Finance Corp., a Delaware corporation
Regency Energy Partners LP, a Delaware limited partnership
Regency GP LLC, a Delaware limited liability company
Regency GP LP, a Delaware limited partnership
Regency Intrastate Gas LP, a Delaware limited partnership
Regency Marcellus Gas Gathering LLC, a Delaware limited liability company
Regency NEPA Gas Gathering LLC, a Texas limited liability company
Regency Texas Pipeline LLC, a Delaware limited liability company
Regency Utica Gas Gathering LLC, a Delaware limited liability company
RIGS GP LLC, a Delaware limited liability company
Rocky Cliffs Pipeline, L.L.C., a Delaware limited liability company
Rose Rock Midstream Crude, LLC, a Delaware limited liability company
Rose Rock Midstream Operating, LLC, a Delaware limited liability company
Rover Pipeline LLC, a Delaware limited liability company
RSS Water Services LLC, a Delaware limited liability company
Sea Robin Pipeline Company, LLC, a Delaware limited liability company
SEC Energy Products & Services, L.P., a Texas limited partnership
SEC General Holdings, LLC, a Texas limited liability company
SemBio, L.L.C., a Delaware limited liability company
SemCanada II, L.P., an Oklahoma limited partnership
SemCap, L.L.C., an Oklahoma limited liability company
SemDevelopment, L.L.C., a Delaware limited liability company
SemEnergy S. de R.L. de C.V.
SemFuel Transport LLC, a Wisconsin limited liability company
SemFuel, L.P., a Texas limited partnership
SemGreen, L.P., a Delaware limited partnership
SemGroup Asia, L.L.C., a Delaware limited liability company
SemGroup Energy S. de R.L. de C.V.
SemGroup Europe Holding, L.L.C., a Delaware limited liability company
SemGroup Holdings G.P., LLC, a Delaware limited liability company
SemGroup Holdings, L.P., a Delaware limited partnership
SemGroup LLC, a Delaware limited liability company
SemGroup Mexico S. de R.L. de C.V.
SemGroup Netherlands B.V., a Dutch company
SemGroup Netherlands I B.V., a Dutch company
SemGroup Subsidiary Holding, L.L.C., a Delaware limited liability company
SemManagement L.L.C., a Delaware limited liability company
SemMaterials, L.P., an Oklahoma limited partnership
SemMexico, L.L.C., an Oklahoma limited liability company

SemOperating G.P., L.L.C., an Oklahoma limited liability company
SemProducts, L.L.C, an Oklahoma limited liability company
SemStream L.P., a Delaware limited partnership
SemTrucking, L.P., an Oklahoma limited partnership
Southern Union Gas Company, Inc., a Texas corporation
Southern Union Panhandle LLC, a Delaware limited liability company
Starfish Pipeline Company, LLC, a Delaware limited liability company
Steuben Development Company, L.L.C., a Delaware limited liability company
Stingray Pipeline Company, L.L.C., a Delaware limited liability company
SU Gas Services Operating Company, Inc., a Delaware corporation
SU Holding Company, Inc., a Delaware corporation
Sun Canada, LLC, a Delaware limited liability company
Sun Pipe Line Company of Delaware LLC, a Delaware limited liability company
Sun Transport, LLC, a Pennsylvania limited liability company
Sunoco (R&M), LLC, a Pennsylvania limited liability company
Sunoco GP LLC, a Delaware limited liability company
Sunoco Logistics Partners GP LLC, a Delaware limited liability company
Sunoco Logistics Partners Operations GP LLC, a Delaware limited liability company
Sunoco Logistics Partners Operations L.P., a Delaware limited partnership
Sunoco LP, a Delaware limited partnership
Sunoco Midland Terminal LLC, a Texas limited liability company
Sunoco Partners Marketing & Terminals L.P., a Texas limited partnership
Sunoco Partners Operating LLC, a Delaware limited liability company
Sunoco Partners Real Estate Acquisition LLC, a Delaware limited liability company
Sunoco Partners Rockies LLC, a Delaware limited liability company
Sunoco Pipeline Acquisition LLC, a Delaware limited liability company
Sunoco Pipeline L.P., a Texas limited partnership
Sweeney Gathering, L.P., a Texas limited liability company
TETC, LLC, a Texas limited liability company
Texas Energy Transfer Company, Ltd., a Texas limited partnership
Texas Energy Transfer Power, LLC, a Texas limited liability company
The Energy Transfer/Sunoco Foundation, a Pennsylvania non-profit
Toney Fork LLC, a Delaware limited liability company
Trade Star Holdings, LLC, a Delaware limited liability company
Trade Star Leasing, LLC, a Idaho limited liability company
Trade Star Williston, LLC, a Idaho limited liability company
Trade Star, LLC, a Idaho limited liability company
Trans-Pecos Pipeline, LLC, a Texas limited liability company
Transwestern Pipeline Company, LLC, a Delaware limited liability company
Triton Gathering, LLC, a Delaware limited liability company
Trunkline Field Services LLC, a Delaware limited liability company
Trunkline Gas Company, LLC, a Delaware limited liability company
Trunkline LNG Holdings LLC, a Delaware limited liability company
USA Compression GP, LLC, a Delaware limited liability company
USA Compression Management Services, LLC, a Delaware limited liability company
Vista Mar Pipeline, LLC, a Texas limited liability company
Waha Express Pipeline, LLC, a Delaware limited liability company
Wattenberg Holding, LLC, an Oklahoma limited liability company
West Cameron Dehydration Company, L.L.C., a Delaware limited liability company
West Shore Pipe Line Company, a Delaware corporation
West Texas Gulf Pipe Line Company LLC, a Delaware limited liability company
Westex Energy LLC, a Delaware limited liability company
WGP-KHC LLC, a Delaware limited liability company
White Cliffs Pipeline, L.L.C., a Delaware limited liability company
Wolverine Pipe Line Company, a Delaware corporation
Yellowstone Pipe Line Company, a Delaware corporation

SUBSIDIARIES OF SUNOCO LP, a Delaware limited partnership:

Aloha Petroleum LLC, a Delaware limited liability company
Aloha Petroleum, Ltd., a Hawaii Corporation
Fathom Global Energy FT LLC, a Delaware limited liability company
Fathom Global Energy LLC, a Delaware limited liability company
J.C. Nolan Pipeline Co., LLC, a Delaware limited liability company
J.C. Nolan Terminal Co., LLC, a Delaware limited liability company
Quick Stuff of Texas, Inc., a Texas Corporation
SSP BevCo I LLC, a Texas limited liability company
SSP BevCo II LLC, a Texas limited liability company
SSP Beverage, LLC, a Texas limited liability company
Stripes Acquisition LLC, a Texas limited liability company
Sun LP Pipeline LLC, a Delaware limited liability company
Sun LP Terminals LLC, a Delaware limited liability company
Sun Lubricants and Specialty Products Inc., a Quebec corporation
Sunmarks, LLC, a Delaware limited liability company
Sunoco Caddo LLC, a Delaware limited liability company
Sunoco Energy Solutions LLC., a Texas limited liability company
Sunoco Finance Corp., a Delaware corporation
Sunoco NLR LLC, a Delaware limited liability company
Sunoco Overseas, Inc., a Delaware corporation
Sunoco Property Company LLC, a Delaware limited liability company
Sunoco Refined Products LLC, a Delaware limited liability company
Sunoco Retail LLC, a Pennsylvania limited liability company
Sunoco, LLC, a Delaware limited liability company
TCFS Holdings, Inc. a Texas corporation
TND Beverage, LLC, a Texas limited liability company
Town & Country Food Stores, Inc., a Texas corporation

SUBSIDIARIES OF USA COMPRESSION PARTNERS, LP, a Delaware limited partnership:

CDM Environmental & Technical Services LLC, a Delaware limited liability company
CDM Resource Management LLC, a Delaware limited liability company
USA Compression Finance Corp., a Delaware corporation
USA Compression Partners, LLC, a Delaware limited liability company
USAC Leasing 2, LLC, a Texas limited liability company
USAC Leasing, LLC, a Delaware limited liability company
USAC OpCo 2, LLC, a Texas limited liability company

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our reports dated February 19, 2021, with respect to the consolidated financial statements and internal control over financial reporting included in the Annual Report of Energy Transfer LP on Form 10-K for the year ended December 31, 2020. We consent to the incorporation by reference of said reports in the Registration Statements of Energy Transfer LP on Forms S-3 (File No. 333-228737, File No. 333-215969, File No. 333-215893, and File No. 333-146300) and on Form S-8 (File No. 333-229456 and File No. 333-251923).

/s/ GRANT THORNTON LLP

Dallas, Texas
February 19, 2021

Exhibit 31.1

CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Marshall S. McCrea, III, certify that:

1. I have reviewed this annual report on Form 10-K of Energy Transfer LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 19, 2021

/s/ Marshall S. McCrea, III
Marshall S. McCrea, III
Co-Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas E. Long, certify that:

1. I have reviewed this annual report on Form 10-K of Energy Transfer LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 19, 2021

/s/ Thomas E. Long
Thomas E. Long
Co-Chief Executive Officer

Exhibit 31.3

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Bradford D. Whitehurst, certify that:

1. I have reviewed this annual report on Form 10-K of Energy Transfer LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 19, 2021

/s/ Bradford D. Whitehurst

Bradford D. Whitehurst
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Energy Transfer LP (the "Partnership") on Form 10-K for the year ended December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Marshall S. McCrea, III, Co-Chief Executive Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: February 19, 2021

/s/ Marshall S. McCrea, III
Marshall S. McCrea, III
Co-Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to and will be retained by Energy Transfer LP and furnished to the Securities and Exchange Commission upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Energy Transfer LP (the "Partnership") on Form 10-K for the year ended December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas E. Long, Co-Chief Executive Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: February 19, 2021

/s/ Thomas E. Long
Thomas E. Long
Co-Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to and will be retained by Energy Transfer LP and furnished to the Securities and Exchange Commission upon request.

Exhibit 32.3

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Energy Transfer LP (the "Partnership") on Form 10-K for the year ended December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bradford D. Whitehurst, Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: February 19, 2021

/s/ Bradford D. Whitehurst
Bradford D. Whitehurst
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to and will be retained by Energy Transfer LP and furnished to the Securities and Exchange Commission upon request.

Exhibit A-42

Sealed

Exhibit A-43

120 FERC ¶ 61,086
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Suedeen G. Kelly, Marc Spitzer,
Philip D. Moeller, and Jon Wellinghoff.

Energy Transfer Partners, L.P.
Energy Transfer Company
ETC Marketing, Ltd.
Houston Pipeline Company
Oasis Pipeline, L.P.
Oasis Pipeline Company Texas, L.P.
ETC Texas Pipeline Ltd., Oasis Division

Docket No. IN06-3-002

ORDER TO SHOW CAUSE AND
NOTICE OF PROPOSED PENALTIES

(Issued July 26, 2007)

CPSE Response in Opp to ET MSJ
Exhibit A-43
MDL-2022-CI-02879
exhibitsticker.com

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UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Suedeen G. Kelly, Marc Spitzer,
Philip D. Moeller, and Jon Wellinghoff.

Energy Transfer Partners, L.P.
Energy Transfer Company
ETC Marketing, Ltd.
Houston Pipeline Company
Oasis Pipeline, L.P.
Oasis Pipeline Company Texas, L.P.
ETC Texas Pipeline Ltd., Oasis Division

Docket No. IN06-3-002

ORDER TO SHOW CAUSE AND
NOTICE OF PROPOSED PENALTIES

1. Pursuant to section 385.209(a)(2) of the Commission's regulations,[1] the Commission directs Energy Transfer Partners, L.P.; Energy Transfer Company (ETC); ETC Marketing Ltd. (ETC Marketing), and Houston Pipeline Company, (collectively, ETP)[2] to show cause no later than thirty days from the date of this order why the Commission should not find that: (1) ETP manipulated markets at Houston Ship Channel (HSC) and Waha, Texas, on dates specified below from December 2003 through December 2005; (2) ETP should pay civil penalties in the amount of $82,000,000 and disgorge $69,866,966, plus interest, in unjust profits resulting from its manipulations; and (3) ETP's blanket certificate to sell gas subject to the Commission's jurisdiction should be revoked.

2. The Commission also directs Oasis Pipeline, L.P.; Oasis Pipeline Company Texas, L.P.; and ETC Texas Pipeline LTD., Oasis Division (collectively, Oasis Pipeline) to show cause why the Commission should not find that Oasis Pipeline: (1) unduly discriminated against non-affiliated shippers and unduly preferred one or more affiliated shippers; (2) charged rates in excess of the maximum lawful rate for service under section

[1] 18 C.F.R. § 385.209(a)(2) (2006).

[2] ETP is a publicly-traded partnership that owns and operates natural gas pipelines and storage facilities in Texas, among other energy-related assets, and conducts natural gas trading operations. *See* www.energytransfer.com/aboutETP.asp.

311 of the Natural Gas Policy Act of 1978 (NGPA); (3) failed to file an amended operating statement; and (4) should pay civil penalties in the amount of $15,500,000 and disgorge $267,122 in unjust profits, plus interest.

3. ETP received multiple opportunities to present its position prior to the issuance of this order, both orally and in writing. Although the Commission is preliminarily of the view that ETP violated the Commission's rules, statutes, and regulations as set forth in this order, ETP is now provided with another chance to respond.[3]

I. SUMMARY

4. In late September 2005, the Commission staff received a call on its Enforcement Hotline[4] alleging that the market for prompt month (*i.e.,* next month) fixed price gas (*i.e.,* gas the price of which is determined in a bilateral trade or agreement) at HSC, a major trading hub, was manipulated on September 28, 2005. The Office of Enforcement (Enforcement or staff) conducted a formal, non-public investigation of ETP's trading from December 2003 through December 2005 and its operation of its Oasis Pipeline. The investigation concluded that ETP manipulated wholesale natural gas prices at HSC by suppressing them to benefit ETP's financial positions and other physical positions. The investigation also concluded that ETP manipulated daily prices at Waha on December 23, 2005 and December 28, 2005, and that Oasis Pipeline unduly discriminated against non-affiliated shippers, unduly preferred one or more affiliated shippers, charged some interstate customers transportation rates that exceeded the lawful maximum rate, and failed to file an amended Operating Statement.

5. The facts tell the story of ETP's manipulations. ETP set up its financial and

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[3] This order constitutes notice of proposed civil penalties. *See Process for Assessing Civil Penalties*, 117 FERC ¶ 61,317, at P 7, 12 (2006). Under the applicable rule, 18 C.F.R. § 385.213 (2006), ETP must file an answer that provides a clear and concise statement regarding any disputed factual issues and any law upon which it relies. ETP must also, to the extent practicable, admit or deny, specifically and in detail, each material allegation of this order and set forth every defense relied upon. Upon receipt of ETP's answer, the Commission has many options of how to proceed. It may, with respect to the manipulation issues under the NGA, request briefs or set specified issues for a trial-type hearing, with full discovery, before an administrative law judge, or issue an order on the merits. And with respect to the transportation issues under the NGPA, the Commission may request briefs, set specified issues for a trial-type hearing before an administrative law judge, or issue an order on the merits. Should the Commission enter an order imposing penalties against ETP on the NGPA issues, ETP would have a right to have that order reviewed in a United States district court.

[4] *See* 18 C.F.R. § 1b.21 (2006).

physical portfolio to profit from lower prices at HSC. ETP then sold fixed price gas for prompt month delivery at HSC for less than a competitive price. ETP's HSC manipulations affected the Platts *Inside FERC* (IFERC) HSC index for monthly natural gas. This index is used by market participants to price gas and is critically important to understanding ETP's manipulations. Natural gas for prompt month delivery is commonly traded in the last week of the preceding month, known as bid week, for delivery on each day of the following month at a specified location. Many market participants voluntarily report their fixed price transactions for the sale and purchase of natural gas executed in bid week for prompt month delivery to *Inside FERC*. This industry newsletter, published by The McGraw-Hill Companies, receives reports of fixed price sales and purchases at certain trading points and compiles them to create an index price representative of transactions at those points. *Inside FERC* then publishes these index prices. Many physical and financial contracts are priced by reference to the IFERC index at various locations.

6. ETP dominated sales of fixed-price gas at HSC, often comprising 80 percent or more of total sales. ETP reported its fixed price sales at HSC to *Inside FERC* and thus was able to use its domination of the market to virtually set the IFERC HSC index. In spite of ETP's sales activity at HSC, it was consistently a net buyer of monthly gas priced at the IFERC HSC index, and thus was positioned to benefit from the lower prices it caused in the months it manipulated fixed-price sales at HSC. Under the index contracts ETP entered, ETP agreed that a producer or other market participant would deliver to ETP a certain volume of gas for a given month at a particular location, to be priced at the IFERC HSC index price, plus or minus a certain adjustment. ETP benefited from a lower IFERC HSC index because it nearly always bought more gas priced at IFERC HSC than it sold at suppressed prices in fixed price deals.

7. At the same time, ETP had entered into financial transactions known as basis swaps to leverage its benefit from suppressing monthly physical prices at HSC. A basis swap is a derivative instrument whose value is based on the difference between the New York Mercantile Exchange Natural Gas Futures Contract (NYMEX Contract) settlement price for a given month and the index at a specified location for that same month. The NYMEX Contract is a contract for the future delivery of gas at Henry Hub, a liquid trading point in Louisiana, which usually trades at a higher price than HSC. ETP profited if the difference between prices at HSC and the NYMEX Contract widened, *i.e.,* the price at HSC became lower relative to the higher priced NYMEX Contract. Stated another way, ETP took a "short" position in HSC basis swaps, meaning that it bet that prices at HSC would fall relative to the NYMEX Contract, *i.e.,* that the spread between these two points would widen. Because ETP had the power to suppress price at HSC, this was not really a bet at all, but a manipulation that was spectacularly successful in October 2005 -- ETP realized more than $40,000,000 in unjust profits -- and highly profitable in eight other months from January 2004 through December 2005. Forty million dollars for single day's trading represented a huge return for an asset-based, fee-based business. In

sum, ETP forewent potential profit of its fixed price sales to obtain far larger revenues in both its physical and financial portfolio.

8. On September 28, 2005, ETP's sales of October 2005 delivery of gas -- the trading that triggered the Enforcement Hotline call and hence the first trading that staff examined -- resulted in dramatically lower prices at HSC than existed at other South and East Texas points that historically have traded very close to HSC. For several years preceding ETP's September 28, 2005 manipulation, monthly prices between HSC and nearby points were typically within ten cents of each other. Yet for October 2005, monthly prices at HSC were at least $1.24 per MMBtu lower at HSC than at these other points. In the other eight months in which HSC manipulated fixed price gas at HSC, prices at HSC were still lower, albeit by smaller amounts, than indicated by the longstanding price relationship between HSC and nearby Texas points.

9. ETP's most significant manipulation occurred on September 28, 2005. ETP began selling at $10.25 at 2:11 p.m. (Eastern Time) after the most recent transaction in the market (a minute earlier) indicated that gas at HSC was valued at $11.95. Selling most of its 10 Bcf in sales that afternoon in a thirty minute burst, ETP suppressed prices in the face of significant increases in the NYMEX Contract and pricing points in South and East Texas. While ETP was selling a large amount of fixed price gas at HSC, it was actually a net buyer of 12.9 Bcf that month at the HSC IFERC index. In other words, ETP sold 10 Bcf in fixed price sales of prompt month gas on September 28, 2005 at HSC, but it had agreed to buy a larger volume of gas priced at the IFERC HSC index. In this situation, ETP was a net buyer of gas, despite being the dominant seller of fixed price gas at HSC. Further, ETP was short HSC basis swaps in the amount of 23.8 Bcf, meaning that it made a huge bet that the IFERC HSC index would fall relative to the NYMEX Contract settlement price. Accordingly, by suppressing the price of gas at HSC, ETP benefited enormously from its other physical and financial short basis positions. This was a risk-free, win-win situation for ETP. It knew to a certainty that by suppressing price at HSC, the losses it incurred by selling fixed price gas at less than a competitive price would more than be compensated by profits realized by its net physical long position and its financial positions. ETP's combined unjust profits from this activity were $40,286,727. The Commission proposes that ETP pay $34,000,000 in civil penalties for its manipulation, and to disgorge the unjust profits, plus interest.

10. ETP intended to manipulate market prices at HSC on September 28, 2005. The company officer in charge of trading at HSC, Marshall ("Mackie") McCrea, told at least one of his traders on September 26, 2005 that "as long as we sell as much as we can sell, it ought to push Ship down."[5] McCrea also stated, "You know, it'd be nice to have Ship

[5] Audio digital recording/Wav file of Timothy Small WAV557 (Sept. 26, 2005) (Small, WAV557 (Sept. 26, 2005)); Deposition of Marshall McCrea Exhibit 5 (Apr. 26, 2006) (McCrea Dep. Ex. 5).

kind of spread back out from, uh, both for this month or October, and also for our summer/winter business."[6] In this call, McCrea demonstrates that he intended ETP to "push Ship Down," *i.e.*, to suppress price at HSC, which would widen the price spread at HSC from Henry Hub. Further, ETP-affiliated traders coordinated their trading activities. In the same voice recording, ETP-affiliated traders discussed how they would share profits among the San Antonio, Houston and Dallas trading desks of the company.[7]

11. ETP's manipulative strategy worked. Fixed price gas for October delivery fell at HSC. As noted, prompt month gas at HSC historically traded within pennies or nickels of gas at nearby south and East Texas points.[8] But in this month, the price of gas at HSC traded between $1.29 below Katy and $2.20 below other south Texas points. Neither market fundamentals, nor Hurricane Rita, which hit landfall north of Houston on September 24, 2005, can explain this radical price divergence. ETP had no legitimate business purpose for suppressing the price of fixed price gas at HSC to benefit other positions.

12. ETP's strategy of taking physical and financial positions that benefited from artificially low prices at HSC, flooding the market with offers to suppress price, and then reaping the rewards of its manipulation was most successful in September 2005, but ETP practiced this strategy eight additional times from December 2003 through November 2005. The dates of ETP's additional manipulations are December 29, 2003 (for gas delivered in January 2004); September 24, 2004 and September 27, 2004 (for gas delivered in October 2004); November 23, 2004 and November 24, 2004 (for gas delivered in December 2004); December 28, 2004 (for gas delivered in January 2005); January 27, 28, and 31 (for gas delivered in February 2005); June 28, 2005 (for gas delivered in July 2005); August 29, 2005 (for gas delivered in September 2005); and November 28, 2005 (for gas delivered in December 2005).

13. While the profits that ETP earned from its manipulations varied month to month, ETP's strategy was consistent. In months it selected, ETP traded, usually in the last half-hour before the close of trading in the prompt-month NYMEX Contract, to suppress fixed price gas at HSC for prompt month delivery. ETP set up its portfolio to benefit from a suppressed price at HSC: ETP executed contracts to purchase gas at prices referenced to the IFERC index. Thus, even though ETP was a seller of gas at HSC on the days it executed its manipulations, in all but one of the months it manipulated the market at HSC, ETP was a net buyer of gas priced at the IFERC HSC index, thus benefiting from lower prices. ETP also had short HSC basis swap positions pegged to the IFERC HSC

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[6] *Id.*

[7] *Id.*

[8] *See infra* P 59 and Chart 5.

index that gained when ETP suppressed fixed price gas and the IFERC HSC index. Chart 1, *infra* at P 39, shows the profit that ETP derived from its physical and financial positions by reason of its manipulations to suppress price at HSC. ETP received more than $27,351,689 in unjust profits from its manipulations in these eight additional months. The Commission proposes that ETP disgorge this amount, plus interest, and that it pay $45,000,000 in civil penalties for these manipulations.

14. Contemporaneous voice recordings, in addition to the September 26, 2005 conversation of McCrea, further demonstrate ETP's manipulations. For example, voice recordings in the autumn and early winter of 2004 show that some market participants knew ETP was suppressing price at HSC and that prices at HSC were not the result of "fundamentals." Further, after ETP's huge September 28, 2005 manipulation, an ETP trader boasted that making money at HSC was "like taking candy from a baby."[9] The same trader also said in October of 2005, the company was "swimming in money right now … don't stress over not making money right now 'cause, it's, there's, they're, they're going to have more of a problem with explaining how we made this much money."[10] Another ETP trader that autumn, referencing ETP's trading, compared ETP to Enron.[11]

15. ETP's manipulations had severe adverse consequences for competitive wholesale natural gas markets and the country's natural gas customers. Consumers are harmed when prices are set by manipulation. The harm from an upward manipulation is immediate. Harm from downward manipulation is more long term. Entities that sold physical gas to ETP at the artificially-reduced IFERC HSC index were harmed by ETP's trading manipulations. When producers receive less than the market price for their gas, price signals that would otherwise tend to stimulate production, and thereby benefit gas customers nationwide, are frustrated. Manipulated markets discourage trading, rendering them less efficient and raising costs to consumers. In addition to producers, royalty owners and taxing authorities were harmed by the artificially-reduced prices. Counterparties in the referenced financial basis transactions were also harmed by ETP's manipulations. ETP wrongfully deprived counterparties of revenues they should have received but for ETP's manipulations. Market manipulation is necessarily inconsistent with competitive markets.

16. The Commission directs ETP to show cause why the Commission should not revoke ETP's blanket market certificate authorizing it to sell gas at wholesale in interstate

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[9] Small WAV3697 (Oct. 7, 2005).

[10] Small WAV3B4A (Oct. 18, 2005).

[11] Audio digital recording/Wav file of Luke Fletcher WAVC27 (Nov. 30, 2005) (Fletcher WavC27 (Nov. 30, 2005)).

commerce subject to the Commission's jurisdiction. ETP's manipulations were flagrant, as evidenced by analyses of ETP's actual trades, the direction of senior management to commit them, the frequency with which they occurred and the large unjust profits ETP derived from them. They undermined competition in the wholesale interstate gas market at HSC.

17. ETP's market manipulations violated the Commission's anti-manipulation rule, promulgated under authority of the Natural Gas Act (NGA), that was then in effect.[12] Market Behavior Rule 2 prohibited the holder of a blanket certificate from "engaging in actions or transactions that are without a legitimate business purpose and that are intended to or foreseeably could manipulate market prices . . . ." ETP violated Market Behavior Rule 2, discussed *infra* at P 34, when it manipulated physical gas markets by artificially suppressing the IFERC HSC index to derive unjust profits in other physical and financial contracts. Courts and federal agencies have recognized that trading to artificially lower prices in one market in order to derive a financial benefit in the same or in a related market is a form of market manipulation.[13]

18. ETP also manipulated daily prices at Waha and Permian to benefit its short Waha and Permian index swap positions. A party that is short an index swap position profits from a lower *daily* index price, as published in Platts' *Gas Daily,* relative to a *monthly* index price at the same location. By suppressing the daily price at Waha, ETP benefited by realizing an increase in the value of its short index swap position that occurred when the daily index price fell relative to the monthly index price at Waha. ETP received unjust profits of $2,228,550 for this activity. The Commission proposes that ETP pay a civil penalty in connection with this activity in the amount of $3,000,000, and to disgorge the unjust profits, plus interest.

19. In sum, the Commission proposes that ETP disgorge in unjust profits $69,866,966, plus interest, and pay civil penalties in the amount of $82,000,000 for its unlawful market manipulations.

20. ETP also committed violations of Commission requirements under the Natural Gas Policy Act of 1978 (NGPA). ETP owns Oasis Pipeline, a Texas intrastate pipeline

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[12] 18 C.F.R. § 284.403(a) (2005) [hereinafter, Market Behavior Rule 2].

[13] *See, e.g., Crane Co. v. Westinghouse Air Brake Co.*, 419 F.2d 787 (2d Cir. 1969); *Internet Law Library, Inc. v. Southridge Capital Mgmt., LLC*, 223 F. Supp. 2d 474, 487 (S.D.N.Y. 2002) (*Internet Law Library*). A 2001 settlement with the Commodity Futures Trading Commission (CFTC) pertaining to manipulation of an electric power market is also instructive. *In re Avista Energy, Inc. and Michael T. Griswold,* CFTC Docket No. 01-21, 2001 CFTC LEXIS 107 (Aug. 21, 2001) (*Avista*).

that provides interruptible only transportation pursuant to section 311 of the NGPA.[14] Oasis Pipeline violated section 284.9(b) of the Commission's regulations and the provisions of its operating statement, which prohibit undue preferences and undue discrimination, as well as section 284.122(b) of the Commission's regulations, which prohibits intrastate pipelines from charging in excess of the maximum Commission-approved rate for NGPA section 311 transportation. First, Oasis Pipeline refused or discouraged requests for interstate transportation service from similarly-situated non-affiliated shippers, while at the same time it was providing this service to affiliated shippers. Second, Oasis Pipeline charged non-affiliated interstate shippers rates that exceeded the maximum Commission-approved rate of $0.1239 per MMBtu. Third, Oasis Pipeline unduly preferred its affiliate, ETC Marketing, by allowing it to ship interstate gas under a firm intrastate contract.

21. Oasis Pipeline had an economic incentive to discriminate against non-affiliates when the basis differential between Waha and Katy exceeded the maximum lawful rate for interstate transport of $0.1239 (plus fuel). If, for example, gas at Waha could be purchased for $6.00 per MMBtu and sold at Katy for $7.00 per MMBtu, a shipper could purchase interstate gas at Waha for shipment to Katy at the maximum transportation rate of $0.1239 (plus fuel) and pocket the amount above $0.1239. Oasis Pipeline used the three types of illegal practices described above to ensure that these profits stayed within the ETP corporate family, rather than losing them to non-affiliates. Oasis Pipeline's violations were continuous from January 26, 2004 through June 30, 2006. We propose to assess a civil penalty of $15,000,000 and disgorge $267,122 in unjust profits, plus interest.

22. Also, the owner of the Oasis Pipeline system, Oasis Pipeline Company Texas, L.P., violated section 284.123(e) of the Commission's regulations[15] when it failed to timely amend its Operating Statement to reflect a Capacity Lease and Commercial Operations Agreement that changed how it operated the pipeline. Oasis Pipeline's violation of the filing requirements has been continuous from January 26, 2004 to the present. We propose to assess a civil penalty of $500,000.

II. COMPANY BACKGROUND

A. ETP Has Substantial Physical Assets in Texas

23. ETP owns, among other entities, ETC, a midstream operating subsidiary. ETP is one of the largest master (*i.e.*, publicly-traded) limited partnerships in the United States by equity market capitalization. For the fiscal year ending August 31, 2006, ETP had

[14] 15 U.S.C. § 3371 (2000).

[15] 18 C.F.R. 284.123(e) (2006).

revenues of approximately $7,900,000,000, of which approximately 87 percent were from its natural gas operations (with the remainder from retail propane distribution).[16] ETP has a current market capitalization of roughly $8.6 billion.[17] ETP owns approximately 12,000 miles of natural gas pipeline systems that link supply areas in West Texas such as Waha with East and South Texas market centers such as Katy, HSC, and Carthage including: (1) the Houston Pipeline Company (HPL), an intrastate pipeline system, which serves the HSC market, and the associated Bammel Gas Storage Facility, one of the largest underground reservoir storage fields in North America with a total working gas capacity of 65 Bcf; (2) Oasis Pipeline, an intrastate natural gas pipeline that runs from the Waha Hub in West Texas to the Katy Hub in South Texas; and (3) the Energy Transfer Fuel, LP (ET Fuel) system, an intrastate pipeline system that extends from the Waha Hub in West Texas and traverses North, Central and East Texas.

B. ETP Optimizes its Physical Assets By Using Specific Trading Strategies

24. All of ETP's Texas pipelines are intrastate facilities that provide intrastate transportation service at market-based rates (normally a large percentage of the basis differential between the receipt and delivery points), rather than pursuant to a tariff on file with the Commission.[18] ETP optimizes assets such as ET Fuel and Oasis Pipeline by transporting third-party or ETP gas from West Texas supply areas to East/South Texas market centers such as Katy and HSC. It has limited ability to flow gas in the reverse direction from East/South Texas back to Waha. A wide price differential between Waha and East Texas increases the value of ETP's transportation and storage assets. In Autumn 2005, the price of gas at HSC was significantly higher than at Waha. ETP's asset optimization strategy for ET Fuel and Oasis also involves the use of financial contracts for both hedging and speculative purposes.

25. A financial contract that ETP traded in the period examined is the NYMEX Contract (or "look-alike" swaps traded on the Intercontinental Exchange, Inc. (ICE))[19]

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[16] Press Release, Energy Transfer Partners, L.P. Reports Record Year-To-Date Results, Dallas, Texas (November 14, 2006).

[17] http://money.cnn.com/quote/quote.html?symb=ETP.

[18] Oasis Pipeline and ETP Fuel also provide interstate transportation services pursuant to section 311 of the NGPA, 15 U.S.C. § 3371 (2000).

[19] The NYMEX Contract is not a purely financial instrument because it converts at expiration into an obligation to make or take delivery of physical gas. NYMEX "look-alikes" swaps traded on the Intercontinental Exchange, Inc. (ICE), by contrast, are purely financial instruments that operate much like the NYMEX Contract, but settle financially at the close and do not entail delivery.

and "basis swaps." A basis swap is a derivative instrument whose value is based on the difference between the settlement price of the NYMEX Contract for a given month and the index at a specified location for that same month.[20] The buyer pays the seller the settlement price of the NYMEX Contract for a given month, plus or minus a fixed amount (which is the expected, or forward, basis differential between Henry Hub and the index at a specified location, such as the IFERC HSC index). The seller pays the buyer the agreed upon index price and receives the NYMEX Contract settlement price, plus or minus the agreed-upon fixed amount. This fixed amount can be considered to be the price of the basis swap.

26. An illustration of ETP's practices in September 2005 provides useful context. ETP sold a large volume of HSC basis swaps for October at a weighted-average price of ($1.15). As a seller, ETP was required to pay the IFERC HSC index, which was $10.46, and received in return the NYMEX Contract settlement price (which was $13.91). Since the HSC October basis settled at ($3.45) (*i.e.* the difference of $13.91 and $10.46), ETP profited by the difference of the price it had paid and the HSC basis, which is $2.30 in this example. Thus, ETP stood to reap a substantial benefit from the widening of the basis that occurred on September 28, 2005. ETP's leading trader of gas at HSC, Timothy Small, was of course aware of its potential to benefit from falling HSC prices as the following deposition testimony illustrates:

STAFF: How would your book benefit that day regarding price movement at Ship Channel?

SMALL: The lower Ship is from the NYMEX settle, the more money the basis position would make.

STAFF: Would your sales of fixed-price gas at Ship Channel tend to widen the Ship Channel basis out?

SMALL: At the market where it was trading, yes.

STAFF: Would---by widening it out, would your financial positions with respect to being short Ship Channel benefit?

SMALL: Yes.[21]

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[20] *See generally*, Fletcher J. Sturm, *Trading Natural Gas: A Nontechnical Guide* 55-67 (1997).

[21] Deposition of Timothy Small, 63:3-15 (April 25, 2006) (Small Dep. 63:3-15); ICE Response to Subpoena Request No. 1 (Oct. 27, 2005) (Oct. 27 Subpoena).

27. A common strategy for hedging locational risk, *i.e.,* risk due to changes in prices between two points, is to sell basis swaps at the location where the physical gas will be sold, *e.g.,* HSC, and to purchase an equal volume of basis swaps at the location where the physical gas is purchased, *e.g.,* Waha. This strategy allows a trader to lock in a differential between two points, regardless of the relative prices movements between these points. Any profit or loss on the physical transactions will be offset by an equal and opposite profit or loss on the basis swap contracts. If the actual basis differential turns out to be narrower than the forward basis differential between the two points, *e.g.*, if the difference between the IFERC HSC index and the IFERC Waha index narrows, the reduction in the trader's profit margin on the physical sales will be exactly offset by the gain on the basis swap contract. By suppressing the IFERC HSC index, ETP reduced its profits on physical sales of gas on the referenced dates but more than compensated for these foregone profits because the lower HSC prices increased the value of its basis swaps and it lessened the cost of its IFERC HSC index purchases.

28. ETP's trading strategy was enabled by its ability to influence the IFERC HSC index due to its role as the dominant seller at HSC in this period. For example, in 2005, according to ICE and Platts data, ETP was responsible for over 95 percent of the fixed-price sales at HSC on ICE for October 2005 and December 2005 delivery.[22] The weighted-average of ETP's fixed-price sales on ICE was very close to the IFERC HSC index,[23] as would be expected given that ETP's sales essentially set this index.

29. ETP's ability to influence the IFERC HSC index was important not only because ETP could thereby profit consistently from its short HSC basis swap positions. Suppressing the price of fixed price gas at HSC, and thus the IFERC HSC index, meant that ETP could also profit from its position as a net buyer of physical gas priced at the IFERC HSC index. Industry contracts for the physical sale or purchase of gas at wholesale often have a price term that references the IFERC index price. This practice has gained commercial currency because the IFERC index provides an objective price reference for arms-length transactions that may be reflective of market values.[24] Accordingly, a producer and a market participant, such as a trader, might agree by contract that the producer will sell a certain volume of gas at a certain location, for delivery throughout the relevant month, based on the price for a specified location

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[22] ICE Response to Oct. 27 Subpoena Request No. 1.

[23] On September 28, the weighted-average price of ETC's fixed-price sales at HSC was $10.49, and the IFERC HSC index settled at $10.46. On November 28, the weighted-average price of transactions on ICE was $7.82, and the IFERC HSC index settled at $7.88.

[24] *See generally, Policy Statement on Natural Gas and Electric Price Indices*, 104 FERC ¶ 61,121 (2003), *clarification granted*, 105 FERC ¶ 61,282 (2003).

published in *Inside FERC.* Market participants price physical deals on the IFERC index in part because it is understood that neither contracting party can manipulate the HSC IFERC index price on which their contract is based.

30. For the months in which ETP manipulated the market at HSC, ETP sold HSC basis swaps in amounts more than three times as large as the volume of fixed price gas it sold at HSC. Accordingly, one third, on average, of the volume of HSC basis swaps that ETP sold were necessary to lock in the differential between Waha and HSC, while the remainder of its short position was a "speculative" bet on the direction of the HSC basis, *i.e.,* difference between the IFERC HSC index and the NYMEX Contract settlement price. This bet was not really speculative, however, because ETP was able to determine the outcome of the Platts IFERC HSC index and thus skew the value of its short HSC financial position in its favor. ETP's net short position enabled ETP to reap the unjust profits of any widening of the HSC basis, without any offsetting losses from its physical transactions.

31. The direction in which the manipulative conduct moves the price is immaterial to its legality. Courts routinely find that a downward manipulation violates section 10(b) of the Exchange Act and SEC Rule 10b-5.[25] In such cases, the conduct is manipulative because it "creat[es] a false impression of supply and demand . . . "[26] Courts have emphasized that defendants' "[f]ailure to disclose that market prices are being artificially depressed operates as a deceit on the market place and is an omission of a material fact."[27] Similarly, courts and the CFTC have condemned downward manipulations under the Commodity Exchange Act.[28] The downward manipulation that occurred in *Avista* is

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[25] *See, e.g.*, *Internet Law Library, Inc.*, 223 F. Supp. 2d 474; *Compudyne Corp. v. Shane*, 453 F. Supp. 2d 807 (S.D.N.Y. 2006); *HealthExtras, Inc. v. SG Cowen Secs. Corp.*, 02 Civ. 9613, 2004 U.S. Dist. LEXIS 698 (S.D.N.Y. Jan. 20, 2004), *United States v. Regan*, 937 F.2d 823 (2d Cir. 1991); *Nanopierce Techs. v. Southridge Capital Mgmt., LLC*, 02 Civ. 0767, 2002 U.S. Dist. LEXIS 24,049 (S.D.N.Y. Oct. 10, 2002) (*Nanopierce*); *SEC v. Parnes,* 01 Civ. 0763, 2001 U.S. Dist. LEXIS 21722 (S.D.N.Y. Dec. 26, 2001).

[26] *Nanopierce*, 2002 U.S. Dist. LEXIS 24,049 at * 30.

[27] *See, e.g., United States v. Charnay*, 537 F.2d 341, 351 (9th Cir. 1976).

[28] *See, e.g.*, *Strobl v. New York Mercantile Exch.*, 582 F. Supp. 770 (S.D.N.Y. 1984), *aff'd*, 768 F.2d 22 (2d Cir. 1984) (condemning under the Sherman Act and the Commodity Exchange Act a conspiracy by potato processors to artificially reduce the price of potato futures contracts); *Avista*, 2001 CFTC LEXIS 107. *See also In re Anthony J. Diplacido*, Comm. Fut. L. Rep. (CCH) ¶ 29,866 (Sept. 14, 2004); *In re Taylor*, Comm. Fut. L. Rep. (CCH) ¶ 29,594 (Sept. 30, 2003).

of particular relevance to the instant case. There, the CFTC found that Avista Energy engaged in a manipulative scheme to drive down the settlement price of NYMEX electricity futures contracts to increase the value of its positions in over-the-counter (OTC) derivative contracts.[29] The academic literature takes a similar view; making no distinction between the harms resulting from upward or downward manipulations. These harms may include: deadweight losses due to distortions in consumption, production, storage, and transportation, as well as a reduction in hedging effectiveness, and a decline in market liquidity.[30]

III. LEGAL AUTHORITY

A. The Commission has Jurisdiction Over ETP's Relevant Sales

32. The Commission has NGA jurisdiction over all sales of domestic natural gas for resale in interstate commerce by intrastate pipelines and their affiliates, other than sales from those pipelines' own production. Such sales are not "first sales" as defined by section 2(21)(A) of the NGPA[31] and thus were not exempted from the Commission's jurisdiction pursuant to the Natural Gas Wellhead Decontrol Act of 1989.[32]

33. The Commission has granted any person who is not an interstate pipeline a "blanket certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act authorizing the certificate holder to make sales for resale at negotiated rates in interstate commerce of any category of gas that is subject to the Commission's Natural Gas Act jurisdiction."[33] ETP sold gas pursuant to this blanket certificate, which essentially authorizes intrastate pipelines and their affiliates, such as ETP, to make sales of gas subject to the Commission's jurisdiction. ETP's fixed price sales from December 2003 through November 2005 were made for resale in interstate commerce. For example, ETP made sales to interstate marketers and buyers, including Cinergy Marketing & Trading LP; ConocoPhillips Company; Duke Energy Field Services Marketing LP; ONEOK Energy Services Company L.P.; Coral Energy Resources L.P.;

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[29] *Avista*, 2001 CFTC LEXIS at *5-6.

[30] Stephen Craig Pirrong, *Manipulation of Cash-Settled Futures Contracts*, 74 J. BUS. 221 (2001).

[31] 15 U.S.C. § 3301(21) (2000).

[32] *See* Order No. 644, *Amendments to Blanket Sales Certificates*, FERC Stats. & Regs., Regulations Preambles ¶ 31,153, at P 14-15 (2003); *Reporting of Natural Gas Sales to the California Market*, 95 FERC ¶ 61,262, at 61,929 (2001).

[33] 18 C.F.R. § 284.402(a) (2005).

and others.[34] ETP also has an off-system strategy to market gas out-of-state that results in sales to out-of-state customers.[35]

B. Market Behavior Rule 2

34. Market Behavior Rule 2 proscribed ETP's manipulations at HSC and Waha.[36] Market Behavior Rule 2 stated in pertinent part as follows:

> Any person making natural gas sales for resale in interstate commerce pursuant to § 284.402 is prohibited from engaging in actions or transactions that are without a legitimate business purpose and that are intended to or foreseeably could manipulate market prices, market conditions, or market rules for natural gas.[[37]]

35. ETP violated Market Behavior Rule 2. ETP made sales in interstate commerce pursuant to section 284.402 (*i.e.*, its blanket certificate authority). ETP engaged in actions or transactions that were without a legitimate business purpose because there is no legitimate reason to suppress price in a market to benefit other positions. ETP's actions were intended to, or at a minimum foreseeably could have, manipulated prices because they were repeated and resulted in large unjust profits to ETP's other positions,

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[34] ICE Response to Oct. 27 Subpoena Request No. 1.

[35] Deposition of Douglas Ray, 69:5-74:19 (April 18, 2006) (discussing Exhibit 2) (Ray Dep. 69:5-74:19); ICE Response to Oct. 27 Subpoena Request No. 1.

[36] The conduct of ETC at issue occurred before January 26, 2006, the effective date of new anti-manipulation regulations approved in Order No. 670, *Prohibition of Energy Market Manipulation*, III FERC Stats. & Regs., Regulation Preambles ¶ 31,202 (2006). In Order No. 670, the Commission amended its regulations to implement Section 4A of the Natural Gas Act and Section 22 of the Federal Power Act, that had recently been enacted as part of the Energy Policy Act of 2005 (EPAct 2005), prohibiting the employment of manipulative or deceptive devices or contrivances. The amended regulations became effective January 26, 2006 and appear at Part 1c of the Commission's regulations, 18 C.F.R. Part 1c (2006). Prior to this date, and at all times relevant to ETP's manipulations discussed in this order, Market Behavior Rule 2 was in effect. While Market behavior Rule 2 was enacted before EPAct 2005, all violations of Market Behavior Rule 2 that occurred after the August 8, 2005 enactment date of EPAct 2005 are subject to the maximum civil penalty provisions of section 314 of EPAct 2005, which are $1,000,000 per day per violation.

[37] 18 C.F.R. § 284.403(a) (2005).

and because the senior executive in charge of trading authorized the manipulation in September 2005. ETP manipulated prices by using its market power, and trading in such a way, as to artificially suppress prices for prompt month gas at HSC and daily gas at Waha on the noted dates that resulted in prices other than would have resulted if the forces of supply and demand had prevailed absent ETP's conduct at issue.

C. The Commission's Civil Penalty Authority

36. The Energy Policy Act of 2005 (EPAct 2005) amended the NGA to provide that any person who violates the NGA, "or any rule, regulation, restriction, condition or order made or imposed by the Commission thereunder, shall be subject to a civil penalty of not more than $1,000,000 per day per violation for as long as the violation continues."[38] Market Behavior Rule 2 was a regulation issued under the NGA. Accordingly, violations of Market Behavior Rule 2 that occurred on or after the August 8, 2005 enactment date of EPAct 2005 are subject to this civil penalty authority.

37. EPAct 2005 also amended the NGPA to increase the maximum civil penalty to $1,000,000 for any one violation, with each day constituting a separate violation in the case of a continuing violation.[39] Violations of Commission requirements under authority of the NGPA that occurred before the enactment date of EPAct 2005 are subject to a civil penalty in the amount of $5,500 per violation and violations that occurred on or after the enactment date of EPAct 2005 are subject to a civil penalty of $1,000,000 per violation.

IV. DISCUSSION

38. ETP committed three types of violations: (1) monthly manipulations at HSC; (2) daily manipulations at Waha; and (3) different types of transportation related violations by its Oasis Pipeline. These violations are discussed in turn.

A. ETP Manipulated the Price of Fixed-Price Natural Gas at HSC on Nine Occasions from December 2003 through November 2005

39. Chart 1 demonstrates the breadth and detail of ETP's manipulations of fixed price gas at HSC for prompt month delivery. This table also sets forth the unjust profits ETP derived from its manipulation based on a portfolio perspective. To calculate unjust profits, the Commission sums the short basis swap positions and the net IFERC HSC physical purchases and multiples this sum by ETP's effect on the market. This amount is

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[38] 15 U.S.C. § 717t-1, *added by* EPAct 2005, Pub. L. No. 109-58, § 314(b)(1)(B), 119 Stat. 594, 691 (2005).

[39] 15 U.S.C. § 3414 (2000), *amended by* EPAct 2005, §§ 314(a)(2) and 314(b)(2), 119 Stat. 594, 690-91 (2005).

then netted for ETP's fixed price sales at HSC.

Chart 1

Month	Physical Gas @ IFHSC (MMBtu)	Financial Basis Position HSC (MMBtu)	Effect on HSC Basis	ICE %	Comparison to Texas Points	Gross Unjust Profits	Net Unjust Profits
Jan 04	(3,937,542)	(10,462,500)	($0.14)	100%	($0.19)	$913,494	$618,374
Oct 04	3,255,057	(29,527,500)	($0.05)	91%	($0.37)	$1,639,128	$1,207,003
Dec 04	7,017,860	(14,074,000)	($0.10)	88%	($0.81)	$2,109,186	$1,132,886
Jan 05	21,617,611	(4,805,000)	($0.07)	100%	($0.03)	$1,849,583	$1,636,783
Feb 05	27,533,997	(19,457,428)	($0.05)	55%	($0.10)	$2,349,571	$2,062,386
Jul 05	9,510,831	(22,610,848)	($0.06)	81%	($0.03)	$1,766,692	$1,039,086
Sep 05	5,081,797	(7,241,520)	($0.46)	100%	($0.49)	$5,668,726	$3,894,368
Oct 05	12,881,684	(23,835,153)	($1.55)	97%	($2.07)	$56,911,097	$40,286,727
Dec 05	16,382,361	(45,181,360)	($0.30)	96%	($0.37)	$18,469,116	$15,760,802
Total	99,343,656	(177,195,309)				$91,676,594	$67,638,416

40. A brief explanation of the column headings in Chart 1 will be helpful.

- The first column on Chart 1 sets forth the month for delivery of gas at HSC that ETP manipulated.
- The second column sets forth ETP's net physical position priced at IFERC HSC.
- The third column sets forth ETP's net financial basis position priced at IFERC HSC.
- The fourth column sets forth the effect ETP's manipulative trading had on HSC basis.
- The fifth column sets forth ETP's sales of prompt month gas at HSC on ICE as a percentage of all such sales.

- The sixth column sets forth the difference in dollars between prices for prompt month gas at HSC and a weighted average of prices at a basket of other South and East Texas points as compared to the historical price difference among these points prior to ETP's market manipulations.

- The final columns set forth gross and net unjust profits ETP derived from its trading activity.

41. Before embarking on the discussion of ETP's trading, it is important to emphasize that the Commission does not consider high volume trading during a short period of time alone to be illegal or manipulative. Nor is it illegal, *per se,* to possess a large share of trading activity or to engage in speculation. However, where a firm uses some combination of market power and trading activity, against its economic interest in one market, in order to benefit its position in another market by artificially moving the market price, the firm likely crosses the line into the realm of manipulation. Our preliminary conclusion here is based on all of the facts and circumstances of the case, including, as discussed more fully below, the fact that ETP traded in a manner that had the effect of driving down the IFERC HSC index price; ETP's long physical position tied to the IFERC HSC index price and short HSC basis swap position, both of which benefited from a lower IFERC HSC index price; and ETP's manifested intent to manipulate. The Commission also considered ETP's repeated pattern, going back to December 2003, of suppressing the price of fixed price gas at HSC and positioning itself to benefit from a lower IFERC HSC index price.

42. The Commission now sets forth the specific activities ETP undertook to manipulate the price of fixed price gas at HSC for prompt month delivery. These activities show that ETP traded with the purpose and effect to manipulate physical gas prices at HSC.

1. October 2005

a. ETP Manipulated Fixed Price Gas at HSC to Benefit Other Physical and Financial Positions.

43. We begin with ETP's September 28, 2005 manipulation of October 2005 gas at HSC because it was the initial focus of staff's investigation and because it was the largest of ETP's manipulations of monthly gas at HSC. ETP's sales activity on this date suppressed the IFERC HSC index and thereby widened the HSC basis. The price of gas traded on ICE for prompt-month delivery at HSC dropped a total of $1.55 on that date as estimated based on a financial basis trade at ($1.90), when the NYMEX Contract price was $13.85, that occurred less than one minute prior to ETP's first, fixed price transaction at $10.25. ETP began selling fixed price gas on ICE at $10.25 per MMBtu, which was $1.70 below a trade that occurred just one minute before. ETP manipulated

the market by hitting a low bid that did not reflect market value and continued to sell gas in that range for the remainder of the day. This radical leap down to $10.25 shows that ETP intended to suppress price at HSC that day.

44. A review of the chronology of relevant trades on September 28, 2005 demonstrates how ETP manipulated fixed price gas at HSC for prompt month delivery, and thereby manipulated the HSC IFERC index. Between 2:11 p.m. and 5:32 p.m. (EST) on September 28, ETP engaged in 34 sales transactions on ICE for 288,900 MMBtu/d, or 8.96 Bcf, fixed-price gas at HSC for October delivery.[40] At 1:23 p.m., ETP sold fixed-price gas through a broker at $10.72. ETP, by hitting a bid at $10.72, potentially signaled that it would be a heavy seller as the value imputed from a basis trade, also through the broker market, roughly twenty minutes earlier had been $11.15.

45. Although there was weakening in value of HSC basis in the broker market with a trade at an implied price of $10.50 at 1:31 p.m., the market recovered such that at 2:10 p.m. and 2:11 p.m., financial basis traded on ICE at ($1.90) and ($2.00),[41] respectively, implying HSC pricing of $11.95 and $11.90. By implied price we simply mean a proxy for the value of fixed price gas that is the NYMEX Contract price (or the ICE swap) minus the HSC basis swap price. Because the then-current price of the NYMEX Contract was $13.85, an HSC-NYMEX basis trade of $1.90 at 2:10 p.m. indicated that the current value of gas at HSC was $11.95, *i.e,* $13.85 less $1.90 equals $11.95. Implying the value of gas at HSC from the prices of the NYMEX Contract and the basis swap contract is a valid and accurate means to determine actual, real value at HSC. As one accomplished trader has noted:

> Given the current futures price for a particular month at a point in time, and by adjusting that price by the current basis differential for a location which has a corresponding index published for it, the fixed price value of gas at that location can be determined for that particular month at that point in time.[[42]]

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[40] ETP Response to Request No. 1.

[41] ETP traders watched basis closely at HSC. In a conversation on September 15, 2005, two ETC traders (Bob Bourne and Luke Fletcher) discuss HSC basis fundamentals. Bourne, after some explanation from Fletcher, asks "oh well, then it'll get back to the, to the numbers we need, right?" Fletcher WAV7CE (Sept. 15, 2005).

[42] Sturm, *Trading Natural Gas, supra* note 21, at 57. The methodology that Platts uses to determine index prices published in its IFERC Index is based on the same understanding. Platts states that when points are illiquid, it will "make an assessment if adequate alternative market information is available on which to base an assessment[,]" which includes "implied physical values derived from financial swaps." Platts Methodology and Specifications Guide North American Natural Gas Latest Update:

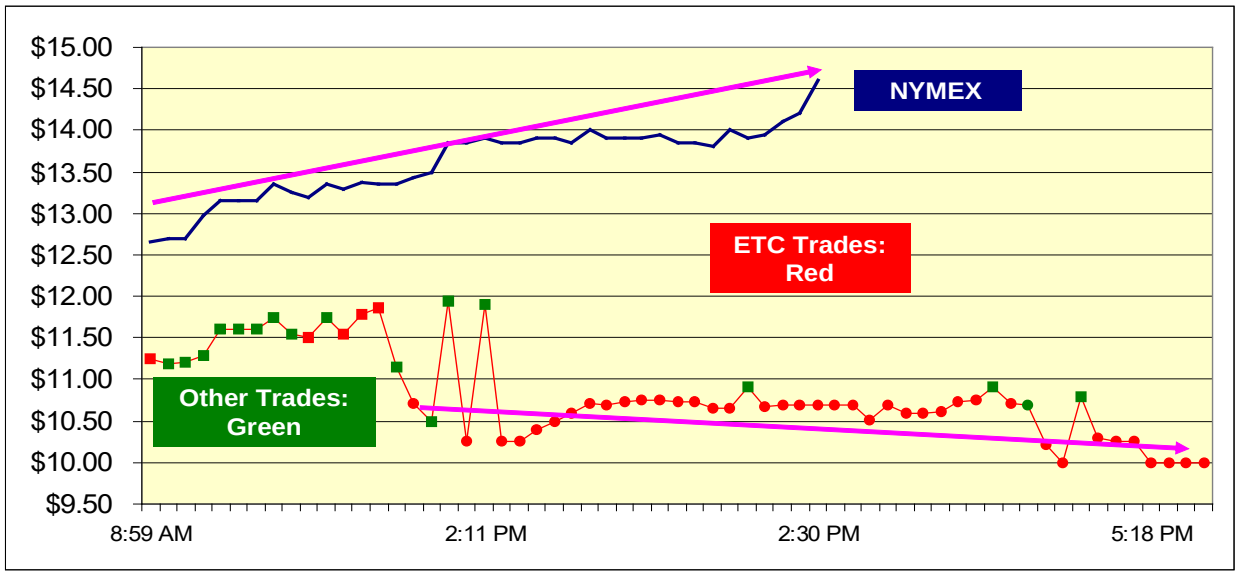
In other words, the fixed price value of gas at a location can be determined from the basis differential, *i.e.*, a basis trade, the current futures price, in this case, at Henry Hub. This approach is a recognized and appropriate way to determine the value of gas at HSC immediately prior to ETP's trading that began at 2:11 p.m.

46. ETP's trading did not instantly cause prices to decline, resulting in a classic downward sloping price curve, but its manipulation was no less effective. ETP began at 2:09 p.m. with an offer to sell at $11.00 and at 2:10 p.m. offered to sell at $10.75. A minute later, a bid was made on ICE at the extraordinarily low price of $10.25, and ETP hit this bid. The $10.25 bid did not reflect market value because of the basis trades that valued gas at HSC one minute before at $11.95. ETP's hitting of the $10.25 bid thus is a significant step it took to suppress price. At $10.25, significant buyer demand emerged and the price rose to $10.75, falling to $10.70 at 2:32 p.m. During this time, the NYMEX Contract traded at $13.80 at 2:00 p.m. and rose to $14.60 at 2:30 p.m. While gas fell at HSC from a value of $11.95 at HSC to $10.70, the NYMEX Contract rose by $0.80. ETP continued to suppress price, and in a number of transactions executed after the NYMEX closed at 2:30 p.m., ETP sold the market down to $10.00. During the time that ETP manipulated the market, bids to buy were posted at prices even lower than the prices at which ETP was transacting. These bids merely show that traders will test the market and seek the lowest possible price, even when that price is already below the price that would exist if the forces of supply and demand prevailed.

47. Chart 2 summarizes prompt month gas trading at HSC and Henry Hub on September 28, 2005 and helps demonstrate why price fell dramatically at HSC. Chart 2 is a graph of NYMEX versus either fixed price or in the case of basis trades, implied price (NYMEX Contract price minus the basis swap price) for September 28, 2005. The data is sourced from ICE, Bloomberg and broker calls. ETP's fixed price sales (circles are fixed price while squares are prices calculated from basis trades) represent a distinct change in valuation for HSC, decoupling from the increasing NYMEX and moving downward in value.

February 2007, http://www.platts.com/Natural%20Gas/Resources/Methodology%20&%20Specifications/na_gas_methodology.pdf?S=n.

Chart 2
ETC CAUSED HSC VALUATIONS ON SEPT. 28 TO DECOUPLE FROM NYMEX



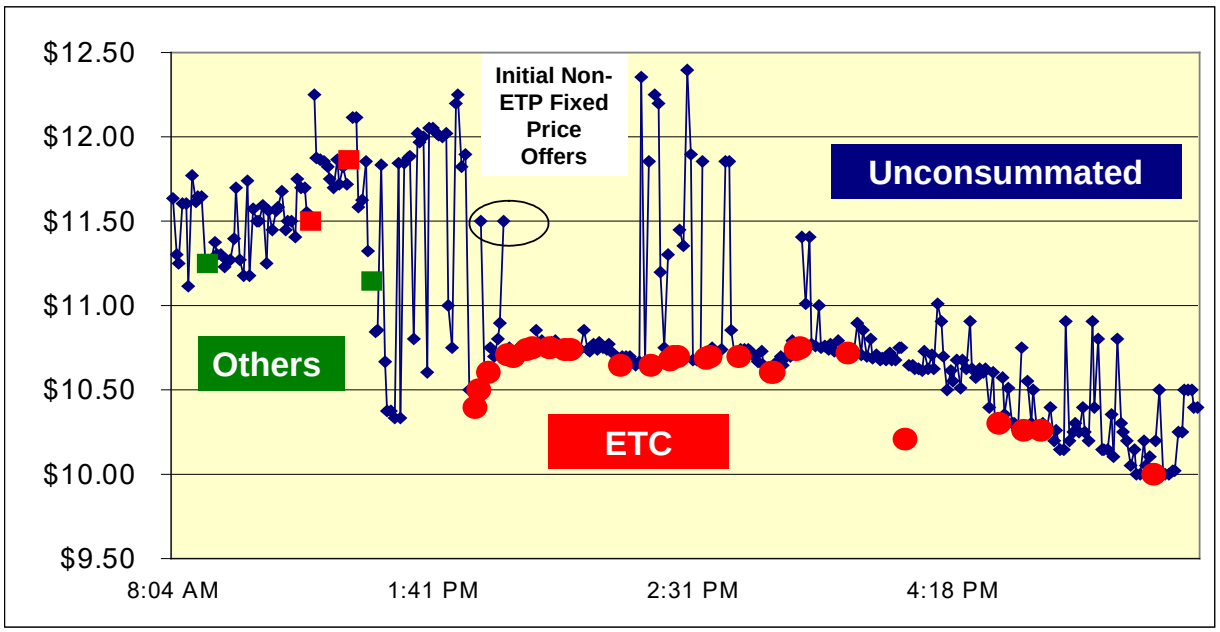
48. Chart 2 shows that gas valuations rose at HSC in tandem with the NYMEX Contract until ETP began selling fixed price gas. ETP's sales caused the price of gas at HSC to decouple from that of the NYMEX Contract. When ETP began selling fixed price gas at HSC, the HSC basis, as traded on ICE, was still relatively stable at ($1.90), implying HSC prices of almost $12.00, keeping pace with NYMEX Contract which had increased to $13.80. Once ETP began selling fixed price gas, however, the basis widened, *i.e.*, the difference in price between the NYMEX Contract and HSC increased. ETP's trading was the cause of this widening.

49. Other market participants were trying to sell fixed-price gas for prompt month delivery at HSC that afternoon at prices above the bids that ETP was hitting but they were unsuccessful. For example, one seller made offers of $11.50 at 2:14 p.m. and 2:16 p.m. These prices were similar to where the market would have been trading absent ETP's conduct, and consistent with the valuation of HSC gas implied by the HSC basis swap trades that occurred at 2:10 p.m. and 2:11 p.m.[43] However, with ETP offering gas at lower prices, these higher offers were, of course, not accepted. Chart 3 provides a more detailed picture of trading activity at HSC on ICE on September 28, 2005, showing all financial and physical offers, both consummated (squares are financial and circles are fixed price) and unconsummated. Chart 3 shows that ETP entered the fixed price market by posting an offer of $11.00, which was well below previous offers or trades, and then hit an even lower bid at $10.25. ETP's trading activity "framed" the market in a price

[43] ICE Response to Oct. 27 Subpoena Request Nos. 1 and 2; ETP Response to Request No. 20.

range much lower than that prevailing earlier in the day, based on where the NYMEX Contract and HSC basis swaps had traded. ETP then traded in a manner to prevent prices for fixed price gas at HSC from running up along with the NYMEX and with other nearby South Texas Points.

Chart 3



50. One reason for ETP's dominance is that it was selling at such low levels that few if any other market participants would sell in that market. Even ETP's own affiliate, Houston Pipe Line Company (HPL), refused a suggestion that it sell in this market. In a conversation at 3:58 p.m. on September 28, 2005, John Hymel, a trader at HPL, was asked by a trader identified only as "Louis" to sell 3,000 MMBtu at Bammel, a large HPL storage facility near Houston. Hymel refused to sell, stating that the price was low. Hymel stated, "Those numbers that I'm looking at there . . . I wouldn't even touch that or index. You know? That's nuts." Upon being pressed by Louis, Hymel says he would sell gas at the Gas Daily (not the fixed price for monthly gas) plus five cents. Louis persists: "You don't want to do a fixed price?" Hymel answers that he does not.[44] This conversation shows that even an affiliate of ETP recognized that the HSC monthly price was "nuts," *i.e.*, artificially low.

b. ETP Intended to Manipulate HSC Prices

51. Senior management at ETP was aware of and directed ETP's manipulative

[44] Audio digital recording/Wav file of John Hymel WAV218 (Sept. 28, 2005) (Hymel WAV218 (Sept. 28, 2005)).

strategy to suppress fixed price gas at HSC. On September 26, 2005, McCrea, ETP's senior executive responsible for commercial operations,[45] instructed at least one ETP trader that:

> [A]s long as we sell as much as we can sell, it ought to push ship down . . . . You know, it'd be nice to have Ship kind of spread back out from, uh, both for this month or October, and also for our summer/winter business.[46]

Douglas Ray, an HPL trader on the telephone conversation, responded, "Exactly."[47]

52. In this conversation, McCrea stated that if ETP sold as much as it could sell, it would reduce price at HSC, *i.e.,* "push Ship down." By stating that "it'll be nice to have Ship kind of spread back from . . . October," McCrea explicitly stated that he wanted HSC prices to be lower for October. "[S]pread back out from" is a reference to the price at HSC widening from the NYMEX Contract price. McCrea's reference to "summer/winter business" suggests that ETP intended to purchase some of the gas at a suppressed price, inject it into storage and withdraw it during the winter. This conversation indicates that McCrea intended ETP to trade to lower prices at HSC and thereby widen the HSC basis for October. At deposition, staff gave McCrea the opportunity to explain his conversation. McCrea was at a loss to explain his words. He simply testified that "I don't know why that statement was made, and I thought about it."[48] By trading to "push Ship down," ETP could execute its win-win, risk-free trading strategy to forego profits in its sales of fixed price gas at HSC on September 28, 2005, to gain outsized profits on its other physical and financial positions.

53. In addition, McCrea told Ray in the same conversation that "it probably makes a lot of sense to come out hard today for tomorrow" because of "where Hub's . . . trading sits, where HPL sits, where storage sits." Ray did indeed sell daily, fixed price gas at HSC on the Monday morning of September 26, 2005 for the next day at prices $2.50 less than market levels prior to the weekend.[49] This comment and the subsequent activity

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[45] McCrea's title, as of February 2006 was President of La Grange Acquisition, LP, the midstream and natural gas transportation and storage operating partnership of Energy Transfer Partners, L.P. and its subsidiaries. Affidavit of Marshall McCrea, 1 (Feb. 28, 2006) (McCrea Aff. 1).

[46] Small WAV557 (Sept. 26, 2005).

[47] *Id.*

[48] Deposition of Marshall McCrea, 142:6-8 (May 1, 2006) (McCrea Dep. 142:6-8).

[49] ETP Response to Data Request No. 62 (as revised on Dec. 27, 2006).

shows that McCrea knew that selling at HSC would benefit a range of ETP's positions and that his instructions were followed.

54. ETP's trading desks in San Antonio, Houston, and Dallas coordinated their activities to assure that losses one desk took to help execute manipulations would be compensated by profits realized by another desk. In a conversation on September 26, 2005, prior to ETP's manipulation of HSC on September 28, 2005, Ray speaks as follows to Small, [50] another ETP trader:

> [L]et me toss something out I know Mackie's [McCrea] gonna probably want to get involved in this, but as far as how we're going to split this up … just say split it in thirds. You take a third, he'll take a third, and we'll take a third, how does that sound to you?[[51]]

In deposition testimony, Small stated that this conversation concerned the appropriate way to split profit and loss between the Houston and San Antonio trading desks regardless of how successful each desk was individually. [52] Other recordings reviewed by staff evince a pattern of coordination and profit-sharing between the various trading desks. [53] These recordings make clear that the traders at ETP's various business units (*i.e.*, traders for HPL, ET Fuel, Oasis Pipeline, ETC Marketing) acted in concert and considered the benefit to the ETP corporate

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[50] Ray was responsible for the Houston/Dallas trading desk, which managed the operations of ET Fuel and HPL. Small was responsible for the San Antonio desk, and was responsible for the Oasis Pipeline, the vast majority of purchases at Waha and sales at HSC, as well as financial products for both speculation and hedging, including NYMEX Contracts and basis swaps.

[51] Small, WAV557 (Sept. 26, 2005).

[52] Small Dep. 111:5-112:1.

[53] In the following portion of a conversation between McCrea and Small that took place on November 28, 2005, McCrea advised Small on how to divide the profits from a transaction involving another ETP business unit:

> Hey after I got off, I wanted to come over. I, I was going to deal with you on the phone but I thought maybe. Uh, let me ask you something from a, kind of uh, from a political standpoint. It'd probably be helpful to the company if you could sell him gas back cheaper. And when you're looking, if if [sic] it's not hurting what you're trying to . . . .

Small WAV10E4 (Nov. 28, 2005).

family as a whole, rather than the benefit to their individual trading books considered in isolation. Thus, most or all the ETP traders would have been aware of ETP's net positions.

c. ETP Had Power to Suppress Price At HSC

55. ETP had a dominant position in the market at HSC. ETP owns three of the major pipelines in the HSC/Katy market area (HPL, Oasis Pipeline, ET Fuel) and the major storage facility (Bammel) in the area. ETP has captive producers who ship on its multiple gathering systems in South and East Texas, and it is responsible for bringing local production to the HSC/Katy market area on HPL and from West Texas/Waha production areas through Oasis, and from North Texas on ET Fuel.

56. ETP knew that by virtue of its position as the dominant seller, which was enabled by its control of substantial physical assets and contracts with captive producers, that it could move prices at HSC and nearby points. McCrea acknowledged in sworn testimony that ETP "move[d] enough volume" to affect prices at HSC.[54] Moreover, Small stated during his deposition that ETP has the ability to exert significant influence on prices at nearby points such as Katy and, by reversing the direction of flow on its Oasis Pipeline, it can reverse the basis differential between Waha and Katy.[55]

57. ETP's dominance of the market for monthly sales at HSC of ICE gave ETP the ability to suppress price. ETP comprised 34 out of 35 sales of monthly gas at HSC on ICE on September 28, 2005.[56] ETP's market power is shown by its power to effectively determine the market price at HSC on September 28, 2005. The volume-weighted average of ETP's fixed price sales at HSC on September 28 was $10.49,[57] while the IFERC HSC index settled at $10.46.

d. The HSC Price Radically Decoupled From Nearby Prices As a Result of ETP's Trading

58. Prompt month prices at HSC have a long historical relationship with prices at nearby pricing points in South and East Texas. As Chart 4 shows, this relationship was broken by trading on September 28, 2005 for October deliveries of gas at HSC.

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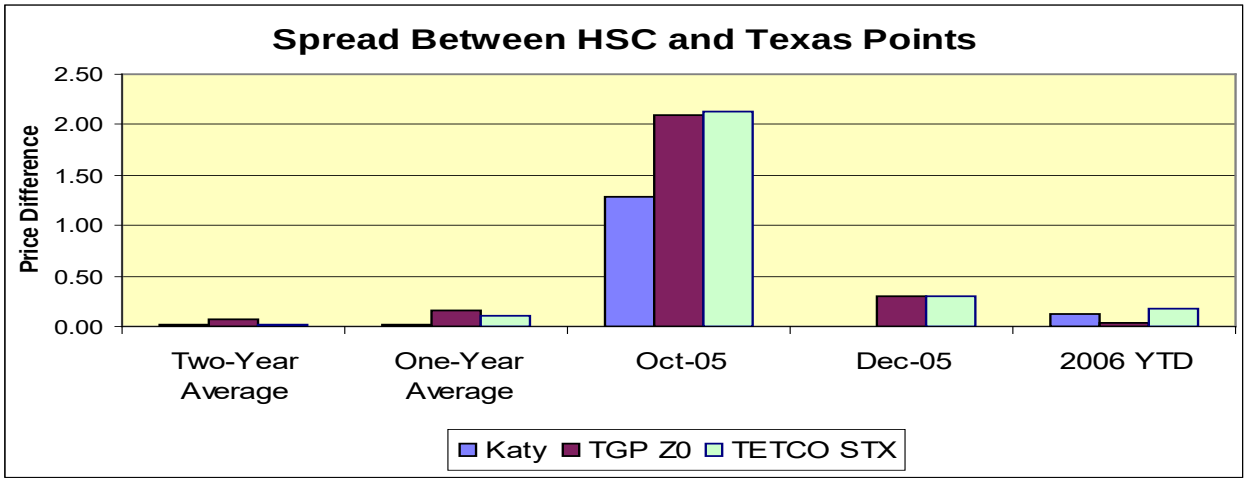
[54] McCrea Dep. 188:14-16.

[55] Small Dep. 118:3-22.

[56] ICE Response to Oct. 27 Subpoena Request No. 1.

[57] ETP's Response to Request No. 1.

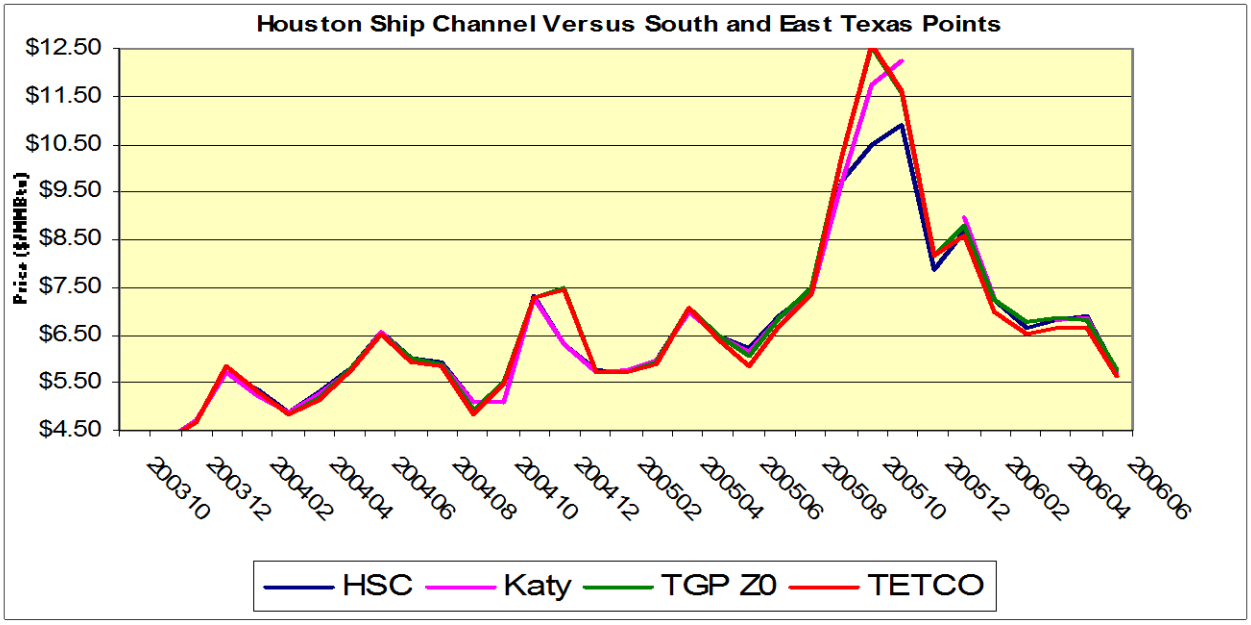
Chart 4



Source: Platts

59. Chart 5 provides a monthly perspective on the decoupling of price at HSC in October 2005 relative to the same comparable pricing points.

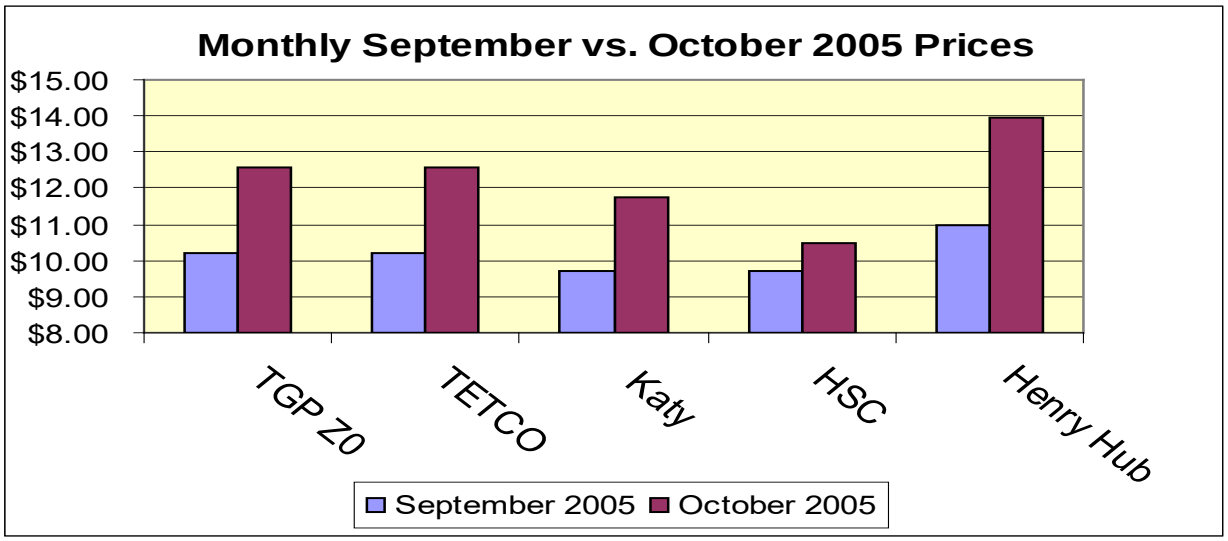
Chart 5



Source: Platts

60. Chart 6 shows that while Houston Ship Channel traded reasonably close to other South Texas points in September, it radically decoupled from these points in October.

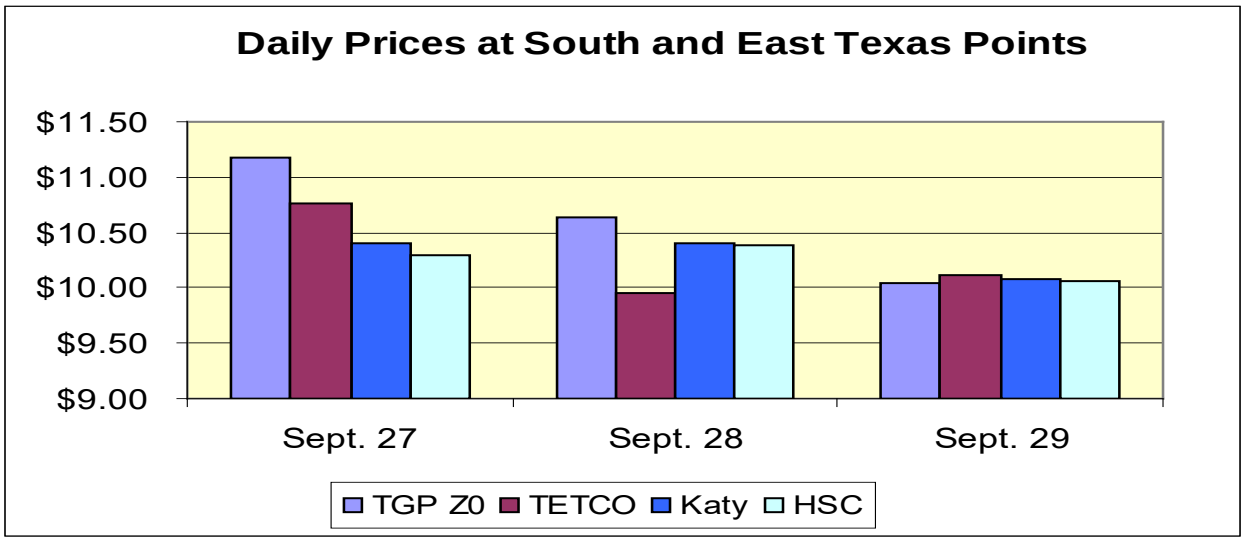
Chart 6



Source: Platts

61. Chart 7 shows that the divergence in prices observed in the monthly markets was not observed in the daily markets, where prices between the four referenced points converged. If fundamental factors had caused monthly prices to separate at HSC from other nearby points, the separation should also have been experienced in the daily markets.

Chart 7

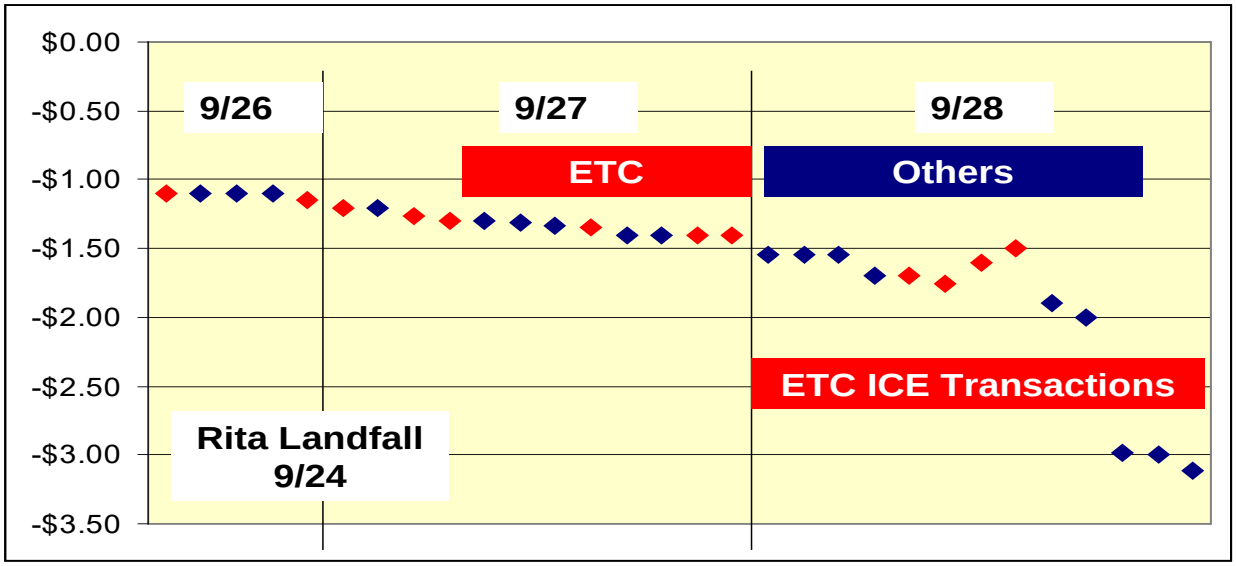


Source: GasDaily

62. ETP suppressed prices at HSC on September 28, 2005. Although Hurricane Rita made landfall at Port Arthur and Beaumont near the Texas-Louisiana border on September 24, 2005, the hurricane did not cause the low prices at HSC relative to nearby south Texas points. Had the hurricane been responsible for the price drop observed

starting at 2:10 p.m. on September 28, 2005 at HSC, prices at nearby south Texas points would also have been affected. Basis swaps at Tennessee Zone 0 traded up with the NYMEX Contract on September 28 before ETP began trading fixed price gas at HSC on that date. Although no October fixed price gas traded at HSC until September 28, on September 26 and September 27 after Hurricane Rita, HSC basis did trade and was relatively flat. The extreme volatility in basis did not occur until ETP sold fixed price the afternoon of September 28. As fixed price was not trading at HSC immediately after Hurricane Rita, the basis trades serve as a proxy in Chart 8.

Chart 8
Basis Trading Was Stable Until September 28th



Source: ICE

e. ETP Executed a Trading Strategy to Manipulate Monthly Prices at HSC

63. ETP's trading activity can be characterized as "open market manipulation." In an open market manipulation, a trader manipulates a market by buying or selling with other market participants.[58] ETP executed nominally legitimate sales transaction with sophisticated buyers, which ETP rendered manipulative by its intent and actions to manipulate the IFERC HSC index. The deceptive manner in which it concealed its role as a large net purchaser contributed to its ability to manipulate the market. In October 2005, ETP was a net purchaser at HSC (rather than a net seller, as it would appear based solely on its fixed-price sales), primarily due to the need to inject gas into storage. ETP

[58] *See, e.g.*, *Internet Law Library*, 223 F. Supp. 2d 474; *Nanopierce*, 2002 U.S. Dist. LEXIS 24049.

had a large contract to supply Centerpoint, a Houston-area utility, with gas.[59] ETP could have simply transported the gas purchased at Waha on its Oasis Pipeline to its Bammel storage facilities. ETP instead engaged in a circuitous process of first selling the gas at a fixed price to suppress the IFERC HSC index and then buying the gas back at the reduced price levels. ETP made net purchases at IFERC HSC of almost 13 Bcf in October 2005.[60] ETP's fixed-price sales artificially inflated the trading volume at HSC, falsely conveying the message to the market that HSC had excess supplies of gas. ETP's repeated sales of what amounted to the same gas set the IFERC HSC index at a price that did not reflect the true levels of supply and demand.

64. ETP established a short HSC basis swap position in excess of what it needed to hedge its sales. ETP sold HSC basis swaps in the amount of 24.1 Bcf for October 2005.[61] ETP's open short basis position (*i.e.,* the amount over and above what was necessary for hedging purpose), was substantially greater than it needed to hedge its 10 Bcf of sales at HSC. Further, ETP's short basis position for this month exceeded its average short basis swap position of 11.7 Bcf going back to December 2003.[62] ETP's short basis swap position was not merely one it had established well in advance of its trading on September 28, 2005. ETP increased its short basis position in the September 2005 bid week.[63] ETP's continued purchases during bid week significantly increased its open short basis position, in effect leveraging its existing speculative position and multiplying the returns it would receive from further widening of the HSC basis.

65. Courts have addressed this type of open market manipulation under the Securities Exchange Act. For example, in *Crane Co. v. Westinghouse Air Brake Co.,*[64] the court found that the defendant (Standard) had engaged in a manipulative scheme to artificially inflate the price of Westinghouse Air Brake's (Air Brake) stock to defeat Crane's tender offer for Air Brake. Specifically, Standard purchased, in a very large number of open market transactions, a substantial quantity of Air Brake's stock (representing 170,000 out of a total of 460,000 outstanding shares) on the day that Crane's tender offer was set to expire, pushing the stock's price from $45 to over $50, which was the maximum price for

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[59] McCrea Aff. 2.

[60] ETP Responses to Request Nos. 19 and 35.

[61] ETP response to Request No. 19.

[62] ETP Response to Request No. 63 (as revised on Dec. 27, 2006).

[63] ETP response to Request No. 1; ICE Response to Oct. 27 Subpoena Request No. 1.

[64] 419 F.2d 787.

the tender offer, in a single day. The court found that "[t]he net result of this buying was to represent to the public, whose primary source of information is the tape, that there was a great demand for Air Brake at an increased value."[65] The court further noted that only 50,000 of the 170,000 shares represented an actual increase in Standard's holding in Air Brake because Standard had simultaneously and secretly sold 120,000 shares. The court concluded that Standard's action, in concealing from the public and the Air Brake stockholders "the true situation as to the market it was making in Air Brake stock resulted in violations of sections 9(a)(2) and 10(b) of the [Securities and Exchange] Act."[66]

66. Trading similar to ETP's is often referred to as "marking the close" and has been found to be manipulative.[67] A trader marks the close when he or she trades at the end of the trading period with the purpose and effect of substantially affecting the closing price. ETP made the large majority of its sales on September 28, 2005 within 30 minutes of the NYMEX settlement. ETP's trading undermined market integrity and the integrity of the IFERC HSC index, which other traders rely on as a reference price, while reaping significant unjust profits both for transactions in the same market (*i.e*. October purchases priced at the IFERC HSC index) and its financial position in HSC basis swaps.

67. ETP's fixed-price sales at HSC were at a higher price than its fixed-price purchases at Waha. However, ETP had hedged these transactions to lock in the basis

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[65] *Id*. at 792-93.

[66] *Crane*, 419 F.2d at 793. More recently, courts have found that such open market manipulation occurred in connection with the short selling of so-called "toxic convertibles" or "death spiral financing" schemes involving short-selling convertible preferred securities. The mechanics of such a scheme are described in *Internet Law Library,* 223 F. Supp. 2d 474 (holding plaintiffs satisfied the burden for pleading scienter by demonstrating that defendants stood to profit from short sales "on account of their ability to cheaply obtain additional shares of common stock upon conversion with which to cover their short positions").

[67] "Marking the close" conveys false information to the market as to the value of and the demand for the stock free of manipulative influences. The SEC considers such manipulation of the closing price particularly harmful to market integrity because the closing price is the basis on which analysts chart trading patterns, investors plan strategies, accountants evaluate portfolios, and broker-dealers compute customers' margin requirements and their own net capital. *See In re Kocherhans*, Admin. Proc. File No. 3-8611, 1995 SEC LEXIS 3308, 52 SEC 528, 530-31 (Dec. 6, 1995). *See also SEC v. Schiffer*, 97 Civ. 5853, 1998 U.S. Dist. LEXIS 8,579, Fed. Sec. L. Rep. (CCH) ¶ 90,247 (S.D.N.Y. 1998); *In re Pack*, 1993 SEC LEXIS 1,364, Exchange Act Release No. 32,374 (May 27, 1993); *In re Schultz Investment Advisors, Inc. and Scott Schultz*, 2005 SEC LEXIS 3331, Exchange Act Release No. 53,029 (Dec. 28, 2005).

differential between Waha and HSC.[68] Accordingly, the profit ETP would receive for its sales at HSC on September 28, 2005 was determined in advance and did not depend on the actual sales price ETP received at HSC. If ETP had acquired basis swaps purely for hedging (*i.e.,* if the volume of Waha and HSC basis swaps equaled the amount of its fixed-price Waha purchases and HSC sales), ETP would have been completely indifferent regarding whether prices at, or the basis differential between, Waha and HSC rose or fell. This was not the case. ETP leveraged its position at HSC, selling HSC basis swaps in an amount more than twice as large as that necessary for hedging. Accordingly, ETP had an incentive to drive down the fixed price and index at HSC.

68. ETP traders acknowledged unjust profits the company received from its September 28, 2005 trading. For example, in a conversation occurring on October 18, 2005, Small told Brent Ratliff, a Dallas office trader, that Small was "just trying to lay low" and that the company was "really swimming in money right now."[69] Small explained that ETP management was "going to have more of a problem with explaining how we made this much money. . . ."[70]

f. ETP Should Pay Civil Penalties and Disgorge its Unjust Profits

69. Under section 22 of the NGA,[71] as amended by the EPAct 2005, any person that violates the NGA or any requirement promulgated thereunder shall be subject to a civil penalty of not more than $1,000,000 per day per violation for as long as the violation continues.[72] Each sale of gas that ETP made, after the August 8, 2005 effective date of EPAct 2005, as part of its manipulation of fixed price gas at HSC constitutes a separate violation. ETP made 34 such sales on ICE on September 28, 2005, and thus is subject to a maximum civil penalty of $34,000,000 for its manipulations on this date. ETP also realized $40,286,727 in unjust profits, plus interest from its manipulations.[73]

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[68] ETP Response to Request Nos. 2 and 19.

[69] Small WAV3B4A (Oct. 18, 2005).

[70] *Id.*

[71] 15 U.S.C. § 717t-1.

[72] *See supra* at P 39.

[73] As noted above, the total civil penalties that the Commission proposes ETP should pay is $82,000,000 for its manipulations and the total amount of unjust profits that the Commission proposes ETP should disgorge is $69,866,966, plus interest. These amounts are for all of ETP's manipulations discussed in this order, including its

70. In the Commission's *Policy Statement on Enforcement*,[74] the Commission set forth the criteria we would apply to determine appropriate civil penalties to impose pursuant to the authority the Congress granted the Commission in EPAct 2005. The Commission began by noting that, as mandated by section 22 of the NGA, the seriousness of the offense is the first consideration in determining appropriate penalties.[75] The Commission noted a number of factors to be considered in judging the seriousness of the offense. These include the harm caused by the violation; whether the violation was the result of manipulation, fraud or deceit; whether the action was willful; whether the violation is a repeat offense and was the problem systematic or persistent and whether it lasted a long time; was senior management involved in the wrongdoing; how the wrongdoing came to light and whether senior management impeded the investigation; and what effect potential penalties would have on the financial viability of the company that committed the wrongdoing.[76]

71. The Commission noted in the *Policy Statement on Enforcement* that section 22 of the NGA also requires the Commission to take into account any effort the company made to remedy the violation in a timely manner. This consideration involves steps taken by the wrongdoer to prevent, monitor, and immediately stop misconduct, to report violations to the Commission, and to cooperate with the Commission's enforcement actions.[77] The Commission went on to state that internal compliance, which it defined at some length, and self-reporting are integral to considering the effort the company made to remedy the violation in a timely manner.[78]

72. In the *Policy Statement on Enforcement*, we stated that we expect cooperation with investigations – indeed, the NGA requires regulated entities to open their books and records to the Commission and its staff[79] -- but that we will give consideration to

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manipulations of prices at HSC for months other than October 2005 and its daily price manipulations at Waha. A discussion of the reasons for the Commission's proposed civil penalties with respect to these other violations is set forth below.

[74] *Enforcement of Statutes, Orders, Rules, and Regulation*s, 113 FERC ¶ 61,068 (2005) (*Policy Statement on Enforcement*).

[75] *Id.* at P 20.

[76] *Id.*

[77] *Id.* at P 21.

[78] *Id*. at P 22-25.

[79] 15 U.S.C. § 717g(b) (2000).

exemplary cooperation, that is, cooperation which quickly ends wrongful conduct, determines the facts, and corrects a problem.[80] We stated that cooperation must come early in the process and continue, and that no credit will be given if a company does no more than the minimum or delays cooperation, or engages in conduct that impedes the investigation.[81]

73. Application of these principles to ETP and its conduct dictates the maximum civil penalty. ETP's violations were serious. Market manipulation is harmful and inconsistent with free markets. One of the Commission's most important responsibilities is to exercise regulatory oversight to assure that wholesale energy markets are free, open and fair, where supply and demand may freely meet at prices uninfluenced by manipulation. Part of this exercise involves the determination in appropriate circumstances of whether facts show that a market participant manipulated wholesale energy prices subject to our jurisdiction and, upon making such a finding, the civil penalties that the wrongdoer should pay. In concluding that the maximum civil penalty is warranted, the Commission considered the following facts.

- ETP's violations caused harm. ETP harmed sellers of gas, including producers, royalty owners and taxing authorities, who received a percentage of the IFERC HSC index. ETP harmed counterparties of financial basis swap contracts. ETP also undermined the integrity of the wholesale gas market at HSC.

- ETP's violations were the result of manipulation, fraud or deceit. ETP manipulated market prices on September 28, 2005 by suppressing fixed price gas at HSC for prompt month delivery while being a net buyer of October gas priced at the IFERC HSC index. By suppressing price through large volume sales, ETP defrauded the market. ETP deceived the market by misrepresenting its position in the market as a net seller when it was really a net buyer of physical gas at HSC.

- ETP's actions were willful. As the September 26, 2005 conversation in which McCrea tells his trader that ETP's strategy "ought to push Ship down" demonstrates, ETP intended to suppress fixed price gas at HSC on September 28, 2005 and it took actions to execute that intent.

- Senior management was not only involved in the wrongdoing, senior management, in the person of McCrea, directed it.

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[80] *Policy Statement on Enforcement,* 113 FERC ¶ 61,068 at P 26.

[81] *Id*.

- The wrongdoing was not self-reported. It came to light by a Hotline call that alerted staff to the trading activity at HSC on September 28, 2005 that was not driven by fundamental factors in the market.

- ETP is one of the largest publicly traded master limited partnerships in the country, with a market capitalization of approximately $8.6 billion. ETP, which reported $516,000,000 in net income for its fiscal year ending August 31, 2006,[82] is able to pay appropriate civil penalties warranted by its violations in this matter.

- ETP did not take steps to remedy its violations in a timely manner. In fact, it manipulated the market for fixed price gas at HSC in November 2005. The reason ETP's manipulations appear to have stopped is that ETP learned about staff's investigation of its trading practices in late November 2005.

- ETP's cooperation has not been exemplary and thus ETP is not entitled to a reduction in civil penalties based on its conduct in the investigation pertaining to its trading on September 28, 2005. ETP has not extended itself in a way that would merit a discount in the civil penalty or cooperated above the minimum level required by law.

74. Based on consideration of the foregoing factors, we believe that imposition of the full civil penalty authority of the Commission is appropriate. ETP's manipulation caused serious harm, involved fraud and deceit, was willful, involved senior management and was not self-reported. Accordingly, the Commission directs ETP to show cause why it should not pay civil penalties in the amount of $34,000,000 for its trading activity at HSC on September 28, 2005.

75. The Commission also directs ETP to show cause why it should not disgorge unjust profits. ETP realized $40,286,727 in unjust profits by reason of its violations. The amount disgorged must also include interest.[83]

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[82] *See* http://money.cnn.com/quote/snapshot/snapshot.html?symb=ETP; Energy Transfer Partners L.P., Annual Report (10-K), at 1 (Nov. 13, 2006).

[83] 18 C.F.R. § 154.501(d) (2006). The Commission posts the rate of interest applicable to funds to be returned to customers on its website.

2. ETP's Manipulated Fixed Price Gas at HSC in Eight Months From December 2003 Through November 2005: Summary and Overview

76. The Commission now turns to the relevant trade data that show that as early as December 2003, ETP suppressed monthly price at HSC to influence the IFERC HSC index to benefit the company's financial and physical positions in eight months. These manipulations were not as successful as ETP's manipulation on September 28, 2005. Nonetheless, these manipulations violated Market Behavior Rule 2, were significant in terms of the dollars involved and impacts on the market, and warrant the imposition of civil penalties and disgorgement of unjust profits.

77. For the period from December 2003 through November 2005, ETP suppressed fixed price gas at HSC for prompt month delivery on eight occasions in addition to the manipulation on September 28, 2005. The dates of ETP's additional manipulations are December 29, 2003 (for gas delivery in January 2004); September 24, 2004 and September 27, 2004 (for gas delivered in October 2004); November 23, 2004 and November 24, 2004 (for gas delivered in December 2004); December 28, 2004 (for gas delivered in January 2004); January 27, 28, and 31, 2005 (for gas delivered in February 2005); June 28, 2005 (for gas delivered in July 2005); August 29, 2005 (for gas delivered in September 2005); and November 28, 2005 (for gas delivered in December 2005). In other months in the December 2003 through November 2005 period, there is no current evidence that ETP manipulated monthly prices at HSC. ETP's total unjust profits from its manipulative activity at HSC, not counting its manipulative activity on September 28, 2005, discussed above, is $27,351,689. Chart 1 sets forth summary data regarding these violations. *See supra* at P 39.

a. ETP Suppressed Fixed Price Gas at HSC by a Consistent Strategy of Selling Gas at Low Prices

78. ETP manipulated fixed price gas at HSC in the eight relevant months using the same strategy that it employed on September 28, 2005. ETP would generally establish or frame a lower price by placing low price offers and often bids at HSC during bid week, frequently on the day the NYMEX Contract expired. ETP often placed fixed price bids, even though it did not buy fixed price gas on ICE. Instead, ETP used bids to establish or frame lower prices. A seller seeking to suppress price posts lower bids to induce traders to believe that the suppressed transactions prices are competitive, at least relative to outstanding bids. Further, during most of the eight remaining months that ETP manipulated the market, ETP's trades were concentrated during the last half hour of trading for the NYMEX Contract. This enabled ETP to ensure that the IFERC HSC index would settle lower relative to the settlement price of the NYMEX Contract. As ETP was always short HSC basis swaps, it traded to suppress prices. Typically for a market in which the NYMEX Contract was increasing, ETP would cap prices at HSC

such that the basis widened more from rising NYMEX Contract prices than declining prices at HSC.

79. ETP's manipulative trading varied slightly in October and December of 2004. In those months, ETP sold earlier in bid week and then reentered the market offering HSC down in conjunction with falling NYMEX prices, thereby preserving the basis differential. Bidding activity shows that at least a portion of the HSC market became accustomed to ETP's strategy because bids were placed at low levels in anticipation of the ETP's well offered gas, *i.e.,* gas offered at a relatively low price. The specific actions that ETP took to suppress fixed price gas at HSC are discussed in detail below.

80. For the eight relevant months ETP lowered the HSC IFERC index price by an estimated 15 cents per month. Fifteen cents represents a small percent of commodity prices that often hovered near seven dollars per MMBtu, but it was a significant portion of the monthly HSC basis, the median value of which was $0.57 for the eight relevant months. ETP received unjust profits from these manipulations of $27,351,689.[84]

b. ETP Intended to Manipulate Fixed Price Gas at HSC

81. ETP intended to manipulate the price of prompt month fixed price gas at HSC for the eight relevant months. ETP sold gas at prices below levels suggested by objective reference points, such as HSC-Henry Hub basis at the time ETP began its offers and trades and prices at nearby pricing points. ETP consistently positioned its trading book to benefit from lower monthly prices at HSC and consistently profited from lower prices at HSC. ETP used a similar strategy in the relevant months to suppress price. ETP knew the actions it was taking would suppress fixed price gas at HSC to benefit its positions in the physical and financial markets.

c. ETP Had Power to Suppress Price at HSC

82. ETP dominated sales on ICE for prompt month, fixed price gas at HSC for the relevant months. As Chart 1 indicates, ETP comprised 100 percent of all such sales in two months, more than 90 percent of such sales in three others, more than 80 percent of such sales in two others and 55 percent of all such sales in one month. Month after month, ETP had the ability to suppress price by offering low and transacting at relatively low prices. Other potential sellers had little reason to actively sell gas in this suppressed market and bidders had no incentive to buy from sellers who were offering gas at higher prices. ETP's dominant position at HSC was enabled by its ownership of physical assets, namely, three major pipelines (HPL, ET Fuel, and Oasis Pipeline) and the Bammel

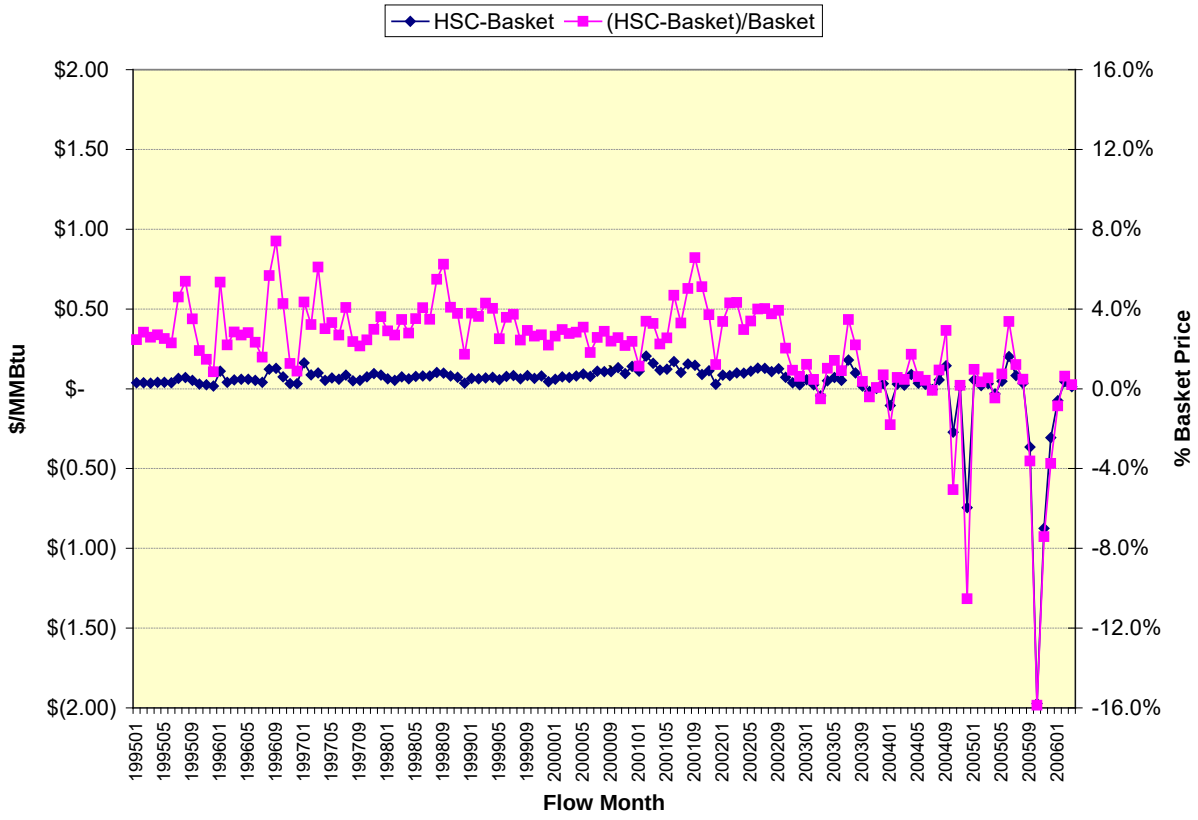
[84] ETP's manipulations in these eight months also place in context its manipulation on September 28, 2005, in which it lowered the HSC IFERC index by well over one dollar and ETP thereby unjustly realized $40,286,727.

storage facility, as well as its contractual relations with captive producers.

d. In the Eight Months, ETP's Manipulations Drove HSC Prices Lower Than the Historical Relationship of Nearby Prices

83. As noted above, prices at HSC long bore a stable relationship with prices at nearby South and East Texas points. This relationship, and the departure from it, is depicted in Chart 9, which compares the difference in monthly prices between HSC, on the one hand, and nearby pricing points (Katy, TENN Z0, TETCO-STX and NGPL-STX), on the other hand.

Chart 9
Basis Between HSC and Regional Basket



Source: Platts IFERC Monthly Index

e. ETP's Manipulations Were Known to at Least Some Knowledgeable Market Participants

84. At least some knowledgeable market participants were aware that ETP's common practice was to begin trading at an artificially low price to establish a lower index price.

This group would not necessarily have included producers, who in any event, may have had little or no choice but to engage in transactions priced at the IFERC HSC index. In an October 26, 2004 conversation between Elsa Villareal, an HPL employee, and an unidentified trader, who was a buyer at HSC, Villareal told him, "You got a gift last month," referring to ETP's suppression of prices at HSC for October 2004 delivery. The unidentified trader responded that "ETC didn't get out and get the prices set early, like last month." The unidentified trader further stated "there hasn't been any, anybody to jump out there like ETP normally j-, I shouldn't have said that, like whoever is that jumps out there and gets it set, you know, starting yesterday, that hasn't happened this month."[85] The trader was referring to bid week trading for November 2004 as compared to October 2004.

85. A December 30, 2004 conversation between Ray at HPL and a trader identified as "Dan" further supports this conclusion. This conversation occurred before ETP's January 2005 acquisition of HPL. Dan noted prices at HSC, referring to prompt trading earlier in bid week. He asked whether those prices were due to "fundamental" factors. Ray replied as follows:

> RAY: No, no, it's, people -- there's a couple of players out there, in our opinion, I don't want to say their names on a recorded line 'cause it's probably not an appropriate thing to do, but some of the big players out there in Ship Channel, um, our opinion, our system has been that they swing pretty good wood on paper and, and they get out there doing fixed price things to, uh, support the position that they've got.
>
> DAN: Yeah, okay.
>
> RAY: Uh, now, we can't prove that, um, but it -- there have been months where's there's -- that kind of appearance --. The fact that there was so little fixed price trading this month means maybe they didn't do it. But, uh, I think the settle will be a lot closer to market's expectation than it was, say, last month, when we had that big run-up.[86]

When Ray states that they "swing pretty good wood on paper," he refers to large physical

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[85] Audio digital recording/Wav file of Elsa Villareal WAV179 (Oct. 26, 2004) (Villareal WAV179 (Oct. 26, 2004)).

[86] Audio digital recording/Wav file of Douglas Ray WAV302 (Dec. 30, 2004) (Ray WAV302 (Dec. 30, 2004)) (provided to Commission staff by ETP, the current owner of HPL).

trades, *i.e.,* "swing[ing] pretty good wood," affecting financial positions, or "paper." He then says "and they get out there doing fixed price things to, uh, support the position that they've got." This was indeed ETP's manipulative strategy.

86. In another October 2004 conversation about October 2004, an HPL employee, John Peyton, is told by a second trader named "Danny," "I mean, hell, Ship Channel is about as quiet as it could possibly be. … The guys that were selling the fixed price early on last month just obviously aren't doing it now." After Peyton agrees, Danny adds, "They definitely, uh, jumped out of the game a little bit." Peyton replies, "Yeah. So they must not have been too happy with it or maybe they made so much money they are all playing golf." Danny responds, "If they, uh, if that's who I think it is, then everybody knows who it was and they did what they have been doing for every month for the last year then yeah they hit a home run last month."[87]

87. In a November 22, 2004 conversation between Villareal and a trader identified as "Morgan," Morgan states, "[Y]ou know that Ship things tend to get skewed at the end."[88] ETP's manipulative strategy was to suppress price at HSC in the last half hour of trading on the day of the expiration of the NYMEX contract.

88. In a December 1, 2004 conversation between Gary Hanks, an HPL trader, and a trader identified only as "Chris,"[89] Chris observes that "I think overwhelmingly the trend in the last 18 months has been where Ship Channel has been a dog. If you sold the basis I think you made money probably 14 out of 16 months." ETP consistently sold HSC basis during this period and those positions benefited from its suppression of prices at HSC, prices that were "a dog." Hanks replied, "I think you are probably right. Of course you know we, we ahh buy all our gas pretty much on a Ship Channel basis and sell it to the interstates but we hedge it all." Chris agreed that "You lock in the spreads." Hanks told him, "Yeah, it doesn't do anything for me."[90] As this conversation reveals, market participants often hedged their positions at HSC. For this reason, ETP could be on the profitable side of short basis positions at HSC month after month; its counterparties had hedged their positions, at least in some instances, and thus were indifferent to price

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[87] Audio digital recording/Wav file of John Peyton WAV103 (Oct. 26, 2004) (Peyton WAV103 (Oct. 26, 2004)).

[88] Villareal WAV31 (Nov. 22, 2004) (provided to Commission staff by ETP, the current owner of HPL).

[89] Audio digital recording/Wav file of Gary Hanks, WAV82 (Dec. 1, 2004) (Hanks WAV82 (Dec. 1, 2004) (provided to Commission staff by ETP, the current owner of HPL).

[90] *Id.*

outcomes at HSC. Chris observed, however, that "these producers they're going to hate it[,]" referring to producers who sell gas at prices determined by the HSC IFERC and who accordingly suffer losses from price suppression at HSC. The last comments of Hanks – "You know, cause so one of the guys was telling me that one of his, his people, his consumers had said 'How do I protest this and who do I sue?' And I said well I guess you better call IFERC or Platts. I don't know 'cause it has nothing to do with us." – underscores the view in the marketplace in the autumn and early winter of 2004 that natural gas trading at HSC was manipulated.[91]

f. ETP Manipulated Monthly Gas at HSC for Eight Months From December 2003 through November 2005

89. The Commission now presents an analysis of ETP's monthly trade activity at HSC for the eight months at issue. This analysis demonstrates how ETP manipulated price and what it gained from that manipulation.[92]

i. January 2004

90. On December 29, 2003, the NYMEX Contract expiration day, ETP sold approximately 2.1 Bcf of fixed-price gas for January 2004 deliveries. The sales were made on and off ICE. ICE sales were between 2:28 p.m. and 3:10 p.m., ET at a weighted average price of $5.71 within a range of $5.65 to $5.74. ETP's sales on ICE represented 100 percent of monthly volumes for the platform. ETP was short index gas of 4.0 Bcf, mitigating unjust profits somewhat. The IFERC HSC index for January 2004 was $5.71.

91. During ETP's sales, ICE swap[93] prices were approximately $6.15. This implies an

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[91] *Id.*

[92] The analysis in this section is based on ETP's Responses to Request Nos. 62-65 (as revised on Dec. 27, 2006) and Request No. 76, as well *Platts Inside FERC Gas Monthly Index* and historical data from ICE, *available at*: https://www.theice.com/marketdata/naNaturalGas/naNatGasHistory.jsp.

[93] ICE swaps are also referred to as "NYMEX "look alikes." The ICE swap is a financial product traded on ICE that is largely identical to the NYMEX Contract, except that the ICE swap does not require the parties to make or take physical delivery of gas. The settlement price of the ICE swap is equal to the settlement price of the NYMEX Contract. *See* ICE, "Product Details for Natural Gas Swap, Fixed for NYMEX LD1," https://www.theice.com/naturalgas.jhtml. As such, the ICE swap trades at nearly the same price as the NYMEX Contract. Staff used these instruments in the analysis, as opposed to NYMEX Contracts because ETP generally trades ICE swaps instead of NYMEX Contracts, and the ICE data is more readily available.

HSC basis of ($0.44) when compared to ETP's average weighted price. On December 24, ETP sold HSC basis swaps at ($0.30). There were basis bids on December 29, just prior to ETP's fixed price sales of ($0.30). Accordingly, staff estimates ETP's activity widened the HSC basis by $0.14, the difference between the IFERC HSC index price of $5.71 and the $5.85 price implied by the difference between the ICE swap price of $6.15 and the price at which ETP sold HSC financial basis of ($0.30).

92. Additional evidence of the effect of ETP's trading is the decoupling that occurred between the IFERC HSC index and Katy, TENN ZO, TETCO-STX and NGPL STX, ("Benchmark Prices"). For January 2004, the price difference between the IFERC HSC index and the average of the Benchmark Prices compared to the long term difference was ($0.19).

93. ETP unjustly profited by $913,494 or $618,374 netted for selling physical gas at a lower price. ETP's short HSC basis swap position for January 2004 was (10,462,500) MMBtus. As noted, staff estimates that ETP sales activity suppressed the IFERC HSC index by at least $0.14. A reasonable measure of ETP's unjust profits from its HSC basis swaps is the product of 10.5 Bcf and $0.14 or $1,464,750. This figure nets to $1,169,630. Offsetting this gain would be a loss of $551,256 equal to the short physical position multiplied by $0.14.

ii. October 2004

94. ETP sold next-month gas at HSC on two dates in October 2004. On September, 24 2004, ETP sold approximately 1.86 Bcf of fixed price gas for October 2004 deliveries. The sales were made on ICE from 8:57 a.m. to 11:15 a.m., ET at a weighted average price of $5.27.

95. On September 27, the NYMEX expiration date, ETP sold an additional 5.8 Bcf of fixed-price gas for October deliveries. The sales were made on ICE from 8:34 a.m. to 2:26 p.m., ET at a weighted average price of $5.06. ETP's trades on these days represented 91 percent of volumes on ICE for October 2004.

96. The volume-weighted average price of all ETP sales was 8.6 Bcf and $5.12, respectively. ETP was long physical gas, primarily GasDaily hedged to IFERC HSC with index swaps in the amount of 3.3 Bcf. The IFERC HSC index for October 2004 was $5.11 and based on a volume of 14.1 Bcf.

97. When ETP sold on multiple days it is difficult to use the IFERC HSC price as a benchmark, and staff instead used a weighted average for the two days. During ETP's sales on September 24th, ICE swap prices ranged from approximately $5.33 to $5.39. The last basis trade on ICE prior to ETP's sales was on the 23rd and at ($0.12). Further, ETP sold 3.9 Bcf of basis on the 23rd at ($0.11). The NYMEX average price of $5.35 and the basis values imply an implicit HSC price of $5.24 on average. Thus ETP's fixed

price sales on the 24th at $5.27 did not contribute to the basis widening.

98. On September 27, ICE swap prices were approximately $5.25 from 8:34 a.m. to 11:15 a.m., ET. Adding the basis value of ($0.12) produces an implied HSC price of $5.13. Thus ETP's sales on September 27 at $5.06 contributed to the widening of the basis by $0.07. ETP's weighted average effect on the HSC price was ($0.05). For October 2004 the price difference between the IFERC HSC index and the average of Benchmark Prices was ($0.37).

99. ETP unjustly received $1,639,128 or $1,207,003 netted for selling physical gas at a lower price. ETP's short HSC basis swap position for October 2004 was (29,527,500) MMBtus. As noted, ETP suppressed the IFERC HSC index by $0.05. ETP's unjust profits from its HSC basis swaps is the product of 29.5 Bcf and $0.05 which is $1,476,375. This figure netted for fixed price sales is $1,044,250. Similarly, multiplying ETP's long physical position of 3.3 Bcf by $0.05 produces an additional gain of $162,753.

iii. December 2004

100. ETP sold next-month gas at HSC in December 2004 on two dates. On November 23, 2004, ETP sold on ICE approximately 4.03 Bcf of fixed price gas for December deliveries from 1:58 p.m. to 3:48 p.m., ET with a price range of $6.45 to $6.28 and at a weighted average price of $6.40.

101. On November 24, 2003, the NYMEX expiration day, ETP sold on ICE approximately 6.82 Bcf of fixed-price gas for December deliveries at prices ranging from $6.28 to $6.16. 1.86 Bcf of these sales were on ICE from 8:11 a.m. to 11:17 a.m. at a weighted average price of $6.24.

102. ETP's total sales for the two days were 10.85 Bcf at a weighted average price of $6.28. ETP's sales represented 88 percent of sales on ICE. ETP was long physical gas priced at IFERC HSC, including volumes hedged at GasDaily with index swaps, of 7,017,860 MMBtu. The Platts IFERC HSC index and volume for December 2004 were $6.33 with associated volume of 16.74 Bcf.

103. On November 23, ICE swap prices were approximately $6.81. These prices ranged from $6.87 at 1:58 PM to $6.74 at 3:48 p.m. The last basis trade on ICE prior to ETP's sales was on November at ($0.35). The NYMEX and basis values imply HSC prices of $6.46 on average. Accordingly, ETP's sales that day at $6.40 were $0.06 below prevailing market prices.

104. On November 24, ICE swap prices were approximately $6.71. These prices ranged from $6.68 at 8:11 a.m. to $6.74 at 11:17 a.m. Again adding the basis value, prior to ETP's sales, of ($0.35) to the ICE swap prices provides an implied HSC price of $6.36.

Thus, ETP's sales on December 24 at $6.24 likely contributed to the widening of the basis by $0.12 on average.

105. ETP's weighted average effect on the HSC price based on the previous analyses was $0.10. For December 2004, the price difference between the IFERC HSC index and the average Benchmark Prices was ($0.81). Most of the price difference is attributable to the NYMEX run up of over $1.00 on November 24 after ETP was out of the HSC market.

106. ETP unjustly profited by $2,109,186 or $1,132,886 netted for selling physical gas at a lower price. ETP's short HSC basis swap position for December 2004 equaled (14,074,000) MMBtus. As noted, ETP suppressed the IFERC HSC index by $0.10. ETP's unjust profits from its HSC basis swaps is the product of 14.1 Bcf and $0.10 which is $1,407,400. This figure nets to $431,000. Similarly, multiplying ETP's long physical position of 7.0 Bcf by $0.10 produces an additional gain of $701,786.

iv. January 2005

107. On December 28, 2004, the NYMEX expiration day, ETP sold approximately 3.1 Bcf of fixed-price gas for January 2005 deliveries. The sales were made at a weighted average price of $5.75. 1.0 Bcf of the sales were made on ICE from 2:17 p.m. to 3:10 p.m., ET at an average price of $5.72 and representing 100 percent of sales of fixed price gas for January 2005 on ICE. The remainder of the sales were over-the-counter. ETP was long physical gas priced at IFERC HSC of 21,616,611 MMBtus. The IFERC HSC index for January 2005 was $5.75 and based on a volume of 4.96 Bcf.

108. During ETP's sales, ICE swap prices were approximately $6.25. This implied a basis of ($0.50) when compared to ETP's average weighted sales price. As a comparison, on December 28, ETP sold HSC financial basis at a price of ($0.43). ETP's activity thus widened the HSC basis by $0.07, the difference between of the IFERC HSC index price of $5.75 and the price implied by the difference between the ICE swap price of $6.25 and ($0.43), the price at which ETP sold basis. The January 2005 price difference between the IFERC HSC index and the average of Benchmark Prices was ($0.03).

109. ETP unjustly profited by $1,849,583 or $1,636,783 netted for selling physical gas at a lower price. ETP's short HSC basis swap position for January 2005 was (4,805,000) MMBtus. As noted, ETP suppressed the IFERC HSC index by $0.07. ETP's unjust profits are the product of 4.9 Bcf and $0.07, which is $336,350. This figure nets to $123,550. A reasonable measure of ETP's unjust profits from its net purchases of physical gas is the product of 21.6 Bcf and $0.07, which is $1,513,233.

v. February 2005

110. ETP sold next-month gas at HSC for February 2005 on three dates. On January 27, 2005, the NYMEX expiration day, ETP sold approximately 5.3 Bcf of fixed-price gas for February 2005 deliveries. The sales were made at a weighted average price of $5.76. 1.5 Bcf of the sales were made on ICE from 2:20 p.m. to 3:02 p.m., and also at an average price of $5.76, and representing 55 percent of sales of fixed price gas for February 2005 on ICE. The remainder of the sales were over-the-counter. On January 28 and 31, ETP sold an additional 2.0 Bcf at weighted average prices of $5.69 and $5.64, respectively.

111. In total, ETP's fixed price sales at HSC for February 2005 delivery were 7.3 Bcf at a weighted average price of $5.74. The IFERC HSC index for February 2005 was $5.74 and based on a volume of 16.5 Bcf. ETP was a net purchaser at the IFERC HSC in February 2005 of 27.5 Bcf.

112. During ETP's sales on January 27, ICE swap prices were approximately $6.30. This implied a basis of ($0.56) when compared to ETP's average weighted sales price. On January 26, ETP sold HSC basis swaps at a price of ($0.51). Accordingly, ETP's activity widened the HSC basis by $0.05, the difference between the IFERC HSC index and the price implied by the difference between the ICE swap price of $6.30 and the price at which ETP sold basis of ($0.51). Market comparisons on January 28 and January 31 are not possible because: (1) ETP's trades were not on ICE; (2) ETP did not provide time stamps for market activity off of ICE and (3) the NYMEX Contract had expired. The February 2005 price difference between the IFERC HSC index and the average of Benchmark Prices was ($0.10).

113. ETP unjustly profited by $2,349,571 or $2,062,386 netted for selling physical gas at a lower price. ETP's short HSC basis swap position for February 2005 was (19,457,428) MMBtus. As noted, ETP's sales activity suppressed the IFERC HSC index by $0.05. ETP's unjust profits from its HSC basis swaps is the product of 19.5 Bcf and $0.05, which is $972,871. This figure nets to $685,686. Similarly, multiplying ETP's long physical position of 27.5 Bcf by $0.05 produces an additional gain of $1,376,700.

vi. July 2005

114. On June 28, 2005, the NYMEX expiration day, ETP sold approximately 13.2 Bcf of fixed-price gas for July 2005 deliveries. The sales were made at a weighted average price of $6.87. 9.5 Bcf of the sales were made on ICE, also at a weighted average price of $6.87, from 2:22 p.m. to 2:33 p.m., ET and represented 81 percent of sales of fixed price gas for July 2005 on ICE. The remainder of the sales were over-the-counter. ETP was long 9.5 Bcf at the IFERC HSC in July 2005. The Platts IFERC HSC index for July 2005 was $6.88 and based on a volume of 25.2 Bcf.

115. During ETP's sales, ICE swap prices were approximately $6.98. This implied a basis of ($0.11) when compared to ETP's average weighted sales price. As a comparison, on June 28, ETP sold HSC basis swaps at a price of ($0.045). Accordingly, ETP widened HSC basis by $0.055, the difference between of the IFERC HSC price of $6.88 and the price implied by the difference between the ICE swap price of $6.98 and the price at which ETP sold basis, ($0.045).

116. A comparison to similar points is not entirely consistent with this analysis. The July 2005 price difference between the IFERC HSC index and the average of Benchmark Prices was ($0.03). This discrepancy is due to one of the similar points, Texas Eastern, South Texas being unusual low for the month. Excluding this aberration, and making a comparison only to Katy, Tennessee South Texas and NGPL South Texas, reveals a difference of ($0.06).

117. ETP unjustly profited by $1,766,692 or $1,039,086 netted for selling physical gas at a lower price. ETP's short HSC basis swap position for July 2005 was (22,610,848) MMBtus. As noted, ETP's sales activity suppressed the IFERC HSC index by $0.055. ETP's unjust profits from its HSC basis swaps is the product of 22.6 Bcf and $0.055 or $1,243,597. This figure nets to $515,991. ETP's unjust profits from its net purchases of physical gas is the product of 9.5 Bcf and $0.055, which is $523,096.

vii. September 2005

118. On August 29, 2005, the NYMEX expiration day, ETP's subsidiary, HPL, sold approximately 3.9 Bcf of fixed-price gas in fourteen separate transactions on ICE for September 2005 delivery at a weighted average price of $9.61. The sales were on ICE from 2:25 p.m. to 2:34 p.m., and represented 100 percent of sales of fixed price gas on ICE for September 2005 delivery. ETP was a net purchaser of physical gas at IFERC HSC for September 2005 of 5.1 Bcf. The IFERC HSC index for September 2005 was $9.72 on a volume of 7.9 Bcf.

119. Hurricane Katrina hit the coast of Louisiana the morning of August 29, 2005. The hurricane significantly disrupted production in the Gulf of Mexico and a significant number of on-shore gathering and pipeline operations in Louisiana. According to Natural Gas Intelligence (NGI), regarding trading at Henry Hub:

> After opening at $11.20 on Monday, September natural gas got as high as $11.70, before exploring lower on profit-taking. After bouncing off $10.65, the prompt month expired at an all time high of $10.847, up $1.055 from Friday's settle.[94]

Notwithstanding this volatility, a comparison of ETP's trades to the price of ICE swaps

[94] Natural Gas Intelligence, Daily Gas Price Index, Aug. 30, 2005.

and prevailing HSC financial basis levels shows an intention and effect by ETP to suppress prices at HSC, thus widening the basis and benefiting ETP's financial positions and reducing the cost of physical purchases to be priced at the IFERC HSC index.

120. ETP's initial HSC trade at 2:25 p.m. was at $9.61. ICE swap prices were approximately $10.81. These prices imply an HSC basis of ($1.20). ETP's final trade at 2:34 p.m. was priced at $9.62. ICE swaps at 2:34 p.m. were trading at approximately $10.83, implying an HSC basis of ($1.21). As a comparison to the two implied pricing points, the final HSC basis transaction on August 29, just prior to fixed price sales, was a sale by ETP at ($0.75) at 1:30 p.m. Accordingly, staff estimates ETP's activity widened the IFERC HSC index by $0.46 or the difference between the basis of ($1.21) implied by ETP's average sales prices of $9.61 and the price of ETP's last basis trade of $0.75. For pricing context, the September 2005 price difference between the IFERC HSC index and the average Benchmark Prices was ($0.49).

121. ETP unjustly profited by $5,668,726 or $3,894,368 netted for selling physical gas at a lower price. ETP's short HSC basis swap position for September, 2005 was (7,241,520) MMBtus. ETP was long physical gas at IFERC HSC equal to 5,081,797, including daily transactions hedged to the IFERC HSC index. As noted, ETP's sales activity suppressed the IFERC HSC index by $0.46. ETP's unjust profits from its HSC basis swaps is the product of 7.2 Bcf and $0.46 which is $3,331,099. This figure nets to $1,556,741. A reasonable measure of ETP's gain from its net purchases of physical gas is the product of 5.1 Bcf and $0.46, which is $2,337,627.

viii. December 2005

122. ETP's sales of fixed-price gas for prompt-monthly delivery at HSC on November 28, 2005 also lowered the IFERC HSC index and widened the HSC basis. ETP's sales lowered the IFERC HSC index by $0.37. ETP engaged in 31 sales on ICE on this date. Fixed-price gas for prompt-month delivery at HSC traded at a price of $8.25 before ETP began trading. ETP sold roughly 9 Bcf of fixed-price gas in roughly 20 minutes beginning at 2:06 p.m. ETP's first sale on November 28, 2005 was at 2:06 p.m. for $7.80. ETP's remaining sales during the day were at increasing prices, with the last sale at its highest price of $7.87. ETP's weighted-average sales price for transactions on ICE for November 28, 2005 was $7.82. Again, ETP was the dominant seller in the market, accounting for over 95 percent of total sales volume on ICE, and effectively set the IFERC HSC index, which settled at $7.88, $0.37 lower than when ETP began trading.

123. The last HSC basis swap that traded prior to ETP's first sale on November 28, 2005 was at ($3.00) as compared to a settlement of ($3.30) thus implying ETP was responsible for a reduction of $0.30. This amount is consistent with the amount by which fixed–price sales and the IFERC HSC index were reduced.

124. Two transactions, the first a fixed price deal at $8.25 and the second a basis deal at

($3.00), along with the bids of $8.10, all of which preceded ETP's trading on November 28, 2005, are appropriate benchmarks for determining market value. Trading on November 28, 2005 did not progress along a classical, downward slope. Nonetheless, it became disconnected in value from prior transactions. The result that ETP achieved was lower prices to benefit its basis swaps and its repurchase of fixed price gas in December.

125. ETP unjustly profited by $18,469,116 or $15,760,802 netted for selling physical gas at a lower price. ETP's short HSC basis swap position for December 2005 was (45,181,360) MMBtus. ETP was long physical gas at IFERC HSC equal to 16,382,361. Given that ETP sales activity suppressed the IFERC HSC index by $0.30, a reasonable measure of ETP's unjust profits from its HSC basis swaps is the product of 45.2 Bcf and $0.30 which is $13,554,408. This figure nets to $10,846,094. A reasonable measure of ETP's gain from its net purchases of physical gas is the product of 16.4 Bcf and $0.30, which is $4,914,708.

g. ETP Should Pay Civil Penalties and Disgorge Unjust Profits

126. As discussed *supra* at P 70-73, the Commission set forth criteria in the *Policy Statement on Enforcement* that guide assessment of civil penalties. We now apply these criteria to ETP's trading activity for the eight months discussed above.

- ETP's violations caused harm for the same reasons we cited in our discussion of civil penalties for ETP's September 28, 2005 manipulations. Counterparties who sold gas to ETP and who were on HSC financial basis contracts with ETP realized less revenue or greater expense than they would have realized absent the violations.

- ETP's violations were the result of manipulation, and thus strongly implicate the Commission's authority to help assure that wholesale energy markets are free and open.

- ETP's actions were willful. ETP used a similar strategy for the eight months discussed above. It set up its book to benefit from its suppression of price at HSC and it benefited from its trading strategy. ETP intended to manipulate fixed price gas at HSC in the referenced months.

- Senior management of ETP was aware of ETP's trading strategy. The strategy was executed for a two year period, and ETP received substantial unjust profits from its manipulations. The September 26, 2005 telephone call of McCrea shows that ETP's senior management knew that "push[ing] Ship down," was a part of the company's trading strategy for selected months. This is not a case where one, or even a handful of employees, embarked on a practice of which senior management may plausibly claim

ignorance.

- ETP did not self-report its violations.

- ETP's cooperation was not exemplary and hence does not qualify ETP for a discount of the civil penalty. ETP impeded the investigation at one point by providing incorrect data responses to staff regarding the relevant eight months. After conferences with staff, ETP revised this data and after considerable delay, responded with corrected data.

- ETP did not take steps to remedy its violations in a timely manner. It continued to manipulate the market at HSC for two years.

127. Based on a consideration of the foregoing factors, we believe that imposition of the full civil penalty authority of the Commission is appropriate.[95] ETP's manipulation in the eight relevant months caused serious harm, involved manipulation, was willful, involved senior management and was not a self-report. Accordingly, the Commission directs ETP to show cause why it should not pay civil penalties in the amount of $45,000,000 for its trading activity at HSC in August and November 2005.

128. ETP realized $27,351,689 in unjust profits from its manipulations. The Commission directs ETP to show cause why it should not pay this amount, plus interest.

B. ETP Violated Market Behavior Rule 2 When it Manipulated Daily Prices at the Waha and Permian Hub

129. ETP manipulated the price of fixed price gas at Waha for next daily delivery (daily gas). ETP sold fixed price daily gas at Waha on December 23, 2005 and December 28, 2005, and bought back similar volumes of daily gas at the Gas Daily index on the same days. ETP had no legitimate business purpose to execute these transactions. However, by selling fixed price daily gas on the noted dates, ETP suppressed the price of that gas, thereby increasing the value of short index swaps. The Commission proposes that ETP pay a civil penalty in the amount of $3,000,000 and that ETP disgorge the benefit it

[95] As noted, *supra* P 36, the Commission has civil penalty authority in the amount of $1,000,000 per day per violation under the NGA for violations that occurred on or after the August 8, 2005 enactment date of EPAct 2005. Accordingly, the Commission has authority to assess civil penalties against ETP only for the manipulations discussed in this section of the order that occurred on August 28, 2005 and November 28, 2005. ETP made a total of 45 sales on ICE on these days, all of which were violations of Market Behavior Rule 2. Each trade was a manipulation of the market at HSC on those respective dates and thus each trade was a violation of the Commission's Market Behavior Rule 2.

derived from these manipulations, which was $2,228,550, plus interest.

1. December 23, 2005 for December 24 to 27, 2005

130. Prices at Waha and Katy had been trading nearly flat to one another in the days leading up to December 23, 2005, but the basis widened dramatically for December 24 to December 27, as indicated by Chart 10 below.

Chart 10

Flow Dates	Waha	Katy	Basis	Basis Change From Previous Day
12/14/05	$13.27	$13.51	$.25	NA
12/15/05	$13.04	$12.97	($.07)	($.32)
12/16/05	$12.22	$12.42	$.20	$.27
12/17 -19/05 (weekend package)	$11.62	$11.82	$.20	0
12/20/05	$11.91	$12.17	$.26	$.06
12/21/05	$11.91	$11.97	$.06	($.20)
12/22/05	$11.38	$11.36	($.025)	($.09)
12/23/05	$10.55	$10.48	($.07)	($.05)
12/24 to 27/05(weekend and holiday package)	**$8.18**	**$8.98**	**$.80**	$.87

Source: GasDaily

Prices behaved similarly at Permian, as shown in Chart 11.

Chart 11

Flow Dates	El Paso Permian Average Prices
12/21/05	**$11.90**
12/22/05	**$11.35**
12/23/05	**$10.51**
12/24/05 to 12/27/05	**$8.34**

Source: Gas Daily

131. On December 23, 2005 gas prices fell at major trading points across the country.[96]

[96] *Natural Gas Intelligence*, an industry publication, reported for December 24 to 27, packages of gas that "with disappearing heating load and the previous day's screen

Nonetheless, the divergence of price between Waha and Katy on this date was unusual and extraordinary. From September 1, 1997 through September 1, 2006, approximately 2,200 trading days, Waha ended 80 cents lower than Katy compared to the preceding trading day, only five times, or roughly 0.25 percent of trading days in this period.

132. Company traders had previously discussed the relationship between Waha daily prices to the Waha-Katy basis. For example, on October 8, 2004, Luke Fletcher, an ETP trader, told Mark Mandl, an Oasis Pipeline dispatcher, that "Waha is going out well offered minus – yeah, and uh kind of set up for some good wide spreads."[97]

133. The separation of Waha and Permian relative to Katy pricing was exacerbated by ETP's activity at both points on December 23, 2005. ETP began sales on ICE of Waha fixed price daily gas for the 24th to 27th at 8:48 a.m. with a 10,000 MMBtu/d sale to Astra at $8.05. From 8:48 a.m. to 9:33 a.m., ETP was involved on ICE in fixed price transactions totaling sales of 584,000 MMBtus at a weighted average price of $8.06 and a purchase of 56,000 at $8.44. ETP's net short position was (528,000) at $8.02. The ICE average price was $8.16. ETP's activity represented 56 percent of transactions on ICE for Waha.

134. In addition, at the El Paso Waha Pool, a Permian pricing point, ETP from 8:48 a.m. to 10:32 a.m. sold 300,000 MMBtus at $8.01 and from 10:58 a.m. to 11:48 a.m. purchased 94,800 MMBtus at $8.54. ETP's net position was (205,200) at $7.77. The ICE average price was $8.22. ETP's activity represented 75 percent of ICE transactions at El Paso Waha.

135. ETP's total, net fixed price position for December 24, 2005 to December 27, 2005 for all trades on and off ICE for Waha and El Paso Waha Pool was (720,400) MMBtus, the total of twenty two sales transactions of 884,800 MMBtus at $8.04 and five purchase transactions of 164,400 MMBtus at $8.43. Total purchases and sales were 1,049,200 compared to Platts *Gas Daily* volumes for the two points of 1,536,000 MMBtus.

136. ETP covered its net short position by purchasing index or GasDaily gas. The index price for December 24 to December 27 was $8.18. On December 23, ETP purchased index volumes at Waha of 538,248 MMBtus. In addition, ETP had pre-existing arrangements for 36,374 MMBtu/d of Waha, GasDaily priced gas which totaled 145,496 MMBtus for the four day period. Accordingly, total index purchases were 683,744 MMBtus, roughly equal to the short fixed price position of (720,400) MMBtus.

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plunge exacerbated by the extra reduction of industrial demand associated with a long holiday weekend, cash prices tanked by more than a dollar — more than $2 in quite a few cases — across the board Friday."

[97] Fletcher WAV198B (Oct. 8, 2004).

In effect, the evidence shows that ETP cycled its fixed trades into index gas, in the process misrepresenting itself to the marketplace as a net seller while actually having a flat position.

137. ETP benefited from this activity by virtue of short positions in Permian and Waha GasDaily index swaps. A short position in this context means that the holder, ETP, is buying the GasDaily index at Waha and selling the Inside FERC index at Waha. Thus, ETP's short index position profited from a falling GasDaily price. ETP has short GasDaily index positions of (337,500) MMBtu/d at Waha and (285,000) MMBtu/d at Keystone.[98] A good measure of ETP's benefit from their cycling of trades on December 23 is the increased differential to Katy for both points, Waha and Permian, times the daily short index swap positions times the number of days. This approach takes into account the generally falling gas prices for that day. It attributes to ETP price suppression on December 23, 2005 at Waha of $0.87 out of a total price decline that day of $2.37 at Waha and it attributes price suppression to ETP that day at Permian of $0.67 out of a total price decline that at Permian of $2.17. As such, the unjust profits that ETP accrued from its December 23, 2005 trading at issue at Waha and Permian for the four referenced days by reason of its trading activity that appears to have been manipulative is determined as follows: (4 days)*($0.87/MMBtu)*(337,500 MMBtu/d) or $1,174,500 at Waha; and (4 days)*($0.67/MMBtu)*(285,000 MMBtu/d) or $763,800 at Permian for a total of $1,938,300.[99]

2. December 28, 2005 for December 29, 2005

138. Daily natural gas prices were falling on December 29, 2005 in the range of $0.05 to $0.85 with the largest declines in the West. Charts 12 and 13 compare Waha and El Paso Permian to Katy.

[98] ETP Response to Request No. 26, Excel file "December2005.test.xls." Per Platts' methodology, the El Paso Keystone Station south to Waha is one of three pools that make up the index point, El Paso, Permian Basin, for daily and monthly surveys.

[99] ETP Response to Request No. 62 (as revised on Dec. 27, 2006). ETP does not distinguish between Waha and El Paso Waha in its transactional reporting per ETP Response to Request No. 64. *See also* ICE Natural Gas Index Historical Data, *available at:* https://www.theice.com/marketdata/naNaturalGas/naNatGasHistory.jsp.

Chart 12

Flow Dates	Waha	Katy	Basis	Basis Change From Previous Day
12/28/05	$7.99	$8.03	$.04	NA
12/29/05	$7.27	$7.79	$.52	$.44

Source: GasDaily

Chart 13

Flow Dates	El Paso Permian	Katy	Basis	Basis Change From Previous Day
12/28/05	$7.98	$8.03	$.05	NA
12/29/05	$7.29	$7.79	$.50	$.44

Source: GasDaily

139. As on December 23, 2005, ETP's activity on December 28, 2005 contributed to the separation of the Waha and Permian relative to Katy pricing. While prices also fell in parts of the country on this date, the drop at Waha relative to Katy was again unusual and extraordinary. From September 1, 1997 through September 1, 2006, Waha ended 40 cents lower than Katy, compared to the previous trading day, only 16 times, or approximately 0.75 percent of the trading days in this period.

140. ETP began sales on ICE of Waha fixed price gas for December 29, 2005 on December 28, 2005 at 8:35 a.m. with a 10,000 MMBtu/d sale to BP Energy at $7.25. From 8:35 a.m. to 10:25 a.m., ET ETP made fixed price sales of 183,500 MMBtu/d at a weighted average price of $7.21 and bought 55,000 MMBtu/d at $7.28. ETP's weighted average position was (128,500) at $7.18. The ICE average price was $7.26. ETP's transactions represented 59 percent of ICE trades.

141. At the El Paso Waha Pool, ETP on ICE from 8:37 a.m. to 10:20 a.m. sold 150,000 MMBtu/d at $7.20 and purchased 12,600 MMBtu/d at $7.30. ETP's net position was (137,400) at $7.19. The ICE average price was $7.28. ETP's transactions represented 64 percent of ICE trades.

142. ETP's net fixed price position for December 29, 2005 for all Waha and El Paso Waha trades on and off ICE was (286,900) MMBtus, the total of thirty sales transactions of 368,500 MMBtus at $7.23 and twelve purchase transactions of 81,600 MMBtus at $7.26. Total purchase and sales were 450,100 compared to Platts volumes for the two points of 1,432,000 MMBtus.

143. ETP largely covered its net short position by purchasing index or GasDaily gas. The index price for December 29, 2005 was $7.27. On December 28, 2005, ETP

purchased index volumes of 213,962 MMBtus. In addition, ETP had from pre-existing arrangements 36,374 MMBtu/d of GasDaily priced gas, thus totaling 250,336 MMBtus of index gas for December 29, 2005, which is similar to the short fixed price position of (286,900) MMBtus.

144. ETP benefited by virtue of short positions in Permian and Waha GasDaily index swaps. A good measure of ETP's benefit from their cycling of trades on December 28, 2005 is the increased differential to Katy for both points, Waha and Permian, times the daily short index swap positions. This approach takes into account the generally falling gas prices for that day. It attributes to ETP price suppression on December 29, 2005 at Waha of $0.48 out of a total price decline that day of $0.72 at Waha and it attributes price suppression to ETP that day at Permian of $0.45 out of a total price decline that day of $0.69 at Permian. As such, the unjust profits that ETP accrued from its December 29, 2005 trading at issue at Waha and Permian for December 29, 2005 by reason of its trading activity that appears to have been manipulative is determined as follows: ($0.48/MMBtu) (337,500 MMBtus) or $162,000 at Waha and ($0.45/MMBtu) (285,000 MMBtus) or $128,250 at Permian for a total of $290,250.[100]

145. The total unjust profits to ETP from its manipulations at Waha on December 23, 2005 and December 28, 2005 are summarized in Chart 14.

Chart 14

	Dec. 23 Trading	Dec. 29 Trading	Total
Waha	$1,174,500	$162,000	**$1,336,500**
Permian	$763,800	$128,250	**$892,050**
Total	**$1,938,300**	**$290,250**	**$2,228,550**

3. ETP Should Pay Civil Penalties and Disgorge its Unjust Profits

146. The Commission applies the criteria set forth in the *Policy Statement on Enforcement* for assessing appropriate civil penalties.[101] As was the case in ETP's manipulations at HSC, ETP's manipulations at Waha caused harm to counterparties and undermined integrity in the market. The violations were the result of manipulations, and were serious offenses. ETP's actions were willful because it must have intended to sell at fixed price and buy back at index similar volumes on December 23, 2005 and December 28, 2005. The timing of the trades indicate an intent to manipulate the market. It is

[100] ETP Response to Request No. 62 (as revised on Dec. 27, 2006). ETP does not distinguish between Waha and El Paso Waha in its transactional reporting per ETP Response to Request No. 64.

[101] *See supra* P 70-73.

unclear whether senior management was involved in these manipulations. ETP did not self-report the violations. The proposed civil penalties will not affect ETP's viability. ETP's cooperation with respect to the underlying investigation of the violations has been satisfactory, but ETP has not extended itself in a way that would merit a discount in the civil penalty or cooperation the minimum level required by law.

147. The maximum civil penalty is $58,000,000, based on the facts that ETP made 23 trades at Waha on December 23, 2005 and 35 trades at Waha on December 28, 2005, and that each trade constitutes a separate violation. Based on a consideration of the relevant foregoing factors, we believe that a reduction of the full civil penalty authority of the Commission is appropriate. We determine that a civil penalty in the amount of $3,000,000 is warranted and appropriate. [102] A civil penalty of $3,000,000 should serve to deter similar violations in the future while sufficiently punishing ETP for its unlawful conduct. We also propose to order ETP to disgorge $2,228,550 in unjust profits, plus interest.

C. Oasis Pipeline Violated Commission Requirements

148. Oasis Pipeline unduly preferred affiliated shippers and unduly discriminated against non-affiliated interstate shippers on its system in three ways, all of which constitute violations of section 284.9(b) of the Commissions regulations[103] and Oasis Pipeline's 1986 and 2006 Operating Statements.[104] First, Oasis Pipeline refused to provide interstate transportation service to similarly-situated non-affiliated shippers, at the same time it was providing this service to affiliated shippers.[105] Second, on 180 occasions, Oasis Pipeline charged non-affiliated interstate shippers rates that exceeded

[102] As noted *supra* P 37, the Commission has civil penalty authority for post-EPAct 2005 violations in the amount of $1,000,000 per day per violation. Each sale that ETP made at Waha for next day gas on December 23, 2005 and December 28, 2005 constituted a violation of Market Behavior Rule 2.

[103] 18 C.F.R. § 284.9(b) (2006).

[104] Oasis Pipeline Response to Request No. 21.

[105] The denied or discouraged requests from non-affiliates were made over the phone or by instant message, rather than through Oasis Pipeline's electronic bulletin board (EBB). Although formal requests for service are submitted through the EBB, there would be no point for a shipper to submit such an EBB request after being told that no capacity is available. Moreover, the voice recordings and instant messages reviewed by staff indicate that it was common practice – for both affiliates and non-affiliates alike – to first make inquiries regarding available space over the phone or by instant message before submitting a formal request through Oasis Pipeline's EBB.

the maximum Commission-approved rate of $0.1239 per MMBtu.[106] Third, Oasis Pipeline unduly preferred its affiliate, ETC Marketing, by allowing it to ship interstate gas under a firm intrastate contract. Oasis Pipeline's violations were continuous from January 26, 2004 through June 30, 2006. We propose to assess a civil penalty of $15,000,000 and order disgorgement of $267,122 in unjust profits, plus interest.

149. Also, the owner of the Oasis Pipeline system, Oasis Pipeline Company Texas, L.P., violated section 284.123(e) of the Commission's regulations[107] when it failed to timely amend its 1986 and 2006 Operating Statements and to file a Capacity Lease and Commercial Operations Agreement, which changed how it operated the pipeline. Oasis Pipeline's violation of the filing requirements has been continuous from January 26, 2004 to the present. We propose to assess a civil penalty of $500,000.

1. Undue Preference and Undue Discrimination

150. Oasis Pipeline provided interstate (NGPA section 311) service on an interruptible basis only and intrastate service on both a firm and an interruptible basis. The maximum rate that Oasis Pipeline could charge for interruptible interstate transportation was $0.1239.[108]

151. Oasis Pipeline had an economic incentive to discriminate against non-affiliates when the basis differential between Waha and Katy exceeded the maximum lawful rate for interstate transport of $0.1239. If, for example, gas at Waha could be purchased for $6.00 per MMBtu and sold at Katy for $7.00 per MMBtu, a shipper could purchase interstate gas at Waha for shipment to Katy at the maximum transportation rate of $0.1239 and pocket the amount above $0.1239. By providing this service to an affiliated shipper, Oasis Pipeline could ensure that these profits stayed within the ETP corporate family, rather than losing them to non-affiliates. As discussed below, Oasis Pipeline used a variety of illegal practices to ensure that this valuable service was available primarily to its affiliated shippers and to either foreclose or overcharge non-affiliates for this service.

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[106] In addition to violating Commission regulations and the provisions of its Operating Statement that prohibit undue preferences and undue discrimination, these overcharges violate section 284.122(b) of the Commission's regulations,18 C.F.R. § 284.122(b) (2006). This regulation states that "No rate charged for transportation authorized under this subpart may exceed a fair and equitable rate under § 284.123."

[107] 18 C.F.R. § 284.123(e) (2006).

[108] Oasis Pipeline Response to Request Nos. 21 and 22. *See also, Oasis Pipeline Co.,* 24 FERC ¶ 61,264 (1983); *Houston Pipe Line Co.,* 24 FERC ¶ 61,096 (1983); *Houston Pipe Line Co.,* 23 FERC ¶ 61,336 (1983); *Oasis Pipeline Co.,* 12 FERC ¶ 62,186 (1980).

a. Summary of Evidence

i. Refused or Discouraged Requests for Interstate Service

152. On May 19, 2005, UBS requested transportation on Oasis Pipeline from Waha to Katy for June 2005.[109] The Oasis Pipeline dispatcher stated that interruptible service was not available, but that if UBS wanted to ship intrastate gas, Oasis Pipeline would sell UBS firm service if firm capacity was available. Oasis Pipeline shipped an average of 33,500 MMBtu/d using interstate, interruptible service for its affiliates in June.[110]

153. Oasis Pipeline appears to have rejected two requests for daily interruptible service on July 14 and July 25.[111] Oasis Pipeline shipped an average of over 12,000 MMBtu/d using interstate, interruptible service for affiliates in July 2005.[112]

154. In August 2005, Oasis Pipeline rejected two requests for interstate service. On August 17, 2005, an Oasis Pipeline dispatcher informed an Astra representative that Oasis Pipeline was full.[113] Also, on August 24, an unidentified, non-affiliated shipper called to inquire about interruptible capacity on Oasis Pipeline, and was told that nothing was available daily or for the next month.[114] Oasis Pipeline nevertheless shipped an average of over 35,000 MMBtu/d using interstate, interruptible service for its affiliates from August 18 until August 31.[115]

155. On September 19, 2005 at 7:37 a.m., an ETC Marketing shipper sent an instant message inquiring whether he should "work crosshaul." Oasis Pipeline's dispatcher replied that ETC Marketing should "work 50k," though Oasis Pipeline could probably do

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[109] Audio digital recording/Wav file of Mark Mandl WAV2351 (May 19, 2005) (Mandl WAV2351 (May 19, 2005)).

[110] Oasis Pipeline Response to Request No. 34.

[111] Mandl WAV281E (July 14, 2005); Mandl WAV2930 (July 25, 2005).

[112] Oasis Pipeline Response to Request Nos. 34 and 35.

[113] Audio digital recording/Wav file of Paul McPheeters WAV20B (Aug. 17, 2005) (McPheeters WAV20B (Aug. 17, 2005)).

[114] McPheeters WAV2D0 (Aug. 24, 2005). *See also* Oasis Pipeline Response to Request No. 6, Bates No. 002110 (IM dated Aug. 22, 2005) (Oasis Pipeline dispatcher tells non-affiliate that no space available from Waha to Katy for the next day).

[115] Oasis Pipeline Response to Request No. 35.

more and that he would "get right back if we can do more."[116] Seven minutes later, an non-affiliated shipper sent an instant message asking for crosshaul, to which the Oasis Pipeline dispatcher responded "no sir, we've been full up all month," and that he was "anticipating being as full next month as I am this."[117] Thus while he was still looking for more space for his affiliated shipper, the Oasis Pipeline dispatcher told the non-affiliate that there was no more space for this month or the next.

156. In October 2005, Oasis Pipeline rejected at least four requests from non-affiliated shippers. On October 10 and again on October 19, representatives of Dow Chemical called inquiring about shipping gas on a monthly basis from November forward.[118] The Oasis Pipeline dispatcher informed them that, although they had interruptible interstate and interruptible intrastate agreements in place, Oasis Pipeline did not have any space available for November and that "you are probably going to need to enter into a firm" intrastate agreement to be able to ship on Oasis Pipeline.[119] However, in three e-mail confirmations on October 26 and October 27, Oasis Pipeline agreed to transport nearly 80,000 MMBtu/d for its affiliate under a dual contract arrangement.[120] Moreover, Oasis Pipeline shipped over 13,000 MMBtu/d of interstate gas for its affiliate during November 2005.

157. Oasis Pipeline also provided affiliated shippers with preferential access to information regarding available capacity and pricing. For example, Oasis Pipeline

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[116] Oasis Pipeline Response to Request No. 6, Bates No. 002035 (IM dated Sept. 16, 2005).

[117] Oasis Pipeline Response to Request No. 6, Bates No. 002036 (IM dated Sept. 19, 2005). *See also* Bates Nos. 002143 (IM dated Aug. 31, 2005) (Oasis Pipeline dispatcher told non-affiliate that there was no next day space available), 002147 (IM dated Sept. 1, 2005) (Oasis Pipeline dispatcher told non-affiliate that there would "most likely" not be any space to Katy for the month of September).

[118] McPheeters WAV8D1 (Oct. 10, 2005); Mandl WAV1216 (Oct. 19, 2005).

[119] McPheeters WAV8D1 (Oct. 10, 2005). Also, on October 19 and October 26, an Oasis Pipeline dispatcher informed non-affiliated shippers that daily space was doubtful and that he could not sell for November until producers had elected the volumes they would be shipping for November. *See* Mandl WAV1216 (Oct. 19, 2005) (second call on WAV1216); Mandl WAV1B83 (Oct. 26, 2005).

[120] *See, e.g.,* ETP Response to Request No. 84, Bates Nos. OA84-002446 (e-mail from Small to McPheeters for 65,000 MMBtu/d, Oct. 26, 2005); OA84-002447 (e-mail from O'Kane to McPheeters for 13,375 MMBtu/d, Oct. 26, 2005); OA84-002448 (e-mail from O'Kane to McPheeters for 370 MMBtu/d, Oct. 27, 2005).

personnel informed ETC Marketing personnel in advance when interruptible, interstate capacity became available.[121] This market advantage does not appear to have been extended to non-affiliated shippers, who had to call back day after day to see whether any space had become available.[122] Oasis Pipeline and ETC Marketing personnel also discussed where Oasis Pipeline should set its transportation rates.[123] In some cases, employees of ETC Marketing – a shipper on the system – even recommended that Oasis Pipeline charge *higher* prices for transport.[124]

ii. Overcharges

158. On 186 occasions from February 20, 2004 through February 2, 2006, Oasis Pipeline charged interstate shippers a rate in excess of the maximum lawful rate of $0.1239 per MMBtu.[125] All but six of these 186 overcharges were to non-affiliates. Oasis Pipeline made these overcharges for deliveries from interstate receipt points at Waha and upstream of Waha from interstate pipelines, which Oasis Pipeline's section 311 contracts identify as interstate receipt points.[126] The total amount of these 186

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[121] Mandl WAV1035 (May 2, 2005) (Mandl told his counterpart at ETC Marketing in response to a request for capacity that there is "nothing yet, but as soon as I do I will, uh, I'll send you an IM.").

[122] For instance, Astra's representative called on September 20, 2005 inquiring about capacity for October. The Oasis Pipeline dispatcher informed her that none was available, but that she should keep calling back every day to see if some amount did become available. McPheeters WAV58D (Sept. 20, 2005). However, on September 26 and September 30, Oasis Pipeline agreed to transport 80,000 MMBtu/d for the month of October for its affiliate, pursuant to the "dual contract" arrangement discussed below in which shippers could reserve capacity under a firm intrastate contract while shipping interstate gas under the related interstate interruptible contract. *See, e.g.,* ETP Response to Request No. 84, Bates Nos. OA84-001659 (e-mail from Small to McPheeters for 50,000 MMBtu/d, Sept. 26, 2005); OA84-002417 (e-mail from Fletcher to Mandl for 30,000 MMBtu/d, Sept. 30, 2005).

[123] *See, e.g.,* Mandl WAVC87 (Aug. 23, 2005); Mandl WAVE9C (Sept. 16, 2005); McPheeters WAV13B (Aug. 12, 2005).

[124] *See, e.g.,* Mandl WAV1818 (Sept. 29, 2004).

[125] Oasis Pipeline Responses to Request Nos. 1 and 2. *See* Appendix A for a list of these overcharges.

[126] Oasis Pipeline Response to Request No. 24, Bates No. OA24-02-000686 (BP Energy Contract). For example, some contracts identify Oasis Meter No. 0728 / 1265 as follows: "Gas delivered to El Paso / PG&E / Valero (Oasis meter No. 0728 / 1265) that is

overcharges is $267,122. Appendix A to this order forth the dates, receipt points and rates Oasis Pipeline charged on the 186 occasions at issue.

159. Oasis Pipeline dispatchers and ETC Marketing employees frequently informed non-affiliated shippers that they could not transport their gas unless shippers warranted that the gas was intrastate.[127] Moreover, they did so even for gas that was received from an interstate pipeline and even where shippers stated that they believed the gas to be interstate in character, as the following conversation demonstrates.

SHIPPER:	It's Texas produced gas, but it hits an interstate before it goes into Oasis.
FLETCHER:	That doesn't matter. I mean if it's from the ground in Texas, it's from the ground in Texas . . .
SHIPPER:	Well, if that how the San Antonio folks, ah, figure out jurisdictional issues, then that works for me.
FLETCHER:	What do you think?
SHIPPER:	I, I think realistically it uh – I, I want to say that once it goes into an interstate . . . It may, it may a be colored as interstate gas and then, uh, it can't, it can't be uncolored, but I'm not positive on that [. . .]
FLETCHER:	Sure, uh there's some gas that I buy on an interstate line, El Paso Natural Gas . . . but the guy that I buy it from, he's drilling in Texas . . . And so I just ask him to send me a letter warranting that the gas is intrastate.

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considered by El Paso / Valero as Permian / Waha Hub delivery (HUB Delivery), is subject to the provisions of Section 311 (a)(2) of the Natural Gas Policy Act (NGPA) and Subpart C of Part 284 of the Federal Energy Regulatory Commission's (FERC) regulations"; Bates No. OA24-03-000675 (Interruptible NGPA Section 311 Transportation Agreement for Constellation Power Source, Inc., dated June 1, 2002). Meter No. 1265 is a meter used for a number of the transportations resulting in violations, though there are interconnections upstream of Waha for El Paso (1335/6541), Northern Natural Gas (8724/8725), and NGPL (1329/6481); Bates No. 0A24-03-000447 (Intrastate Interruptible Transportation Contract for Constellation Power Source, Inc., dated September 1, 2001).

[127] *See, e.g.,* McPheeters WAV11FF (May 19, 2005); McPheeters WAV1BE9 (June 3, 2005); Mandl WAV149D (Aug. 19, 2004); Mandl WAV16AB (Sept. 17, 2004).

SHIPPER: Even though it's moving on the interstate?

FLETCHER: Yeah. I mean that's all.

SHIPPER: And that's all as long as you can show where it's coming from --

FLETCHER: Right.

SHIPPER: -- if the FERC police ever show up, it's probably, not an issue.

FLETCHER: Right.[128]

Finally, we note that Oasis Pipeline did not make any effort to verify the truth of shippers' warranties when the gas in question was received from an interstate pipeline.[129]

iii. Dual Contracts

160. Oasis Pipeline unduly preferred its affiliate by allowing it to reserve capacity under a firm intrastate contract, but ship interstate gas (in place of intrastate gas) by submitting nominations under a "parallel" or "related" interruptible interstate contract. Oasis allowed shippers to use a single transaction confirmation indicating the firm intrastate contract pursuant to which the capacity was reserved and the related interstate interruptible contract pursuant to which interstate gas was nominated.

161. Oasis Pipeline affiliates accounted for roughly 95 percent of the volumes confirmed under this dual contract arrangement.[130] Review of the confirmation e-mails provided by ETP and Oasis Pipeline[131] indicates that, in a total of 60 transactions from January 26, 2004 through June 30, 2006, Oasis Pipeline affiliates confirmed nominations

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[128] Deposition of Luke Fletcher Exhibit 3 (Mar. 2, 2007) (Fletcher Dep. Ex. 3); Fletcher, WAV9B6 (Sept. 19, 2005).

[129] *See, e.g.*, McPheeters WAV512 (Aug. 20, 2004) (caller asked what the "burden of proof" was for shipper warranties, and McPheeters responded that just giving the warranty is enough because he "doesn't have enough time" to verify that the warranty is correct).

[130] Oasis Pipeline Responses to Request No. 24; ETP Responses to Request No. 84. *See* Appendix B for a list of the reference transactions.

[131] *See* Oasis Pipeline Response to Request No. 24; ETP Response to Request No. 84.

of roughly 74 Bcf under these arrangements (almost exclusively monthly or longer-term deals).[132] By contrast, BP confirmed nominations of roughly 3.4 Bcf in 11 transactions (mostly daily deals) from April through September 2005, Chevron confirmed .5 Bcf in a single monthly deal in April 2006. Appendix B to this order forth the dates, terms, prices, volumes, etc. for each of these transactions pursuant to dual contracts.

162. An Instant Message from an Oasis Pipeline dispatcher explains how this process worked:

> I could do up to 50,000/day from TW [Transwestern] or El Paso [Natural Gas Company] to the Hub. I would do 50,000 at a demand of .10 and no commodity. The .10 would be billed on the Firm [intrastate] 204 [contract] and you'd nom[inate] on the related interstate agreement. If I ran into a meter capacity issue at any of those points, you would by noming them on an IT [interruptible] Interstate agreement so it would be subject to cut even though I'm still collecting my .10.[133]

163. In deposition testimony, Mandl explained that the dual contract arrangement permitted a shipper who was unable to ship its full contractual entitlement with intrastate gas to substitute interstate gas on an interruptible basis.[134] This dual contract arrangement thus allowed a shipper who was unable to fill the full capacity reserved (or nominated) with intrastate gas the flexibility to substitute interstate gas to fill the remainder of the reserved capacity, instead of being forced to pay the full demand charge for capacity that it could not use.[135]

iv. Other Evidence of Discriminatory Effects and Motive

164. The cumulative effect of this discrimination against similarly-situated non-

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[132] *Id.* Based on staff's review of the confirmation e-mails provided by Oasis Pipeline, all or nearly all of the interstate gas that Oasis Pipeline shipped for affiliates from Waha to Katy was a shipped using the dual contract arrangement.

[133] Deposition of Mark Mandl Exhibit 4 (Mar. 5, 2007) (Mandl Dep. Ex. 4), Oasis Pipeline Response to Request No. 6, Bates No. 001935 (IM dated October 13, 2005). We note that, although Oasis Pipeline informed non-affiliated shippers that interstate gas shipped pursuant to the dual contract arrangement was interruptible, we have not found any instances in which Oasis Pipeline interrupted interstate volumes shipped by its affiliates under the dual contract arrangement.

[134] Mandl Dep. 141:4-43:11.

[135] Fletcher Dep. at 122:5-23:7.

affiliated shippers is apparent from the large disparities between the interstate volumes shipped by affiliates versus non-affiliates.[136] Oasis Pipeline transported interstate gas from Waha to Katy more often, and in substantially larger volumes, for affiliated interstate shippers than it did for all non-affiliated shippers combined throughout the relevant period. With respect to firm intrastate service – which accounted for a substantially larger percentage of Oasis Pipeline's total shipments from Waha to Katy – the ratio of gas shipped for affiliates versus non-affiliates is reversed.

165. Oasis Pipeline provided the vast majority of interstate capacity to its affiliates. Oasis Pipeline's stated practice was to sell transportation on a first come, first served basis, but its affiliates received (among over 30 other, non-affiliated shippers) 80 or more percent of interstate volumes transported from Waha to Katy.[137] Moreover, Oasis Pipeline's affiliates' share of interstate volumes increased along with the Waha-to-Katy basis differential. In other words, as the capacity from Waha to Katy became more valuable, the percentage of interstate capacity shipped by Oasis Pipeline's affiliates increased.

166. For the period from June 2005 through April 2006, Oasis Pipeline transported a total of 13,794,697 MMBtu under interstate contracts for affiliated shippers and 3,739,318 MMBtu under interstate contracts for non-affiliated shippers, a ratio of roughly 3.7:1 in favor of its affiliates. Chart 15 sets forth interstate volumes shipped from Waha to Katy for affiliates and non-affiliates from January 2005 through April 2006. The listed months are the time periods in which Oasis Pipeline unduly discriminated against non-affiliated shippers in the transportation of interstate gas from Waha to Katy.

[136] Oasis Pipeline provided conflicting data responses with respect the volumes of interstate gas it transported for affiliated and non-affiliated shippers to Katy. For the purposes of this order, we refer to the data that Oasis Pipeline provided that is more favorable to Oasis Pipeline.

[137] Oasis Pipeline's 2005 Annual Report indicates that it transported interstate gas for 32 shippers. Oasis Pipeline Response to Request No. 20.

Chart 15

	Affiliate (MMBtu)	Non Affiliate (MMBtu)	Total (MMBtu)	% Affiliate	Average of Daily Basis
Jun-05	1,006,546	691,914	1,698,460	59.3%	$ 0.58
Jul-05	373,115	20,000	393,115	94.9%	$0.39
Aug-05	1,234,619	1,481,224	2,715,843	45.5%	$0.57
Sep-05	2,968,242	217,500	3,185,742	93.2%	$0.54
Oct-05	1,317,590	232,500	1,550,090	85.0%	$0.76
Nov-05	404,719	185,065	589,784	68.6%	$0.26
Dec-05	304,084	46,115	350,199	86.8%	$0.17
Jan-06	-	135,000	135,000	0.0%	$0.22
Feb-06	1,993,892	210,000	2,203,892	90.5%	$0.43
Mar-06	1,976,964	225,000	2,201,964	89.8%	$0.61
Apr-06	2,214,926	295,000	2,509,926	88.2%	$0.89

167. However, the disparity between affiliates and non-affiliates is reversed for firm intrastate service.

Chart 16

	Affiliate (MMBtu)	Non-Affiliate (MMBtu)	Total (MMBtu)	% Affiliate
Jun-05	2,536,204	8,565,924	11,102,128	22.8%
Jul-05	805,344	7,912,981	8,718,325	9.2%
Aug-05	1,181,096	10,213,401	11,394,497	10.4%
Sep-05	1,715,176	10,865,621	12,580,797	13.6%
Oct-05	5,386,456	11,963,270	17,349,726	31.0%
Nov-05	2,584,936	12,154,090	14,739,026	17.5%
Dec-05	232,725	13,001,232	13,233,957	1.8%
Jan-06	2,203,259	12,406,924	14,610,183	15.1%
Feb-06	1,226,925	12,729,008	13,955,933	8.8%
Mar-06	2,083,776	13,782,726	15,866,502	13.1%
Apr-06	1,682,421	13,956,218	15,638,639	10.8%

Thus, while affiliated shippers accounted for over 80 percent of the interstate volumes shipped in seven of the 11 months from June 2005 through April 2006, non-affiliates account for over 80 percent of the (much larger volumes of) intrastate firm service in nine of the eleven months. We note that the non-affiliated shippers included major producers and marketers such as BP, Burlington Resources, Calpine, Cargill, Chevron Texaco, Cinergy, Conoco Phillips, Constellation, Coral, Sempra and Dynegy.[138] Thus, this is not

[138] *See* Oasis Pipeline Response to Request No. 34.

a case where affiliates of an intrastate pipeline are much larger than other shippers combined and hence might be expected to do more business on the affiliated pipeline.

168. Oasis Pipeline and ETP had a strong incentive to discriminate against non-affiliates in the provision of interstate service due to the fact that interstate rates were capped at $0.1239. Oasis Pipeline generally set its rates for intrastate transportation from Waha to Katy equal to the basis differential between these two points,[139] but it could not do so for interstate transportation rates due to the fact that these rates cannot exceed the maximum lawful rate. When the basis differential between these two points exceeds $0.1239 per MMBtu, ETC Marketing (and thus the ETP corporate family) can capture the basis differential above $0.1239 by shipping gas from Waha to Katy, an opportunity that is lost when a non-affiliate ships gas from Waha to Katy at the maximum interstate rate. Chart 17 below demonstrates that the share of interstate volumes shipped for affiliates increased as a function of the Waha-to-Katy basis differential.

Chart 17

	Affiliate (MMBtu)	Non-Affiliate (MMBtu)	Total (MMBtu)	% Affiliate	% Non-Affiliate
Basis > $.75	**5,232,675**	**807,359**	**6,040,034**	**86.6%**	**13.4%**
Basis > $.30	**13,919,023**	**6,821,127**	**20,740,150**	**67.1%**	**32.9%**
Basis < $.30	**2,845,909**	**2,845,670**	**5,691,579**	**50.0%**	**50.0%**
Basis < $.1239	**199,746**	**386,957**	**586,703**	**34.0%**	**66.0%**

b. Legal Analysis

169. To prove the existence of undue discrimination or undue preference, it must be shown that: (1) two classes of customers are treated differently; and (2) that the two classes of customers are similarly situated.[140] In the voice recordings and instant messages summarized above, Oasis Pipeline rejected or discouraged non-affiliated shippers' requests for transportation during the period from June 1, 2005 through November 30, 2005. Oasis Pipeline rejected or discouraged non-affiliated shippers'

[139] *See, e.g.*, Fletcher Dep 104:16-19; Deposition of Paul McPheeters 51:9-52:1 (Feb. 27, 2007) (McPheeters Dep. 51:9-52:1) ("we would be looking at ICE and trying to capture the Waha-to-Katy spread.").

[140] *See, e.g., "Complex" Consol. Edison v. FERC*, 165 F.3d 992, 1012 (D.C. Cir. 1999); *Sebring Utility Comm'n v. FERC*, 591 F.2d 1003, 1009, n.24 (D.C. Cir. 1979); *Transwestern Pipeline Co.*, 36 FERC ¶ 61,175, at 61,433 (1986) (undue discrimination is in essence an unjustified difference in treatment of similarly-situated customers); *Tennessee Gas Pipeline Co.*, 77 FERC ¶ 61,215, at 61,877 (1996).

requests for interstate service, then either agreed to ship or actually shipped interstate gas for affiliates during the time period covered by the non-affiliates' requests.

170. Oasis Pipeline discriminated against non-affiliates on a systematic basis, and not just in the instances captured by voice recordings. Oasis Pipeline's affiliates accounted for the vast majority of the interstate volumes shipped from Waha to Katy during these periods and its affiliates' share of interstate transportation increased as the Waha-to-Katy price spread increased and the vast majority (roughly 95 percent) of the volumes confirmed under the dual contract arrangement, while non-affiliates account for 180 out of 186 overcharges. Oasis Pipeline had an economic incentive to unduly prefer its affiliate. When the basis between Waha and Katy is greater than the maximum lawful rate of $0.1239, the difference between the basis differential and the maximum lawful rate for interstate gas would be simply lost if Oasis Pipeline shipped gas for a non-affiliate. However, if it ships for ETC Marketing or another affiliate, the revenue from this difference stays within the ETP family.

i. Refused or Discouraged Requests for Interstate Service

171. In several of the calls discussed above, the Oasis Pipeline dispatchers explained to non-affiliated shippers that they could not say whether or not they could provide interstate service because producers shipping on Oasis Pipeline had not yet elected the volumes that they were going to ship for the period in question or due to uncertainty about the volumes shipped for generators.[141] Nevertheless, Oasis Pipeline subsequently granted affiliates requests to ship interstate volumes after these requests by non-affiliates were made. Thus, Oasis Pipeline was not in fact following a first-come, first-served priority system and that the claims it made to non-affiliated shippers regarding producer or generator volumes may have been a pretext.

172. Oasis Pipeline gave affiliated shippers information regarding available capacity and pricing in advance of that given to non-affiliated shippers.[142] In *Panhandle Eastern Pipe Line Co.*,[143] we found that Panhandle's provision of such advance notice to its marketing affiliate and certain customers to be unduly preferential in violation of section 311.

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[141] *See, e.g.,* McPheeters WAV2D0 (Aug. 24, 2005); McPheeters WAV58D (Sept. 20, 2005); McPheeters WAV8D1 (Oct. 10, 2005); Mandl WAV1216 (Oct. 19, 2005).

[142] Mandl WAV1035 (May 2, 2005).

[143] Opinion No. 275, 39 FERC ¶ 61,274, at 61,900 (1987).

ii. Overcharges

173. By charging in excess of the maximum lawful rate – overwhelmingly for non-affiliates (180 out of 186 instances) – Oasis Pipeline violated sections 284.9(b) and 284.122(b) of the Commission's regulations. An intrastate pipeline is not permitted to charge rates for interstate transportation that exceed the fair and equitable rate, or maximum lawful rate. Oasis Pipeline violated this provision by charging in excess of the maximum lawful rate for interstate transportation on 186 occasions; no maximum rate applies for intrastate transportation. The gas received at the specified interstate points was interstate gas because, under the "commingling" doctrine, gas transported on an interstate pipeline (and thus "commingled" with interstate gas) is interstate in character for purposes of the Commission's jurisdiction.[144]

174. We note that Oasis Pipeline's intrastate contracts provide that the shipper warrants the intrastate character of the gas and that the gas has not been commingled with interstate gas in such a manner as to make it subject to the Commission's jurisdiction and that the shipper shall be liable for any breaches of this warranty.[145] Oasis Pipeline and

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[144] *See*, *e.g., California v. Lo-Vaca Gathering Co.*, 379 U.S. 366 (1965) (commingling in a pipeline of gas destined for sale in interstate commerce with gas destined for sale in intrastate commerce causes all of the gas moving through the pipeline to be dedicated for sale in interstate commerce). *See also FPC v. Florida Power & Light Co.,* 404 U.S. 453, 461 n.10 (1972); *Oklahoma Natural Gas Co. v. FERC,* 28 F.3d 1281, 1285 (D.C. Cir. 1994); *Louisiana Power & Light Co.,* 483 F.2d 623 (1973); *Lee 8 Storage P'ship,* 73 FERC ¶ 61,159 (1995).

[145] A typical example of this warranty is found in Oasis's contract with Constellation Power Source, Inc.:

> Shipper represents and warrants to Oasis (i) that all gas delivered to Oasis hereunder will be produced in the State of Texas from reserves not dedicated or committed to interstate commerce, or (ii) that the gas which Shipper delivers or receives hereunder will not have been or be sold, consumed, transported or otherwise utilized in interstate commerce at any point upstream of the Points of Receipt or downstream of the Points of Delivery, nor have been or be commingled at any point upstream of the Points of Receipt or downstream of the Points of Delivery with other gas which is or may be sold, consumed, transported or otherwise utilized in interstate commerce in such a manner which will subject the gas subject to this Agreement or Oasis's or its designee's pipeline system, or any portion thereof, to the jurisdiction of the Federal Energy Regulatory Commission or any successor authority under the Natural Gas Act.

Oasis Pipeline Response to Request No. 24, Bates Nos. OA24-03-000550-51.

ETC Marketing personnel frequently required non-affiliated shippers to provide these warranties for gas that they knew was received from interstate pipelines at points that Oasis Pipeline's contracts designated as interstate receipt points and thus had been commingled in interstate commerce. Requiring shippers to certify that gas is intrastate – when it is in fact interstate – circumvents the Commission's authority.

175. Oasis Pipeline cannot rely on the fact that shippers – at Oasis Pipeline's insistence – provided warranties, which Oasis Pipeline knew or should have known were erroneous, to charge a rate for interstate gas in excess of the maxim lawful rate or to shift liability for its own violations onto the shippers. Both Commission and judicial precedent are clear that neither a shipper's mistake nor misrepresentation as to the intrastate character of the gas permits a pipeline to charge a rate in excess of the maximum interstate rate for gas that is in fact interstate. To do so would violate the filed rate doctrine. In *Southern Union Gathering Co. v. FERC*,[146] the United States Court of Appeals for the District of Columbia Circuit invoked the filed rate doctrine to vacate a Commission order allowing the enforcement of a state court judgment awarding damages for negligent misrepresentation as to the interstate character of the gas in question because to do so would have allowed the producer to charge in excess of the maximum lawful rate for interstate gas.[147] In subsequent orders, the Commission has interpreted *Southern Union* as "clear precedent" that any agreement to pay more than the maximum lawful rate is unenforceable.[148]

176. Although in limited circumstances interstate pipelines can demonstrate compliance with section 284.102 of the Commission's regulations[149] by obtaining a certificate from shippers,[150] this precedent is not applicable to the shipper certifications at issue here.

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[146] 857 F. 2d 812 (D.C. Cir. 1988) (*Southern Union*).

[147] *Id*. at 817-818 (the state court held that Southern Union had negligently misrepresented that the gas in question was intrastate (and thus not subject to the applicable NGPA price ceiling), when it was in fact interstate and subject to the NGPA price ceiling).

[148] *Burlington Res. Oil & Gas Co., L.P. v. FERC*, 396 F.3d 405 (D.C. Cir. 2005), *order on remand, Burlington Res. Oil & Gas Co., L.P.*, 112 FERC ¶ 61,257 (2005), *reh'g denied*, 113 FERC ¶ 61,257 at P 42 (2005).

[149] 18 C.F.R. § 284.102 (2006). This regulation sets forth the conditions under which an interstate pipeline may transport gas "on behalf of" an intrastate pipeline or LDC pursuant to section 311(a)(1) of the NGPA.

[150] S*ee, e.g., Williams Natural Gas Co*., 86 FERC ¶ 61,213 (1999) (*Williams*); *Missouri Gas Energy v. Williams Natural Gas Co*., 79 FERC ¶ 61,204 (1997); *Peoples Natural Gas Company v. Williams Natural Gas Co*., 59 FERC ¶ 61,121 (1992).

Cases such as *Williams* simply found that the interstate pipeline did not violate section 284.102 of the Commission's regulations, which includes an express requirement that pipelines obtain a certification from shippers that the requirements of this section are met, because the pipeline did in fact obtain the necessary certification and therefore complied with the certification requirement. Here, the Commission regulations at issue (which prohibit pipelines from charging in excess of the maximum lawful rate) do not mandate that pipeline obtain a certification from shippers. The mere fact that Oasis Pipeline used boilerplate warranty language in its transportation contracts, or even requested warranties for particular transportation transactions, does not immunize the pipeline from liability for charging an excessive rate.

177. Finally, even if Oasis Pipeline sought warranties as to the intrastate character of the gas received at interstate points, the warranties that they requested from shippers did not establish that the gas was in fact intrastate. Oasis Pipeline's two primary schedulers, Paul McPheeters and Mark Mandl, and ETC Marketing trader Luke Fletcher, testified that they only required warranties on certain occasions that the gas in question was produced in Texas. They did not inform shippers that shippers could not transport under an intrastate contract gas that had been transported on an interstate pipeline.[151] In a September 19, 2005 conversation between Fletcher and an unaffiliated shipper, the shipper pointed out that gas produced in Texas and transported on an interstate pipeline is interstate in character, but Fletcher still charged as if it were intrastate.[152]

iii. Dual Contracts

178. With respect to the dual contracts, Oasis Pipeline unduly preferred its affiliated shippers by providing this interstate transportation service option almost exclusively to its affiliates, but not to similarly-situated, non-affiliated shippers. Oasis Pipeline's affiliates accounted for over 95 percent of the volumes confirmed and generally did so under monthly or longer-term deals. This service option provided Oasis Pipeline's affiliated shippers an advantage – largely unavailable to non-affiliates – insofar as they had the flexibility to ship interstate gas using capacity reserved for intrastate gas; in the absence of this option, Oasis Pipeline's affiliates would simply have had to pay the full demand charge for capacity that they could not have used.

179. Further, Oasis Pipeline used these dual contract arrangements to circumvent the first come, first served priority system for access to interstate interruptible capacity in two respects. First, while Oasis Pipeline did not permit shippers to reserve interruptible capacity, the dual contract arrangement allowed its affiliated shippers to reserve capacity

[151] McPheeters Dep. 154:4-155:16; Fletcher Dep. 141:13-142:13; Mandl Dep. 56:6-59:8.

[152] Fletcher Dep. Ex.3; Fletcher WAV9B6 (Sept. 19, 2005).

that could be used to ship interstate gas months in advance. This option was not available to similarly-situated non-affiliated shippers who did not have access to Oasis Pipeline capacity under the dual contract arrangement. Second, Oasis Pipeline allowed affiliated shippers to obtain capacity that could be used for interruptible interstate transport after a request by a non-affiliate had been made. As noted above, in late September and October of 2005, non-affiliated shippers were told that there was no interstate capacity available from Waha to Katy, while subsequent requests from affiliates for the same time period were accepted, under the dual contract arrangement. Thus, Oasis Pipeline allowed its affiliates to jump to the front of the line in Oasis Pipeline's first come, first served system.

c. Notice of Proposed Penalties

i. Oasis Pipeline Knowingly Committed Violations

180. For civil penalties to be assessed under the NGPA, violations must be committed "knowingly." The statute defines "knowing" as having "actual knowledge" or "the constructive knowledge deemed to be possessed by a reasonable individual who acts under similar circumstances."[153] The Commission has construed this requirement as a "knew or should have known" standard.[154]

181. Oasis Pipeline knowingly committed the violations described above. Oasis Pipeline repeatedly refused or discouraged requests for interstate transportation from similarly-situated non-affiliated shippers, while shipping interstate gas for its affiliates. In some occasions, Oasis Pipeline granted its affiliates requests for interstate service after it had denied or discouraged those of non-affiliates. Oasis Pipeline knew or should have known that these actions were unduly preferential towards its affiliates and unduly discriminatory to non-affiliates.

182. Oasis Pipeline's overcharge violations were committed knowingly because interstate receipt points are listed and identified as such in Oasis Pipeline transportation contracts. Company personnel knew or should have known that transportation of gas on an interstate pipeline to a receipt point at which Oasis Pipeline received the gas rendered the gas it received to be interstate in character and thus that Oasis could not charge a transportation rate for this gas in excess of the applicable maximum lawful rate of $0.1239.

183. With respect to the dual contracts, Oasis Pipeline committed these violations knowingly because Oasis Pipeline and its dispatchers were aware of the benefits that this

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[153] 15 U.S.C. § 3414(b)(6)(B) (2000).

[154] *Panhandle Eastern Pipe Line Co.*, 40 FERC ¶ 61,187, at 61,582-583 (1987).

arrangement provided to affiliated shippers. That benefit was the increased flexibility to ship interstate gas using capacity reserved under a firm intrastate contract. Oasis Pipeline and its transportation personnel thus knew or should have known that providing this dual contract arrangement, and its attendant benefits, almost exclusively to its affiliate constituted an undue preference to its affiliate.

184. The Commission proposes to assess a civil penalty in the amount of $15,000,000 for Oasis Pipeline's and to order disgorgement of $267,122 in unjust profits. Oasis Pipeline's violations were continuous throughout the periods from January 26, 2004 through June 30, 2006. As noted, *supra* at P 37, for a continuing violation, each day constitutes a separate violation.[155] The maximum civil penalty for the pre-EPAct 2005 violations is $5,500 per day,[156] and the maximum civil penalty for the post-EPAct 2005 violations is $1,000,000 per day.[157]

ii. Policy Statement on Enforcement Penalty Factors

185. In the Commission's Policy Statement on Enforcement,[158] the Commission set forth the factors it would consider in assessing civil penalties.

- Oasis Pipeline's violations were serious, as they involve discriminatory treatment of non-affiliates in favor of a pipeline's marketing affiliates. One of the core purposes of the statutes that it administers is to prevent unduly discriminatory or unduly preferential treatment and set maximum rates for interstate transportation. The various types of violations above all served to give Oasis Pipeline's unduly preferential treatment and to deprive non-affiliates of the ability to move interstate gas from Waha to Katy and thereby capture the basis differential above the maximum lawful rate. Also, Oasis Pipeline's undue discrimination against non-affiliated shippers was not limited to interstate shippers.[159]

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[155] 15 U.S.C. § 3414(b)(6)(C) (2000).

[156] 18 U.S.C. § 385.1602(a) (2006).

[157] EPAct 2005, Pub. L. 109-58 § 314(b)(2) (2005).

[158] *Enforcement of Statutes, Orders, Rules, and Regulations*, 113 FERC ¶ 61,068 (2005).

[159] For example, on August 12, 2005, an Oasis Pipeline dispatcher tells his counterpart at ETC Marketing that he "threw out 52 to somebody to scare them off," in other words, quoted a transportation price of 52 cents, which was high, to discourage the non-affiliate from purchasing the capacity. The ETC Marketing employee then said he

- Oasis Pipeline's violations were willful. Oasis Pipeline repeatedly refused or discouraged requests from non-affiliates for interstate transportation service, while flowing substantial volumes for affiliates. Tellingly, affiliates' share of interstate transport increased along with the Waha-to-Katy basis differential, indicating that this set of violations was part of corporate policy to ensure that the ETP corporate family would get the full Waha-to-Katy spread. Oasis Pipeline must have known that gas received from an interstate pipeline – which has been commingled with gas in interstate commerce – was interstate gas subject to the maximum lawful rate under the NGPA and applicable Commission orders and that it could not attempt to contract out of Commission jurisdiction. Oasis Pipeline appears to have used the dual contract arrangement to benefit its affiliates both by providing them with greater flexibility in using firm intrastate service than non-affiliates, and to allow them to circumvent Oasis Pipeline's purported first come, first serve system.

- Oasis Pipeline's violations harmed non-affiliated interstate shippers (as well as their suppliers and customers) who were denied access to a key pipeline asset for transporting gas from production areas in West Texas to key markets in East and South Texas, frequently charged in excess of the maximum lawful rate, and denied the opportunity to use Oasis Pipeline to transport interstate gas and the flexibility to use the dual contract arrangement to do so.

- Oasis Pipeline did not self-report its violations.

- Oasis Pipeline's cooperation was not exemplary. It failed to make witnesses available for depositions in a timely manner. Moreover, on May 18, 2007, Oasis Pipeline informed staff that transportation-related data that had been provided to, and relied upon by, staff over eight months earlier was incorrect.[160]

186. Based on consideration of the foregoing factors as set forth in the Policy Statement on Enforcement, the proposed civil penalty of $15,000,000 is warranted and appropriate. A civil penalty of $15,000,000 is considerably less than the maximum civil penalty the Commission could propose, considering that the penalty period is each day from January 26, 2004 through June 30, 2006 and that the maximum civil penalty for each post-EPAct

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would make a nomination for 50,000 to 80,000 MMBtu for that week-end, and the Oasis Pipeline dispatcher responded that that would be fine. McPheeters WAV13B (Aug. 12, 2005).

[160] *See* Oasis Pipeline Response to Request Nos. 11, 12, 34 and 35.

2005 violation is $1,000,000 per day per violation. The Commission believes that appropriate remedial, deterrence and punitive objectives can be achieved by a civil penalty of this size. We also propose to order ETP to disgorge $267,122 in unjust profits, plus interest.

2. Oasis Pipeline's Capacity Lease and Commercial Operations Agreement Violates Section 284.123 of the Commission's Regulations

187. The owner of the Oasis Pipeline system, Oasis Pipeline Company Texas, L.P., violated section 284.123(e) of the Commission's regulations[161] when it failed to timely amend its Operating Statement to reflect a Capacity Lease and Commercial Operations Agreement (Agreement) that changed how it operated the pipeline and varied the terms of its Operating Statements on file with the Commission. Oasis Pipeline should have amended its Operating Statements on file with the Commission to reflect a change in the pipeline's operations that occurred when a new commercial operator took over in January 2004 and again when a subsequent commercial operator took over in March 2004.

188. Oasis Pipe Line Company Texas L.P. (Oasis Pipe Line Company Texas), the owner of the Oasis Pipeline system, executed the Agreement with ETC Texas Pipeline LTD., Oasis Division (ETC Texas), a predecessor-in-interest of Oasis Pipeline.[162] The Agreement, which became effective January 1, 2004, and is still in effect, is essentially a lease of all Oasis Pipeline capacity by Oasis Pipe Line Company Texas to ETC Texas. On March 1, 2004, ETC Texas assigned its interest in the Agreement to Oasis Pipeline, L.P.[163]

189. The Agreement became effective January 1, 2004 and expires January 1, 2009.[164] Under the Agreement, Oasis Pipe Line Company Texas continues to "perform or cause to be performed, emergency operation and maintenance services"[165] and continues to "have

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[161] 18 C.F.R. § 284.123(e) (2007).

[162] Oasis Pipeline Response to Request No. 23, Bates Nos. OA23-000001-000036.

[163] Oasis Pipeline Response to Request No. 23, Bates No. OA23-000019-20, Bates No. OA23-000008 ("Consent to Assign Pipeline Capacity Lease and Commercial Operations Agreement," letter dated March 1, 2004).

[164] Subsequent name changes can cause confusion. Currently, Oasis Pipeline, L.P. leases all the capacity from Oasis Pipeline Line Company Texas L.P, i.e., Oasis Owner. McPheeters Dep. 38:13-16.

[165] Oasis Pipeline Response to Request No. 23, Bates No. OA23-000015 (Operations Agreement § 3.3).

the sole right and discretion to determine and perform necessary operation and maintenance activities."[166] The Agreement further recites that ETC Texas shall receive revenue for all capacity sold on the pipeline.[167] ETC Texas agreed to pay Oasis Pipe Line Company Texas an annual fee,[168] which currently is $27 million per year.[169]

190. On January 11, 2006, Oasis Pipeline filed its 2006 Operating Statement pursuant to section 284.123(e) of the Commission's regulations. The 2006 Operating Statement does not reference the Agreement.

191. Subpart C of Part 284 of the Commission's regulations sets forth requirements for an intrastate pipeline to transport natural gas pursuant to NGPA section 311. Section 284.123(e) requires an intrastate pipeline that undertakes service pursuant to NGPA section 311(a)(2) to file with the Commission a statement of the terms and conditions under which the pipeline provides that service.[170] If the pipeline changes its operations, section 284.123(e) states that the company must amend its operating statement and file the amendment with the Commission within 30 days after commencement of the change.

192. Oasis Pipeline should have timely filed an amendment to its 1986 Operating Statement because the Agreement constitutes a change in pipeline operations. The Agreement changes the way the Oasis Pipeline is operated by leasing all pipeline capacity to Oasis Pipeline, which would sell that capacity, and keep revenues from that sold capacity, in exchange for payment of a fee to Oasis Pipe Line Company Texas. Oasis Pipeline's failure to file has frustrated the Commission's opportunity to review changes in operations of a pipeline that provides NGPA section 311 service.

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[166] Oasis Pipeline Response to Request No. 23, Bates No. OA23-000015 (Operations Agreement § 3.4).

[167] Oasis Pipeline Response to Request No. 23, Bates No. OA23-000013 (Operations Agreement § 2.4).

[168] Oasis Pipeline Response to Request No. 23, Bates No. OA23-000019-20 (Operations Agreement § 6.1).

[169] Oasis Pipeline Response to Request No. 23, Bates Nos. OA23-000004-5.

[170] Section 284.123(e) states in part that:

> If the pipeline changes its operations or rate election under this subpart, it must amend the [operating] statement and file such amendments not later than 30 days after commencement of the change in operations or the change in rate election.

18 C.F.R. § 284.123(e) (2006).

193. Finally, Oasis Pipeline's 2006 Operating Statement is inconsistent with the Agreement. The 2006 Operating Statement provides that all requests for service are to be sent to "Oasis Pipe Line Company of Texas L.P.[,]" *i.e.*, Oasis Pipe Line Company Texas. Though the Agreement assigns the management of the commercial operations to ETC Texas (and currently Oasis Pipeline, L.P.), the 2006 Operating Statement directs the shipper seeking capacity to seek approvals (e.g. creditworthiness) for such capacity from "Transporter," i.e., Oasis Pipe Line Company Texas, not Oasis Pipeline. Under the Agreement, it is Oasis Pipeline, L.P. that is responsible for "[n]ominations, confirmations, and negotiation of transportation rates."[171]

194. Oasis Pipeline's violation of the Commission's regulation of intrastate pipelines under subpart C of the Commission's regulations has frustrated the Commission's ability to review its changes in operations. Oasis Pipeline' failure to amend its Operating Statement may have contributed to the undue preference and overcharge violations described above by impliedly conveying to Oasis Pipeline the sense that, as a lessee not known to the Commission, it could violate Commission requirements with impunity. Moreover, Oasis Pipeline's failure to amend its Operating Statement is inexplicable because it involved a failure to comply with a straightforward regulatory requirement.

195. We propose to assess a civil penalty of $500,000 to address Oasis Pipeline's violation of section 284.123(e) of the Commission's regulations, and require that Oasis Pipeline amend its 2006 Operating Statement within 60 days of the date of this order. Oasis Pipeline's violation has been continuous from January 26, 2004 to the present.

V. DIRECTION TO ETP TO SHOW CAUSE

The Commission orders:

(A) ETP, within 30 days of the date of this order, to file an answer in accordance with 18 C.F.R. § 385.213 (2006) showing why it should not be found to have manipulated prices in violation of Market Behavior Rule 2with respect to fixed price natural gas for prompt month delivery at Houston Ship Channel (Ship Channel) in the months of January 2004, October 2004, December 2004, January 2005, February 2005, July 2005, September 2005, October 2005 and December 2005 and with respect to fixed price natural gas for next day delivery at Waha, Texas, on December 23 and December 28, 2005.

(B) ETP to show cause, no later than 30 days from the date of this order, why the Commission should not revoke ETP's blanket marketing certificate of public convenience and necessity pursuant to section 7 of the NGA authorizing ETP to make sales for resale at negotiated rates in interstate commerce of gas subject to the

[171] McPheeters Dep. 35:8-14.

Commission's jurisdiction for a period of one year, such period to commence 120 days from the date of this order and assess a civil penalty pursuant to the Commission's authority under the NGA in the amount of $82,000,000 and order ETP to disgorge unjust profits in the amount of $69,866,966, plus interest.

(C) Oasis Pipeline, within 30 days of the date of this order, to file an answer in accordance with 18 C.F.R. § 385.213 (2006), showing why it should not be found to have violated section 284.9(b) of the Commission's regulations by unduly discriminating against non-affiliated shippers and unduly preferring affiliated shippers from January 26, 2004 through June 30, 2006, to have violated of section 284.122(b) of the Commission's regulations charging certain shippers rates in excess of the prevailing Commission–approved fair and equitable rate for interstate transportation, and to have violated section 284.123(e) of the Commission's regulations when it failed to amend its Operating Statement to reference the Capacity Lease Agreement.

(D) Oasis Pipeline to show cause, no later than 30 days from the date of this order, why the Commission should not assess a civil penalty pursuant to the Commission's authority under the NGPA in the amount of $15,500,000 and order ETP to disgorge unjust profits in the amount of $267,122, plus interest.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

Appendix A

Date	Meter	Service Type	Class	Contract #	Volume	TrspRate	Overcharge
2/2/2006	1265	Intra	I	0280319802001	6531	$0.2000	$497.01
8/8/2005	1265	Intra	I	0281969002001	4999	$0.3000	$880.32
8/7/2005	1265	Intra	I	0281969002001	5000	$0.3000	$880.50
8/6/2005	1265	Intra	I	0281969002001	5000	$0.3000	$880.50
8/5/2005	1265	Intra	I	0281969002001	4000	$0.3000	$704.40
8/4/2005	1265	Intra	I	0281969002001	15000	$0.2000	$1,141.50
5/26/2005	1265	Intra	I	0281969002001	10000	$0.5300	$4,061.00
5/14/2005	1265	Intra	I	0280319802001	20446	$0.5000	$7,689.74
5/9/2005	1265	Intra	I	0281969002001	3034	$0.3500	$685.99
5/8/2005	1265	Intra	I	0281969002001	3033	$0.3500	$685.76
5/7/2005	1265	Intra	I	0281969002001	3033	$0.3500	$685.76
5/2/2005	1265	Intra	I	0280319802001	13265	$0.2800	$2,070.67
5/1/2005	1265	Intra	I	0280319802001	13265	$0.2800	$2,070.67
10/28/2004	1265	Intra	I	0281969002001	400	$0.5200	$158.44
10/26/2004	1265	Intra	I	0281969002001	10000	$0.6500	$5,261.00
10/26/2004	1265	Intra	I	0281969002001	3000	$0.6500	$1,578.30
10/26/2004	1265	Intra	I	0281969002001	7000	$0.6500	$3,682.70
10/25/2004	1265	Intra	I	0280241302001	10000	$0.5000	$3,761.00
10/25/2004	1265	Intra	I	0280241302001	10000	$0.4000	$2,761.00
10/23/2004	1265	Intra	I	0280241302001	10000	$0.5000	$3,761.00
10/23/2004	1265	Intra	I	0280241302001	10000	$0.4000	$2,761.00
10/21/2004	1265	Intra	I	0281969002001	2845	$0.5000	$1,070.00
10/21/2004	1265	Intra	I	0281969002001	3000	$0.5000	$1,128.30
10/21/2004	6541	Intra	I	0281969002001	3000	$0.5000	$1,128.30
10/20/2004	1265	Intra	I	0281969002001	5000	$0.3800	$1,280.50
10/20/2004	6541	Intra	I	0281969002001	5000	$0.3800	$1,280.50
10/12/2004	1265	Intra	I	0281969002001	10058	$0.3500	$2,274.11
10/11/2004	1265	Intra	I	0281969002001	5000	$0.8000	$3,380.50
10/10/2004	1265	Intra	I	0281969002001	5000	$0.8000	$3,380.50
10/9/2004	1265	Intra	I	0281969002001	5000	$0.8000	$3,380.50
10/8/2004	1265	Intra	I	0281969002001	7000	$0.7000	$4,032.70
9/30/2004	1265	Intra	I	0286589502001	9402	$0.6500	$4,946.39
9/20/2004	1265	Intra	I	0281969002001	10000	$0.2000	$761.00
9/19/2004	1265	Intra	I	0281969002001	10000	$0.2000	$761.00
9/18/2004	1265	Intra	I	0281969002001	10000	$0.2000	$761.00
9/14/2004	1265	Intra	I	0281969002001	5000	$0.2000	$380.50
9/2/2004	1265	Intra	I	0281969002001	10000	$0.1500	$261.00
9/2/2004	1265	Intra	I	0286589502001	10200	$0.1500	$266.22
8/26/2004	1265	Intra	I	0281969002001	50	$0.1300	$0.31
8/24/2004	1265	Intra	I	0281969002001	50	$0.1500	$1.31
8/23/2004	1265	Intra	I	0280241302001	20000	$0.2200	$1,922.00
8/23/2004	1265	Intra	I	0280241302001	20000	$0.2100	$1,722.00
8/22/2004	1265	Intra	I	0280241302001	20000	$0.2200	$1,922.00
8/22/2004	1265	Intra	I	0280241302001	20000	$0.2100	$1,722.00
8/21/2004	1265	Intra	I	0280241302001	20000	$0.2200	$1,922.00
8/21/2004	1265	Intra	I	0280241302001	20000	$0.2100	$1,722.00
7/29/2004	1265	Intra	I	0281969002001	5324	$0.2200	$511.64
7/6/2004	1265	Intra	I	0280241302001	10000	$0.4100	$2,861.00
7/6/2004	1265	Intra	I	0280241302001	19753	$0.4000	$5,453.80
7/5/2004	1265	Intra	I	0280241302001	10000	$0.4100	$2,861.00
7/5/2004	1265	Intra	I	0280241302001	20000	$0.4000	$5,522.00

Appendix A

Date	Meter	Service Type	Class	Contract #	Volume	TrspRate	Overcharge
7/4/2004	1265	Intra	I	0280241302001	10000	$0.4100	$2,861.00
7/4/2004	1265	Intra	I	0280241302001	19557	$0.4000	$5,399.69
7/3/2004	1265	Intra	I	0280241302001	10000	$0.4100	$2,861.00
7/3/2004	1265	Intra	I	0280241302001	19758	$0.4000	$5,455.18
7/2/2004	1265	Intra	I	0280241302001	9995	$0.3300	$2,059.97
7/1/2004	1265	Intra	I	0280241302001	16001	$0.2000	$1,217.68
6/30/2004	1265	Intra	I	0281969002001	10000	$0.2300	$1,061.00
6/25/2004	1265	Intra	I	0281969002001	5000	$0.3200	$980.50
6/24/2004	1265	Intra	I	0280241302001	20000	$0.3400	$4,322.00
6/24/2004	1265	Intra	I	0280241302001	5756	$0.3000	$1,013.63
6/23/2004	1265	Intra	I	0280241302001	10000	$0.3400	$2,161.00
6/23/2004	1265	Intra	I	0280241302001	20000	$0.3200	$3,922.00
6/22/2004	1265	Intra	I	0280241302001	19999	$0.2300	$2,121.89
6/21/2004	1265	Intra	I	0280241302001	40000	$0.3000	$7,044.00
6/21/2004	8724	Intra	I	0286460802001	291	$0.1800	$16.33
6/20/2004	1265	Intra	I	0280241302001	40000	$0.3000	$7,044.00
6/20/2004	8724	Intra	I	0286460802001	291	$0.1800	$16.33
6/19/2004	1265	Intra	I	0280241302001	40000	$0.3000	$7,044.00
6/19/2004	8724	Intra	I	0286460802001	291	$0.1800	$16.33
6/18/2004	8724	Intra	I	0286460802001	291	$0.1800	$16.33
6/17/2004	8724	Intra	I	0286460802001	291	$0.1800	$16.33
6/16/2004	8724	Intra	I	0286460802001	291	$0.1800	$16.33
6/15/2004	1265	Intra	I	0286589502001	10000	$0.1800	$561.00
6/15/2004	1265	Intra	I	0286589502001	21	$0.1800	$1.18
6/15/2004	8724	Intra	I	0286460802001	291	$0.1800	$16.33
6/14/2004	1265	Intra	I	0280241302001	20000	$0.3700	$4,922.00
6/14/2004	1265	Intra	I	0280241302001	18139	$0.3500	$4,101.23
6/14/2004	1265	Intra	I	0281969002001	10000	$0.3500	$2,261.00
6/14/2004	1265	Intra	I	0286589502001	10408	$0.3500	$2,353.25
6/14/2004	1265	Intra	I	0286589502001	9380	$0.3500	$2,120.82
6/14/2004	8724	Intra	I	0286460802001	291	$0.1800	$16.33
6/13/2004	1265	Intra	I	0280241302001	20000	$0.3700	$4,922.00
6/13/2004	1265	Intra	I	0280241302001	18136	$0.3500	$4,100.55
6/13/2004	1265	Intra	I	0286589502001	9381	$0.3500	$2,121.04
6/13/2004	1265	Intra	I	0286589502001	10408	$0.3500	$2,353.25
6/13/2004	8724	Intra	I	0286460802001	291	$0.1800	$16.33
6/12/2004	1265	Intra	I	0280241302001	20000	$0.3700	$4,922.00
6/12/2004	1265	Intra	I	0280241302001	18065	$0.3500	$4,084.50
6/12/2004	1265	Intra	I	0286589502001	9363	$0.3500	$2,116.97
6/12/2004	1265	Intra	I	0286589502001	10408	$0.3500	$2,353.25
6/12/2004	8724	Intra	I	0286460802001	291	$0.1800	$16.33
6/11/2004	1265	Intra	I	0280241302001	18104	$0.3700	$4,455.39
6/11/2004	1265	Intra	I	0280241302001	20000	$0.3500	$4,522.00
6/11/2004	1265	Intra	I	0286589502001	9372	$0.3500	$2,119.01
6/11/2004	1265	Intra	I	0286589502001	10408	$0.3500	$2,353.25
6/11/2004	8724	Intra	I	0286460802001	291	$0.1800	$16.33
6/10/2004	1265	Intra	I	0280241302001	20000	$0.2100	$1,722.00
6/10/2004	1265	Intra	I	0281969002001	2500	$0.2100	$215.25
6/10/2004	1265	Intra	I	0281969002001	5000	$0.2100	$430.50
6/10/2004	1265	Intra	I	0286589502001	204	$0.1800	$11.44
6/10/2004	1265	Intra	I	0286589502001	10000	$0.1800	$561.00

Appendix A

Date	Meter	Service Type	Class	Contract #	Volume	TrspRate	Overcharge
6/10/2004	8724	Intra	I	0286460802001	291	$0.1800	$16.33
6/9/2004	1265	Intra	I	0280241302001	19527	$0.2300	$2,071.81
6/9/2004	1265	Intra	I	0281969002001	1667	$0.2300	$176.87
6/9/2004	1265	Intra	I	0281969002001	5000	$0.2300	$530.50
6/9/2004	1265	Intra	I	0286589502001	9887	$0.2100	$851.27
6/9/2004	1265	Intra	I	0286589502001	408	$0.2100	$35.13
6/9/2004	8724	Intra	I	0286460802001	291	$0.1800	$16.33
6/8/2004	1265	Intra	I	0280241302001	35000	$0.2100	$3,013.50
6/8/2004	8724	Intra	I	0286460802001	291	$0.1800	$16.33
6/7/2004	1265	Intra	I	0286589502001	10408	$0.2250	$1,052.25
6/7/2004	1265	Intra	I	0286589502001	9990	$0.2250	$1,009.99
6/6/2004	1265	Intra	I	0286589502001	10000	$0.2250	$1,011.00
6/6/2004	1265	Intra	I	0286589502001	10408	$0.2250	$1,052.25
6/5/2004	1265	Intra	I	0286589502001	9999	$0.2250	$1,010.90
6/5/2004	1265	Intra	I	0286589502001	10408	$0.2250	$1,052.25
6/4/2004	1265	Intra	I	0286589502001	10204	$0.1700	$470.40
6/4/2004	1265	Intra	I	0286589502001	10204	$0.1400	$164.28
5/27/2004	1265	Intra	I	0286589502001	408	$0.1700	$18.81
5/27/2004	1265	Intra	I	0286589502001	9500	$0.1700	$437.95
5/26/2004	1265	Intra	I	0286589502001	204	$0.1800	$11.44
5/26/2004	1265	Intra	I	0286589502001	10000	$0.1800	$561.00
5/21/2004	1265	Intra	I	0286589502001	19999	$0.2200	$1,921.90
5/21/2004	1265	Intra	I	0286589502001	408	$0.2200	$39.21
5/20/2004	1265	Intra	I	0286589502001	10000	$0.2500	$1,261.00
5/20/2004	1265	Intra	I	0286589502001	408	$0.2500	$51.45
5/19/2004	1265	Intra	I	0280241302001	9998	$0.2300	$1,060.79
5/19/2004	1265	Intra	I	0280319802001	10204	$0.2100	$878.56
5/19/2004	1265	Intra	I	0286589502001	408	$0.2100	$35.13
5/18/2004	1265	Intra	I	0286589502001	408	$0.2000	$31.05
5/18/2004	1265	Intra	I	0286589502001	10000	$0.2000	$761.00
5/17/2004	1265	Intra	I	0280319802001	15306	$0.3500	$3,460.69
5/16/2004	1265	Intra	I	0280319802001	15306	$0.3500	$3,460.69
5/15/2004	1265	Intra	I	0280319802001	15306	$0.3500	$3,460.69
5/14/2004	1265	Intra	I	0286589502001	204	$0.2750	$30.82
5/14/2004	1265	Intra	I	0280319802001	15306	$0.2200	$1,470.91
5/13/2004	1265	Intra	I	0286589502001	20	$0.1800	$1.12
5/13/2004	1265	Intra	I	0286589502001	408	$0.1800	$22.89
5/13/2004	1265	Intra	I	0286589502001	10000	$0.1800	$561.00
5/12/2004	1265	Intra	I	0286589502001	10000	$0.1500	$261.00
5/12/2004	1265	Intra	I	0286589502001	4969	$0.1500	$129.69
5/12/2004	1265	Intra	I	0286589502001	612	$0.1500	$15.97
5/12/2004	1265	Intra	I	0286589502001	5000	$0.1500	$130.50
5/11/2004	1265	Intra	I	0286589502001	10000	$0.1800	$561.00
5/11/2004	1265	Intra	I	0286589502001	5612	$0.1400	$90.35
5/11/2004	1265	Intra	I	0286589502001	5000	$0.1400	$80.50
5/7/2004	1265	Intra	I	0286589502001	1990	$0.2500	$250.94
5/7/2004	1265	Intra	I	0286589502001	200	$0.2500	$25.22
5/7/2004	1265	Intra	I	0286589502001	5000	$0.2500	$630.50
5/5/2004	1265	Intra	I	0286589502001	2200	$0.1700	$101.42
5/5/2004	1265	Intra	I	0286589502001	4000	$0.1700	$184.40
5/4/2004	1265	Intra	I	0286589502001	10200	$0.1600	$368.22

Appendix A

Date	Meter	Service Type	Class	Contract #	Volume	TrspRate	Overcharge
3/12/2004	1265	Intra	I	0286589502001	200	$0.2500	$25.22
3/12/2004	1265	Intra	I	0286589502001	10000	$0.2500	$1,261.00
3/12/2004	1265	Intra	I	0286589502001	200	$0.2500	$25.22
3/12/2004	1265	Intra	I	0286589502001	10000	$0.2500	$1,261.00
3/9/2004	1265	Intra	I	0286589502001	10200	$0.1500	$266.22
3/1/2004	1265	Intra	I	0280241302001	10000	$0.1500	$261.00
3/1/2004	1265	Intra	I	0288728302006	1414	$0.1500	$36.91
3/1/2004	1265	Intra	I	0288728302006	2694	$0.1500	$70.31
3/1/2004	1265	Intra	I	0288728302006	290	$0.1500	$7.57
3/1/2004	1265	Intra	I	0288728302006	806	$0.1500	$21.04
2/29/2004	1265	Intra	I	0286589502001	3533	$0.1500	$92.21
2/29/2004	1265	Intra	I	0288728302006	4123	$0.1500	$107.61
2/29/2004	1265	Intra	I	0288728302006	5742	$0.1500	$149.87
2/29/2004	1265	Intra	I	0288728302006	339	$0.1500	$8.85
2/29/2004	6541	Intra	I	0282694502005	30792	$0.1500	$803.67
2/29/2004	6541	Intra	I	0286589502001	6667	$0.1500	$174.01
2/28/2004	1265	Intra	I	0286589502001	3533	$0.1500	$92.21
2/28/2004	1265	Intra	I	0288728302006	4123	$0.1500	$107.61
2/28/2004	1265	Intra	I	0288728302006	5742	$0.1500	$149.87
2/28/2004	1265	Intra	I	0288728302006	339	$0.1500	$8.85
2/28/2004	6541	Intra	I	0282694502005	30792	$0.1500	$803.67
2/28/2004	6541	Intra	I	0286589502001	6667	$0.1500	$174.01
2/27/2004	1265	Intra	I	0286589502001	3533	$0.1500	$92.21
2/27/2004	1265	Intra	I	0288728302006	4123	$0.1500	$107.61
2/27/2004	1265	Intra	I	0288728302006	5742	$0.1500	$149.87
2/27/2004	1265	Intra	I	0288728302006	339	$0.1500	$8.85
2/27/2004	6541	Intra	I	0282694502005	30792	$0.1500	$803.67
2/27/2004	6541	Intra	I	0286589502001	6667	$0.1500	$174.01
2/26/2004	6541	Intra	I	0282694502005	4020	$0.1600	$145.12
2/26/2004	6541	Intra	I	0282694502005	26760	$0.1600	$966.04
2/26/2004	1265	Intra	I	0280241302001	9959	$0.1300	$60.75
2/26/2004	1265	Intra	I	0288728302006	10204	$0.1300	$62.24
2/20/2004	6541	Intra	I	0282694502005	39000	$0.1500	$1,017.90
Totals					**1718154**		**267121.714**

Appendix B

Date/Term	Shipper	Intra Contract#	Inter Contract#	Demand	Daily Vol	Total Vol	Bates# (OA84-)
August 1-31, 2005	BP Energy	028-10495-02-004	028-10495-02-005	0.185	50000	1550000	001336
May 21-23, 2005		028-10495-02-004	028-10495-02-005	0.55	20408	61224	001337
April 2-4, 2005		028-10495-02-004	028-10495-02-005	0.46	20263	60789	001338
March 19-21, 2005		028-10495-02-004	028-10495-02-005	0.22	30395	91185	001339
March 18, 2005		028-10495-02-004	028-10495-02-005	0.2	30395	30395	001340
March 12-14, 2005		028-10495-02-004	028-10495-02-005	0.34	20263	60789	001341
February 10, 2005		028-10495-02-004	028-10495-02-005	0.14	30395	30395	001342
February 11, 2005		028-10495-02-004	028-10495-02-005	0.14	30395	30395	001343
February 12-14, 2005		028-10495-02-004	028-10495-02-005	0.16	30395	91185	001344
February 15, 2005		028-10495-02-004	028-10495-02-005	0.14	30395	30395	001345
April 3-30, 2005		028-10495-02-004	028-10495-02-005	0.3	50000	1400000	001348
						3436752	
April 1-30, 2006	Chevron	028-15675-02-003	028-15675-02-004	0.15	15000	**450000**	001595
November 1-30, 2005	ETC	028-26495-02-007	028-26495-02-008	0.50	10000	300000	001658
May 1-31, 2005	ETC	028-26495-02-007	028-26495-02-008	0.23	10000	310000	001660
May 1-31, 2005	ETC	028-26495-02-007	028-26495-02-008	0.17	30000	930000	001661
April 1-30, 2004	ETC	028-26495-02-007	028-26495-02-008	0.29	20000	600000	001665
April 1-30, 2004	ETC	028-26495-02-007	028-26495-02-008	0.25	30000	900000	001666
April 1-30, 2004	ETC	028-26495-02-007	028-26495-02-008	0.15	50000	1500000	001667
April 1-30, 2004	ETC	028-26495-02-007	028-26495-02-008	0.18	50000	1500000	001668
October 03-March 04	ETC	028-26495-02-007	028-26495-02-008	0.06	50000	3250000	001688
June 1-30, 2006	ETC	028-26495-02-007	028-26495-02-008	0.33	5000	150000	001690
May 1-31, 2006	ETC	028-26495-02-007	028-26495-02-008	0.80	20000	620000	001691
May 1-31, 2006	ETC	028-26495-02-007	028-26495-02-008	0.56	40000	1240000	001692
May 1-31, 2006	ETC	028-26495-02-007	028-26495-02-008	1.00	50000	1550000	001693
April 1-30, 2006	ETC	028-26495-02-007	028-26495-02-008	0.53	475	14250	001694
April 1-30, 2006	ETC	028-26495-02-007	028-26495-02-008	0.28	20000	600000	001695
April-October 2005	ETC	028-26495-02-007	028-26495-02-008	0.60	30000	5490000	001696
April 1-30, 2006	ETC	028-26495-02-007	028-26495-02-008	0.525	50000	1500000	001697
April 1-30, 2006	ETC	028-26495-02-007	028-26495-02-008	0.42	12500	375000	001700
April 1-30, 2006	ETC	028-26495-02-007	028-26495-02-008	0.55	10000	300000	001701
April 1-30, 2006	ETC	028-26495-02-007	028-26495-02-008	0.40	20000	600000	001703
March 1-31, 2006	ETC	028-26495-02-007	028-26495-02-008	0.35	10000	310000	001704
March 1-31, 2006	ETC	028-26495-02-007	028-26495-02-008	0.35	35000	1085000	001705
March 1-31, 2006	ETC	028-26495-02-007	028-26495-02-008	0.35	15000	465000	001706
March 1-31, 2006	ETC	028-26495-02-007	028-26495-02-008	0.48	7500	232500	001707
March 1-31, 2006	ETC	028-26495-02-007	028-26495-02-008	0.43	25000	775000	001708
March 1-31, 2006	ETC	028-26495-02-007	028-26495-02-008	0.48	40000	1240000	001709
March 1-31, 2006	ETC	028-26495-02-007	028-26495-02-008	0.52	10000	310000	001710
August 1-31, 2005	ETC	028-26495-02-007	028-26495-02-008	0.16	30000	930000	002412
August 1-31, 2005	ETC	028-26495-02-007	028-26495-02-008	0.16	50000	1550000	002412
November 1-30, 2005	ETC	028-26495-02-007	028-26495-02-008	0.40	30000	900000	002419
November 1-30, 2005	ETC	028-26495-02-007	028-26495-02-008	0.50	10000	300000	002420
August 16, 2005	ETC	028-26495-02-007	028-26495-02-008	0.34	65000	65000	002427
August 13-15, 2005	ETC	028-26495-02-007	028-26495-02-008	0.41	80000	240000	002429
September 1-31, 2005	ETC	028-26495-02-007	028-26495-02-008	0.46	10000	310000	002430
September 1-31, 2005	ETC	028-26495-02-007	028-26495-02-008	0.35	50000	1550000	002431
October 1-31, 2005	ETC	028-26495-02-007	028-26495-02-008	0.80	50000	1550000	002433
October 1-31, 2005	ETC	028-26495-02-007	028-26495-02-008	0.60	50000	1550000	002436
October 1-31, 2005	ETC	028-26495-02-007	028-26495-02-008	0.60	50000	1550000	002438
October 1-31, 2005	ETC	028-26495-02-007	028-26495-02-008	0.75	50000	1550000	002440
November 1-30, 2005	ETC	028-26495-02-007	028-26495-02-008	0.40	30000	900000	002441
November 1-30, 2005	ETC	028-26495-02-007	028-26495-02-008	0.40	30000	900000	002442
November 1-30, 2005	ETC	028-26495-02-007	028-26495-02-008	0.50	10000	300000	002443
November 1-30, 2005	ETC	028-26495-02-007	028-26495-02-008	0.45	65000	1950000	002446
November 1-30, 2005	ETC	028-26495-02-007	028-26495-02-008	0.50	13375	401250	002447
November 1-30, 2005	ETC	028-26495-02-007	028-26495-02-008	0.50	370	11100	002448
February 1-28, 2006	ETC	028-26945-02-007	028-26945-02-008	0.1	50000	1400000	001657
July 1-Sept. 30, 2004	ETC	028-26945-02-007	028-26945-02-008	0.11	100,000	9,200,000	002661
Oct. 03-March 04	ETC	028-26945-02-007	028-26945-02-008	0.1	50,000	3,250,000	001669
April 1 - June 30, 2004	ETC	028-26945-02-007	028-26945-02-008	0.1	50,000	4,550,000	001671
Oct. 20, 2003 - March 3	ETC	028-26945-02-007	028-26945-02-008	0.1	50,000	3,250,000	001673
February 1-29, 2004	ETC	028-26945-02-007	028-26945-02-008	0.1	35,000	1,015,000	001674
February 1-29, 2004	ETC	028-26945-02-007	028-26945-02-008	0.08	50,000	1,450,000	001676

Appendix B

Date/Term	Shipper	Intra Contract#	Inter Contract#	Demand	Daily Vol	Total Vol	Bates# (OA84-)
January 1- 31, 2004	ETC	028-26945-02-007	028-26945-02-008	0.1	70,000	420,000	001681
January 1- 31, 2004	ETC	028-26945-02-007	028-26945-02-008	0.08	50,000	300,000	001683
June 1-30, 2006	ETC	028-26945-02-007	028-26945-02-008	0.1	3,200	96,000	OA24-04-002790
February 1-29, 2004	ETC	028-26945-02-007	028-26945-02-008	0.1	35,000	1,015,000	002478
February 1-29, 2004	ETC	028-26945-02-007	028-26945-02-008	0.08	50,000	1,450,000	002480
February 1-28, 2006	ETC	028-26945-02-007	028-26945-02-008	0.1	50,000	1,400,000	002462
June 1-30, 2006	ETC	028-26945-02-007	028-26945-02-008	0.1	3200	96,000	002497
October 1-31, 2005	ETC	028-26945-02-007	028-26945-02-008	0.1	30,000	930,000	002417
October 1-31, 2005	ETC	028-26945-02-007	028-26945-02-008	0.1	50,000	1,550,000	002418
						74026100	

Exhibit A-44

Sender	Recipient	Date	Body
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	01/14/2021 12:01:48	Hey there, in Dec
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	01/14/2021 12:02:00	Hi Jennifer
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	01/14/2021 12:02:20	there were some unallocated volumes at #1483 GD 11,22,29
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	01/14/2021 12:03:11	I would assume you'd want those volumes allocated to your Tport vs putting a buy/sell in place?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	01/14/2021 12:03:33	yes ma'am....xport, please
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	01/14/2021 12:03:41	thanks
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	01/14/2021 12:04:02	many thanks for checking
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	01/14/2021 12:04:13	have a good Thursday
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	01/14/2021 12:04:18	of course
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	01/14/2021 12:04:20	thank you
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/09/2021 15:43:48	Good afternoon, Miss Jennifer!
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/09/2021 15:43:55	has all been well with you?
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/09/2021 15:53:35	hi
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/09/2021 15:54:01	have you been staying away from the Covid bug?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/09/2021 15:54:08	so far, so good on this side.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/09/2021 15:54:37	doubt that they'll be getting to us any time soon with the vaccinations
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/09/2021 15:55:41	I get my second dose on the 16th, I'm nervous
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/09/2021 15:56:15	chris got his second on Sat and he ended up sick about 24hr later but it only lasted for about 8 hours
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/09/2021 15:56:22	I don't want to get sick
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/09/2021 15:57:20	Wow. I'm impressed that you and Chris were able to get the shots already.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/09/2021 15:57:45	We've never been more happy to be chunky
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/09/2021 15:57:52	I've heard some have had issues with the second one...but others haven't....luck of the draw, I guess.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/09/2021 15:57:56	haha
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/09/2021 15:57:56	the one and only time it's served us well
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/09/2021 15:58:52	Chris's best friend Jeff had the same reaction Chris did but Jeff's wife Julie had nothing other than the sore arm
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/09/2021 16:00:37	When Diane and I got our Shingles shots a year or two ago....we had a weird thing.....I had it really bad (flu like) after the first one...but the second dose was nothing. Diane had no problem with the first...but the 2nd really knocked her back.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/09/2021 16:07:39	fyi...with the cold blast coming, we'll have some more opportunities to do some more business with you....as I'm sure that you are aware. (you've probably been expecting my chat! :)
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/09/2021 16:23:08	I think that we'll be interested in looking at some delivered gas at Oasis 1483....and maybe even something later like a delivered sale to us at the Karnes meter (7357/1608).
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/09/2021 16:23:54	I've been working on plans for the rest of week and weekend most of the afternoon. Who knows how/if the temperarture forecasts are going to change again this week.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/09/2021 16:27:37	ok let's keep talking as we get closer
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/09/2021 16:28:00	it will be a day to day look for us (and of course we're trading for a long weekend)
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/09/2021 16:28:13	to wee what we have available delivered at karnes
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/09/2021 16:29:34	is Monday a trading holiday? President's Day? I didn't even think about that
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/09/2021 16:30:31	yep you know it
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/09/2021 16:30:35	geezzzz
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/09/2021 16:30:40	Wow!
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/09/2021 16:30:42	on top of everything else
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/09/2021 16:30:54	incredible
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/09/2021 16:31:31	you thinking you will start looking to for friday flow?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/09/2021 16:32:31	fyi...what I'm sort of thinking about is 50k/d at Oasis 1483...starting Friday...through the weekend
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/09/2021 16:34:08	sorry....we could start that Thursday

EXHIBIT 9
WIT: Merritt
DATE: 8-16-22
Micheal A. Johnson, RDR, CRR

CPSE Response in Opp to ET MSJ

Exhibit A-44

MDL-2022-CI-02879

exhibitsticker.com

CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/09/2021 16:34:59	the delivered volume at Karnes was more like a weekend thing
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/10/2021 09:59:28	GM Miss Jennifer!
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/10/2021 09:59:43	how is your morning going over there?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/10/2021 09:59:52	Fast and furious!!! :)
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/10/2021 09:59:58	good morning
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/10/2021 10:00:22	fun times in the gas business!
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/10/2021 11:08:25	no kidding
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/10/2021 11:09:30	we had a bit of a curveball thrown at us this morning...so had to accomodate our loads a little differently than we anticipated.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/10/2021 11:11:20	I think that for Friday going forward...we'll still going to be interested in some delivered Oasis 1483 volume.....and also possibly some delivered volume at Rio Nogales or CPS Karnes points
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/10/2021 11:11:44	sounds good
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/10/2021 11:12:14	just didn't want you to think that I forgot about you! :)
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 07:52:51	GM Miss Jennifer
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 07:53:01	Good Morning
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 07:53:13	all good with you today?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 07:54:46	hoping that you might have some gas to point our way...,..for tomorrow...and even today, if available.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 07:56:09	We should have vol avail, will need to see how FP shapes up before showing any offers. it may be a bit
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 07:56:22	still looking fro 50Kish at 1483?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 07:57:05	looking for 50k at 1483....for tomorrow...and today, as well....if available
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 07:57:54	and maybe even 50k delivered at Rio Nogales for tomorrow.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 07:58:12	we'll work on getting pricing together
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 07:58:29	we have a morning call at 7:10 after that call I can get you a same day offer
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 08:00:13	for the intraday....I am looking for 50k at Oasis 1483...and maybe another 50k delivered at the Karnes point, as well...if available
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 08:01:53	for day ahead...I am looking for the 50k at 1483....and will have room to buy 50k delivered at Rio Nogales, as well.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 08:02:01	thought that I'd better summarize it
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 08:02:05	sorry for duplication
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 08:02:57	no worries
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 08:03:12	thank you, ma'am
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 09:05:42	ok same day, I can show you 50K Valero and Karnes $15.00 offer
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 09:10:44	any chance of shaving the price a little, Jennifer? Could we get it a little closer to something like a $13 type number?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 09:11:04	I want the gas, however.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 09:11:45	I can do the 13K at valero but need to hold at $14 Karnes
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 09:12:20	'$14 at karnes or $15 at Karnes?
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 09:12:41	I can do 14 at karnes
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 09:12:57	and $13 at valero
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 09:14:18	Perfect. Just wanted to make sure that we are on the same page. I'll put you down for 50k at Oasis 1483 and 50k at the Karnes point....same day (11th)....$13 and $14 prices, respectively
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 09:14:34	thanks so much, Jennifer
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 09:14:41	yes I agree, sorry I can't type this morning
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 09:14:50	haha...no worries
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 09:15:43	should still have room for tomorrow, as well, Jennifer....50k again at Oasis 1483...and 50k at Rio Nogales....if you are interested
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 09:16:27	I'll have pricing for tomorrow shortly

CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 09:16:48	cool...thanks!
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 09:17:37	'$15.00 offer for tomorrow
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 09:23:09	such a wide two way out there for tomorrow
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 09:23:51	I hear ya
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 09:25:01	could we try something a little closer to a $10 or $11 range
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 09:35:14	what would you think about this, Jennifer? If we did the 50k and 50k for tomorrow at your $15 price...would you put it to bed through Tuesday 16th?
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 09:39:10	not for tomorrow, holiding at $15
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 09:39:25	I won't be able to price Weekend until tomorrow
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 09:39:30	gotcha
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 09:40:21	let's go ahead and do the 50k at Oasis 1483 and 50k at Rio Nogales.....$15 for tomorrow
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 09:40:23	please
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 09:42:06	I'll get this in
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 09:42:15	Great...got you down for it.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 09:42:21	thanks for your business today
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 11:06:26	thanks for your patience this morning
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 11:06:28	geezzzzx
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 11:06:40	yes ma'am
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 11:06:41	thanks!
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 13:34:47	hey just so we dont' get into confirm issues
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 13:35:05	HPL sold karnes and I have Oasis selling you rio at #1702
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 13:35:11	10-4
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 13:35:14	does that cause you any heart ache
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 13:35:27	no ma'am
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 13:35:35	I didn't even think about confirming THAT part of it unil just now
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 13:35:40	geez
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 13:35:43	whes
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 13:35:53	whew!
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 13:35:54	that is how I set it up on our side
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 13:36:50	thanks for the clarification, however.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 14:44:14	Jennifer...question
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 14:44:20	yes
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 14:45:10	do you have anything else that you could offer to us for today (11th)?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 14:46:18	We still have xport room...so could do something at Katy area...or possible increase the delivered Karnes volume.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 14:46:36	seems like Ercot is really leaning on us
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 14:49:57	how much?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 14:50:36	25k to 50k
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 14:50:45	somewhere up to that range
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 14:55:39	yes, can sell another 50K offer $35.00
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 14:56:40	delivered at Karnes
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 14:58:48	crunching my numbers
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 14:59:08	yes sir
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 15:04:42	haven't forgetten about you, Jennifer. The $35 is pretty steep...trying to see what we can work around
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 15:05:15	understood, we are just getting slammed over here
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 15:05:43	yes ma'am...I hear you

CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 15:07:36	there is a little out there offered at Katy Oasis....5k and 10k.....$20 and $30....I realize that that is a smaller volume
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 15:07:48	trying to see what the honchos have an appetite for.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 15:09:47	I will do the $30
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 15:11:12	great...thanks...still having to wait for one of the big guys. Can you give me a few more mins?
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 15:11:21	of course
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 15:11:32	thanks
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 15:21:24	sorry for the delay....dang meetings have everyone tied up.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 15:24:41	no worries
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 15:28:55	having my breakfast/lunch while I wait! haha
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 15:29:02	I was starting to get a little shaky
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 15:46:14	again...apologies for slow response
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 15:55:00	Jennifer....
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 15:55:58	can you still show me the 50k at $30 delivered at Karnes for today (11th)? (The 2nd intraday package there)
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 15:58:36	yes
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 15:58:48	let's do it, please
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 15:58:54	thank you for your patience
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 15:58:58	much appreciatedf
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 15:59:24	I'll get that in
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/11/2021 15:59:41	gracias
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/11/2021 16:08:41	of course
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/12/2021 08:14:21	GM Miss Jenni.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/12/2021 08:14:29	how is the morning treating you?
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/12/2021 08:27:58	good
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/12/2021 08:29:46	could you work up a couple of prices for us, Jennifer, for the weekend?
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/12/2021 08:30:30	whatcha looking for
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/12/2021 08:35:20	thinking about looking for 50k at CP5 Karnes, 50k at Oasis 1483, and 50k at Rio Nogales.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/12/2021 08:35:30	whew,...that's a lot of 50k volumes! haha
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/12/2021 08:55:13	ok I've got you on the list
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/12/2021 08:55:50	ok...thanks
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/12/2021 10:05:00	ok, are you sitting down?
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/12/2021 10:05:46	'$150.00 offer for the weekend 13-16
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/12/2021 10:07:14	Wow
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/12/2021 10:13:05	I can't sit on that long, it's screaming over here
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/12/2021 10:13:23	one sec
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/12/2021 10:16:13	out
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/12/2021 10:17:53	dang....had to update one of the honchos
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/12/2021 10:20:00	are you out at that price, Jennifer, or out of gas?
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/12/2021 10:21:06	'$225.00 offer
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/12/2021 10:24:27	ok....I can do that, Jennifer
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/12/2021 10:24:52	my credit card is maxing out!
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/12/2021 10:25:21	50k oasis 1483, 50k Karnes, and 50k Rio
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/12/2021 10:33:16	was that OK on your side, Jennifer?
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/12/2021 10:34:08	yes, rio will be oasis
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/12/2021 10:34:17	got it...thanks
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/13/2021 08:57:32	gm

CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/13/2021 08:57:52	gm
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/13/2021 08:58:02	all good with you today?
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/13/2021 08:59:41	I'm in the office, I stayed in town last night, I was still at the office at 9:45, it didn't make sense to drive home
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/13/2021 09:00:11	wow!
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/13/2021 09:00:18	probably smart to just stay put
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/13/2021 09:02:36	expecting another pretty busy day today?
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/13/2021 09:03:54	yep
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/13/2021 09:07:24	I've been on webex meetings and conference calls since 7am...started at around 6am
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/13/2021 09:08:18	going to be an interesting day again
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/13/2021 09:08:55	hang in there my friend
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/13/2021 09:09:02	you too
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/13/2021 09:10:46	would you all have anything left to show us, Jennifer, if we find ourselves in a situation where we might need some more?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/13/2021 09:10:57	specifially at the Karnes point.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/13/2021 09:11:13	checking
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/13/2021 09:13:50	Yes we would have up to 50K $250.00 offer same day
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/13/2021 09:15:35	ok...good to know. I'm not sure that we are ready to pull the trigger on anything quite yet...but glad that you might have some, if need be.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/13/2021 09:15:51	I'll be in contact
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/13/2021 09:15:55	thanks, Jennifer
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/13/2021 09:16:42	got another meeting at 9am.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/13/2021 10:58:08	Just checking back in
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/13/2021 11:05:39	on phone call meeting number 4 or 5 right now.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/13/2021 11:05:43	nothing new at the moment
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/13/2021 11:07:59	'$225 offer same day just in case
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/13/2021 11:08:50	thank you, ma'am....not sure how this is all going to shake out.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/13/2021 11:09:11	no worries, just wanted to keep you in the loop
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/13/2021 11:09:17	thank you!
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/14/2021 08:57:11	good morning
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/14/2021 08:57:17	just checking in
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/14/2021 08:59:30	Gm Jennifer
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/14/2021 08:59:38	hope that all is well with you
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/14/2021 08:59:47	were you able to get back home yesterday?
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/14/2021 09:00:23	Nope, I'll I'll be residing at the Drury thru Tuesday??????
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/14/2021 09:00:56	dang...sorry about that
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/14/2021 09:01:22	hope that hubby will weather the storm ok alone at home
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/14/2021 09:02:10	doing ok for now for today.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/14/2021 09:02:20	we'll see how it changes as the day develops
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/14/2021 09:04:05	thanks for checking on us! ?
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/14/2021 09:21:47	Have a wonderful day
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/14/2021 09:23:10	same to you, Ma'am
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/14/2021 09:23:22	if something changes with us, I'll let you know asap.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 10:26:07	Hey
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 10:46:56	ru there
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 11:18:07	Sorry that I missed your IM's this morning...but thanks for the call.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 11:18:20	passed along the information
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 11:20:12	ok hang in there

CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 11:35:01	thanks!!
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 12:26:31	I haven't forgotten about you, Miss Jennifer.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 13:41:38	Just checking in
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 13:42:38	sitting on another big meeting. We had another message in with Brian Riley again, as well.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 13:43:59	hope that your morning went well after we chatted this morning
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 16:35:23	Away
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 16:35:23	Bruce, are there any updates? based on the noms vs projected flows CPS is exceeding their storage rights by 15K
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 16:35:51	we need to have a back up deal in place in the event CPS exceeds their contrantual capacities for the day
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 16:38:46	still in another mtg with the honchos....I will pass it along again
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 16:44:17	Right now, we do not have the gas
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 16:44:22	we can not support the over pull
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 16:44:35	outside of your contractual rights
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 16:52:15	Jennifer...what about a nom change moving some of our Karnes gas away from there and point it to Rio instead?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 16:52:33	would that be something that would work or help the situation?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 16:53:26	trying to decide the best way to accomodate
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 16:58:58	its all net/net right
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 16:59:03	noms vs flow
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 16:59:46	if your noms stay the same (just juggled) and your flow stays the same (just juggled) still the same net effect right?
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 17:00:57	or am I missing something?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 17:03:28	we were just talking options. Rio is on pressure control...whereas the other points you control. I was thinking about having you possibly reduce our flows at Karnes by X...then that would offset what we are overtaking at Rio.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 17:03:59	in any event...the idea didn't go over so good....so they are going to start getting the Rio volumes to drop,.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 17:04:51	They missed the 4pm window,,,so it night be an hour or so for it to go through Ercot and be seen.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 17:04:57	Does that sound cool with you?
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 18:26:55	Hey the volumes have not lined out
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 18:27:25	the Rio nom has increased since our last chat
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 18:27:32	we need that back on rate now
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 18:34:37	trying to get an update
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 18:35:00	sent note informing that you all aren't seeing a drop
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 18:35:20	trying to get it done
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 18:37:22	got two of the operations guys responding and working on it
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 18:54:25	updates?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 18:58:27	I'm trying Jennifer...it sounds like they are having to figure out how to drop it without losing the unit. I'm caught in the midde
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 18:58:30	middle
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 18:58:43	We are still not seeing the flow back off. We will need to put a sale in place for $300.00 for any volumes delivered over your contractual rights
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 18:59:11	we've got the right people looking at it.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 18:59:18	'$300.00/mmbtu
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 18:59:58	ok we've just been asking to get back on rate for a few hours now and we're only seeing the rate increase
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 19:00:56	I need to have a confirmation that you are agreeing to the $300.00/MMbtu for any overrun volumes.

CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 19:04:47	would you have that volume to cover it....or you still want us to get on rate and are just telling me what the charge will be for whatever we go over? Just trying to make sure that we are on the same page.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 19:05:35	I'm relaying everything that you've been telling me
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 19:07:15	call me
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 19:20:50	my rides here
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 19:20:58	call/text on my cell please
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/15/2021 19:21:03	830-660-7803
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/15/2021 19:21:07	ok
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 07:37:51	GM Miss Jennifer
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 07:38:04	hope that it was a nice eveing for you.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 07:44:27	Good morning
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 07:44:30	I did
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 07:45:01	Glad for that,.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 07:45:15	sorry if we made your day a little longer than it should have been
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 07:45:29	i turned it off about 930p
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 07:45:32	long enough day
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 07:48:55	I did to, no worries at all
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 07:49:02	nature of the beast
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 07:49:11	I guess so
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 07:49:54	are you all doing ok on that side.? Ship staying afloat? :)
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 07:50:10	gosh watching the news last night for the 1st time in 4 days, it looks like we're going to be in this wet winter mix cycle for a few day still
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 07:50:54	that is what it seems like
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 07:50:55	Oasis said they were stable this morning which is the best they could hope for after all the crazy yesterday
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 07:51:05	I'm glad to hear that.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 07:51:13	we have a 7:10 call this morning to see how we are shapping up for the new day
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 07:51:47	gotcha...let's reconvene after that to see what we can get going.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 07:51:59	sure will
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 07:52:02	I suspect that it's going to be a little slow to get going this morning.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 07:55:38	I agree
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 08:56:49	any updates, Jennifer?
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 09:01:21	no, already slammed over her
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 09:01:43	I'll let you know as soon as I have infor for same day/tomorrow
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 09:02:29	Ok...thanks
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 09:03:17	we are having a hard time at Oasis 1483 this morning, I believe....what I'm hearing through the grapevine, anyway.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 09:04:45	ok
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 09:46:49	same day pricing $400.00/day
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 09:52:02	sorry missed seeing your note. Is that a price offer for selling me additional volume...or are you talking about the overflow price?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 09:52:14	just want to make sure that we are on same page.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 09:52:27	both right now
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 09:55:18	both same day and no notice
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 09:56:30	OK....good to know....mgmt will need to discuss. Do you think that you'll have any volume available for tomrrow, as well.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 10:09:11	we should
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 10:10:36	an if you haven't seen it, $400.00 has already traded next day on ICE at Enstor

CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 10:13:36	yes ma'am! running up! :)
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 12:14:50	Hey there
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 12:14:50	Away
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 12:14:52	Just checking in
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 12:15:08	you're right on the bubble for today
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 12:15:19	2K over contracutal rights
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 12:15:35	want to make sure we have a back $ in place
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 12:15:51	I'll get you GD 15 numbers as soon as I can
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 12:15:53	we have same day 20k that we'll be pointing to Rio for today
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 12:18:23	how are you looking for tomorrow, Jennifer? Will you have anything to sell to us delivered again?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 12:19:32	I think that we are still looking for 50k each delivered again at Oasis 1483, Rio Nogales, and the Karnes meter again.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 12:20:15	sorry....I'm not sure that Amber has gotten the Intraday in....it was pretty much hot off the presses.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 12:21:19	for tomorrow $400.00 offer
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 12:21:28	Rio, Karnes, Valero
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 12:22:56	any chance of doing something on an index basis, Jennifer?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 12:23:08	is that something that you would consider?
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 12:23:18	no
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 12:25:59	Katy price has been coming off a bit. Can we wiggle some on your $400 price offer?
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 12:27:12	No wiggle room
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 12:27:36	man..you are tough! :)
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 12:29:37	got Kevin, Paul, and Ken on the line...talking about it
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 12:29:49	trying to come up with something
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 12:30:28	ok,
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 12:31:40	trying to get a decision
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 12:39:27	I think that the $400 price is causing quite a bit of heartburn over here. I think that I could get it done right away at the $350 level. we can definitley attest that this would be for human needs
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 12:41:22	We are not able to get there.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 12:41:54	We have to hold at $400.00
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 13:33:01	hi Jennifer...I think that I finally got some concensus for tomorrow
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 13:33:11	are you still talking to me? :)
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 13:35:04	I should have the green light for some of the $400 price...if you still have it for tomorrow.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 13:35:51	I think that what we'd be looking for is 25k at Oasis/Valero 1483 meter...and 50k at Oasis Rio Nogales.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 13:37:29	ok please let me know
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 13:38:07	I'll put you down for the 25k and 50k respectively
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 13:38:11	thank you, ma'am
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 13:38:18	appreciate the patience
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 13:38:45	the numbers are so large...it's got everyone pretty freaked out.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 13:41:59	I'll get these deals in
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 13:42:44	and nothing at Karnes correct?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 13:44:17	not at the moment, Jennifer....thanks again!!!
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 13:47:01	perfect
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 13:47:03	thank you
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 17:11:10	Hi Jennifer
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 17:12:17	do you have anything left to play with for tomorrow? Specifically at the Valero/Oasis 1483 meter...and also at the Karnes meter?
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 17:12:36	one moment,

ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 17:18:10	We'll have to wait and look at it tomorrow
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 17:18:13	same day
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/16/2021 17:18:27	I'm not sure what we'll look like in the morning
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 17:18:50	Understood Jennifer.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 17:19:08	thanks....hope that it's a good night for everyone
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/16/2021 17:19:26	will circle back to see what you look like in the morning.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 07:48:27	GM Mrs. Merritt.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 07:48:37	hope that it was a good evening for you.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 07:54:40	gm
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 07:58:14	did you get some more good use out of those fancy boots?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 08:02:03	hope that your pipes made it through the night ok.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 08:02:14	gm good here
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 08:03:31	I'm sure that we'll be interested in looking at some same day gas for today, Jennifer...when you get in a position to look at it.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 08:03:51	as well as business for tomorrow, as well.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 08:05:47	ok I'll circle back once we get thru the ops calls this morning
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 08:05:58	cool...thank you, ma'am
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 09:07:22	are you still looking for Valero/Karnes same day? Volumes?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 09:10:20	for same day....I think that we are still looking for up to another 50k at the Valero/Oasis 1483 meter...and up to 85k at Karnes
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 09:12:45	ok we're looking at numbers
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 09:23:57	Bruce, Karnes does not look good, I don't think we will have the supply there. We are still crunching numbers for Valero
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 09:24:03	I'll let you know as soon as I can
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 09:25:08	darn...ok Jennifer...thanks.
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 09:25:19	working on numbers for tomrrow
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 09:25:24	tomorrow
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 09:34:25	ok
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 09:36:40	as things evolve this morning I will keep in touch but as of right now I do not have a same day offer to show at either location
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 09:37:27	dang. Ok, Jennifer
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 10:03:55	do you have a feel for if you might have anything to offer for tomorrow, as well, Jennifer?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 10:25:05	Jennifer...it looks like we need some help for today. Is there anything at all that you all can do?
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 10:25:38	I'll regroup with them but I was completely shot down
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 10:25:43	earlier.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 10:25:47	let me circle back
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 10:26:07	thanks much
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 10:26:12	we're working on it
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 10:26:32	I'm hoping for some next day gas, as well.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 10:29:14	understood
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 10:29:21	we are still working on it
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 10:29:32	10-4...thanks
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 10:42:01	I'm $500 offered for GD 18 right now
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 10:43:33	I will pass that along to Mgmt, Jennifer
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 10:59:46	thanks for your patience
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 11:02:13	of course
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 11:10:49	'$300.00 offer for GD 18
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 11:13:00	ok...trying to get the right players on the phone call oh this side

CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 11:13:06	on
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 11:54:41	Hi Jennifer....do you have a refresh for tomorrow....or are you still thinking $300?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 12:06:47	anything?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 12:06:55	sorry to be a pest
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 12:07:23	hey
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 12:08:04	was just looking to see if you were still at $300 for tomorrow, or had a refresh
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 12:14:21	yes still $300.00 offer
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 12:15:01	ok on the price for tomorrow, Jennifer
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 12:15:52	volumes/locations?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 12:16:01	I'm thinking about 50k delivered at Rio...up to 75k at Valero.Oasis 1483...if possible
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 12:16:34	thinking about Karnes, as well....need to scrub my numbers for a few mins...if those others work for you
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 12:17:24	Ok I'll get you in for 75KValero/50K Rio, $300.00
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 12:17:30	let me know on karnes
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 12:17:58	great...done and done. give me just a few mins for Karnes, please
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 12:18:04	ok
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 12:26:12	how about 35k at the Karnes point, Jennifer?
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 12:26:52	ok I'll get the karnes in for tomorrow
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 12:26:55	SAME DAY
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 12:27:12	after hours of numbers crunching and gas control crying
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 12:27:16	great...got you down for the 35k at Karnes for tomorrow, as well
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 12:27:34	I can show you an offer same day Karnes up to 80K offer $500.00
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 12:28:28	one sec on the same day...will need to get some honcho approval on that one
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 12:30:25	understood
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 12:31:04	for the same gas, Jennifer....would we be able to split it between the Valero/Oasis point and Karnes point or would you need to keep it all at Karnes?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 12:31:32	same day gas
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 12:32:14	our big guy, Kevin, was taking the $500 price up the chain .
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 12:33:39	we're checking again but right now sounds like it's all carnes
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 12:37:06	for the Karnes it's only Karnes
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 12:37:29	gotcha
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 12:39:40	Big guy still asking for a few more minutes...can you still give me a few, Jennifer?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 12:39:51	for the same day offer
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 12:48:13	ok
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 12:50:29	thanks....for these big $$$, they have to chat about it for a bit
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 12:50:59	I understand
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 12:51:04	this is just crazy
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 12:51:12	yes ma'am
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 12:58:26	Jennifer...got the green light for the intraday 80k at Karnes...if still good for you
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 12:59:27	Yes, I'll get that in
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 13:00:25	if anything changes today, Jennifer, and you end up having some more flexibility at the Oasis/Valero point...please let me know
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 13:00:35	thanks again for today
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 13:02:08	we are talking every two hours over here with OPS if anything comes up same day I will let you know
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 13:04:22	cool...thanks
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 16:14:37	are you still looking for Same day at Valero?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 16:15:34	yes ma'am...if available

ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 16:16:30	how much do you need same day?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 16:17:59	we had been looking for up to an extra 50k there
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 16:18:42	I can sell you 50K same daty at 1483 $500.00
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 16:18:47	GD 17
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 16:20:16	scrubbing my numbers again...one sec, please
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 16:23:53	I can buy the 50k, Jennifer...if still good for you
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 16:25:14	same day 17th...Valero/Oasis 1483....50k volume...$500 price
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/17/2021 16:29:31	I'll get that in
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/17/2021 16:30:05	thanks so much!!
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/18/2021 08:16:51	GM Miss Jennifer
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/18/2021 08:19:04	good morning
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/18/2021 08:37:54	hope that all is well with you all this morning.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/18/2021 08:43:26	good thanks
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/18/2021 08:44:00	we've had power all along..but water has been spotty the last24 hours
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/18/2021 08:44:19	what has Chris been seeing? Has he been ok?
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/18/2021 08:45:12	power has been rolling for him
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/18/2021 08:46:10	he had the thrill of victory and the agony of defeat yesterday.....the water FINALLY came back on but out in our back building where the water softner is the pipe was leaking
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/18/2021 08:46:25	so he had to turn the water off
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/18/2021 08:46:33	oh no
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/18/2021 08:46:36	dang
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/18/2021 08:58:36	Are you looking for volumes tomorrow?
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/18/2021 09:00:23	I think that we will looking for up to 75k again delivered at the Valero/Oasis 1483 meter, for sure, Jennifer
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/18/2021 09:00:59	trying to see what the market is going to do to decide about the others.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/18/2021 09:24:44	ok I'll let you know
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/18/2021 09:25:21	thank you, Ma'am
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/18/2021 10:30:29	'$50.00 offer for 75K Valero GD 19
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/18/2021 10:32:57	still interested in the 75k...give me a sec, please
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/18/2021 10:33:32	ok
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/18/2021 10:33:49	thank you, ma'am
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/18/2021 10:41:06	big fluffy snowflakes have been falling for the last 30-45 mins or so
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/18/2021 10:42:39	out of the $50
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/18/2021 10:42:46	'$75.00 offer
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/18/2021 10:43:08	gotcha
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/18/2021 10:47:05	i can do the $75 price, Jennifer...if still good for you
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/18/2021 10:50:02	yes I'll get that in
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/18/2021 10:50:16	cool...thank you, ma'am!
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/18/2021 10:50:19	appreciatged
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/18/2021 10:50:23	appreciated
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/18/2021 10:53:43	75K valero @ $75.00
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/18/2021 10:53:53	agreed
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/18/2021 10:53:58	thank you
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/19/2021 16:18:50	hey can you give me a call
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/19/2021 16:18:54	in ref to GD 18
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/19/2021 16:19:17	we're seeing a large over pull for the day, need to see about getting a deal in place
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/19/2021 16:20:48	Wait

ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/19/2021 16:20:59	I'm just an idiot
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/19/2021 16:21:06	I check all the numbers twice
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/19/2021 16:21:18	but then realized I was checking them for the wrong date
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/19/2021 16:21:31	lets just act like this never happened
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/19/2021 16:21:39	haha
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/19/2021 16:21:44	please
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/19/2021 16:21:46	it's been a long week, Jennifer
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/19/2021 16:22:03	I hope that your day went better today
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/19/2021 16:22:18	of course as soon as I type it over to you I look back at the screen and realize I have a bad date
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/19/2021 16:22:24	I'm ready to go home
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/19/2021 16:22:26	I'm sure that you're looking forward to being able to go home...
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/19/2021 16:22:35	thanks for all of your help this week
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/19/2021 16:22:40	greatly appreciated
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/19/2021 16:22:59	hope that you get some down time this weekend to recharge your batteries a little
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/19/2021 16:23:06	that is what I'm hoping for anyway.
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/19/2021 16:25:39	me too
ETC - Jennifer Merritt	CPS - Bruce Bordovsky	02/19/2021 16:25:44	have a wonderful weekend
CPS - Bruce Bordovsky	ETC - Jennifer Merritt	02/19/2021 16:25:56	thanks...ditto

Exhibit A-45

Governor Abbott Issues Disaster Declaration In Response To Severe Winter Weather In Texas

CPSE Response in Opp to ET MSJ
Exhibit A-45
MDL-2022-CI-02879
exhibitsticker.com

February 12, 2021 | Austin, Texas | Proclamation

TO ALL TO WHOM THESE PRESENTS SHALL COME:

I, GREG ABBOTT, Governor of the State of Texas, do hereby certify that severe winter weather poses an imminent threat of widespread and severe property damage, injury, and loss of life due to prolonged freezing temperatures, heavy snow, and freezing rain statewide.

THEREFORE, in accordance with the authority vested in me by Section 418.014 of the Texas Government Code, I do hereby declare a state of disaster in all 254 counties based on the existence of such threat.

Pursuant to Section 418.017 of the code, I authorize the use of all available resources of state government and of political subdivisions that are reasonably necessary to cope with this disaster.

Pursuant to Section 418.016 of the code, any regulatory statute prescribing the procedures for conduct of state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with this disaster shall be suspended upon written approval of the Office of the

Governor. However, to the extent that the enforcement of any state statute or administrative rule regarding contracting or procurement would impede any state agency's emergency response that is necessary to protect life or property threatened by this declared disaster, I hereby authorize the suspension of such statutes and rules for the duration of this declared disaster.

In accordance with the statutory requirements, copies of this proclamation shall be filed with the applicable authorities.

IN TESTIMONY WHEREOF, I have hereunto signed my name and have officially caused the Seal of State to be affixed at my office in the City of Austin, Texas, this the 12th day of February, 2021.

GREG ABBOTT
Governor

Office of the Texas Governor
P.O. Box 12428
Austin Texas 78711
(512) 463-2000

Attorneys Eyes Only

Exhibit A-46

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RAILROAD COMMISSION OF TEXAS

EMERGENCY ORDER

WHEREAS, after Notice of Emergency Meeting to consider this Emergency Order was duly posted on February 12, 2021 with the Secretary of State within the time period provided by law pursuant to Tex. Gov't Code Chapter 551, *et seq*., the Railroad Commission of Texas ("Commission") determined that an Emergency Order is necessary to protect human needs customers in the State of Texas because of current conditions which threaten and health, safety and welfare of those customers, and determined that the existing regulations and Orders of the Commission do not sufficiently address the specific conditions of this emergency; and

WHEREAS, on February 12, 2021, the Governor of the State of Texas issued a State of Disaster in all 254 counties due to severe weather posing an imminent threat of widespread and severe property damage, injury, and loss of life due to prolonged freezing temperatures, heavy snow, and freezing rain statewide; and

WHEREAS, pursuant to the authority granted to the Commission in the Texas Utilities Code, the Commission has the authority to issue this Emergency Order affecting the operation of the gas utility systems in this state to prevent such threats to the public; and

WHEREAS, the transportation, delivery and/or sale of natural gas in the State of Texas for any other purpose other than serving human needs customers should be curtailed to the extent possible and necessary for the duration of this Emergency Order.

NOW, THEREFORE, IT IS HEREBY ORDERED BY THE RAILROAD COMMISSION OF TEXAS that Rule 2 of Docket 489 is temporarily amended as follows:

RULE 2.

Until such time as the Commission has specifically approved a utilities curtailment program, the following priorities in descending order shall be observed:

A. Deliveries of gas by natural gas utilities to ~~for~~ residences, hospitals, schools, churches and other human needs customers, and deliveries to Local Distribution Companies which serve human needs customers.

B. Deliveries of gas to electric generation facilities which serve human needs customers.

~~B.~~C. Deliveries of gas to small industrials and regular commercial loads (defined as those customers using less than 3,000 MCF per day) and delivery of gas for use as pilot lights or in accessory or auxiliary equipment essential to avoid serious damage to industrial plants.

~~C~~. D. Large users of gas for fuel or as a raw material where an alternate cannot be used and operation and plant production would be curtailed or shut down completely when gas is curtailed.

~~D~~. E. Large users of gas for boiler fuel or other fuel users where alternate fuels can be used. This category is not to be determined by whether or not a user has actually installed alternate fuel facilities, but whether or not an alternate fuel "could" be used.



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~~E.~~ F. Interruptible sales made subject to interruption or curtailment at Seller's sole discretion under contracts or tariffs which provide in effect for the sale of such gas as Seller may be agreeable to selling and Buyer may be agreeable to buying from time to time.

IT IS FURTHER ORDERED that gas utilities which have a specific curtailment plan/program that has been approved by the Commission shall ensure that their top two priorities in the plan/program are A and B as listed above for the duration of this Emergency Order.

IT IS FURTHER ORDERED that this Emergency Order is in effect until 11:59 p.m. Central Standard Time Friday, February 19, 2021, unless otherwise renewed by the Commission in a subsequent Emergency Order.

SIGNED this 12th day of February 2021.

RAILROAD COMMISSION OF TEXAS

DocuSigned by:
Christi Craddick
15494B7DF4CC424...
CHAIRMAN CHRISTI CRADDICK

DocuSigned by:
Wayne Christian
C1C746B4E446422...
COMMISSIONER WAYNE CHRISTIAN

DocuSigned by:
Jim Wright
EAAE94782E9F4AE...
COMMISSIONER JIM WRIGHT

ATTEST:

DocuSigned by:
Callie Farrar
3581C80DFDE0476...
SECRETARY

Exhibit A-47

MDL MASTER FILE NO. 2022 CI 02879

	)(	IN THE DISTRICT COURT
	)(	
IN RE CPS ENERGY LITIGATION	)(	BEXAR COUNTY, TEXAS
	)(	
	)(	407TH JUDICIAL DISTRICT

CAUSE NO. 2021-CI-05138

CPS ENERGY	)(	IN THE DISTRICT COURT
	)(	
VS.	)(	BEXAR COUNTY, TEXAS
	)(	
HOUSTON PIPELINE COMPANY, LP, AND OASIS PIPELINE, LP	)(	407TH JUDICIAL DISTRICT

****

ORAL AND VIDEOTAPED DEPOSITION OF

KEITH ALBERS

January 11, 2023

****

ORAL AND VIDEOTAPED DEPOSITION OF

KEITH ALBERS, produced as a witness at the instance of the Defendants and Counterclaimants Houston Pipeline Company, LP, and Oasis Pipeline, LP, and duly sworn, was taken in the above-styled and numbered cause on the 11th day of January, 2023, from 10:07 a.m. to 5:21 p.m., before TERRI L. HILL, CSR, in and for the State of Texas, reported by stenograph, at Chasnoff Mungia Valkenaar Pepping & Stribling, LLP, 1020 N.E. Loop 410, Suite 150, San Antonio, Texas, pursuant to the Texas Rules of Civil Procedure and the provisions stated on the record or attached hereto.

CPSE Response in Opp to ET MSJ
Exhibit A-47
MDL-2022-CI-02879
exhibitsticker.com

APPEARANCES

FOR THE PLAINTIFF CPS ENERGY:
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LAUREN A. VALKENAAR (Via Videoconference)
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FOR THE DEFENDANT ENTERPRISE PRODUCTS OPERATING, LLC:
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Jmchazlett@doblaw.com

FOR THE DEFENDANTS AND COUNTERCLAIMANTS HOUSTON PIPELINE COMPANY, LP, AND OASIS PIPELINE, LP:
CASEY DOWNING
YETTER COLEMAN, LLP
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Houston, Texas 77002
Cdowning@yettercoleman.com

ALSO PRESENT:
CADE HILL, Videographer

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Attached to the end of the transcript: Stipulations

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generators because it needs to keep the load balanced; is that right?

A. That's correct.

Q. So ERCOT wants to keep the power going in and the power going out balanced. So if a generator is just trying to throw power into the market, ERCOT will say, you can't do that because that is going to be imbalanced, right?

A. That's correct.

Q. If there is an imbalance in terms of there is more demand than supply, what does ERCOT do?

A. ERCOT would have to either get additional generation online by whatever tools it has to be able to do that. If the load is greater than the generation online, ERCOT will have to shed firm load to maintain the balance.

Q. Okay. So one thing ERCOT could do was try to incentivize generators to put more power onto the grid; is that right?

A. That is correct.

Q. And another thing they could do is shed load, and in layman's terms that means basically shut off power to the users; is that correct?

A. That's correct.

Q. And did ERCOT do either of those things during

Winter Storm Uri?

A. Yes.

Q. Which of those things did it do?

A. Both.

Q. Okay. So ERCOT shed load because too many people were using it; is that right?

A. ERCOT shed load because generation online started falling offline --

Q. Okay.

A. -- and then the load was at a higher level than they have seen, yes.

Q. Okay. And you said ERCOT did both?

A. Correct.

Q. What did ERCOT do to try and get more generation online?

A. ERCOT in -- in -- preceding the storm asked for any available generation or transmission equipment to come back into service before the storm hit so the grid could be as strong as possible to be able to manage the storm.

Q. Did ERCOT ask CPS to bring any generation that was offline back online before the storm?

A. CPS had no generation. It was -- it was out for a major outage -- major outage work, was not able to come back online with the -- approaching the storm.

MDL MASTER FILE NO. 2022 CI 02879

	)(	IN THE DISTRICT COURT
	)(	
IN RE CPS ENERGY LITIGATION	)(	BEXAR COUNTY, TEXAS
	)(	
	)(	407TH JUDICIAL DISTRICT

CAUSE NO. 2021-CI-05138

CPS ENERGY	)(	IN THE DISTRICT COURT
	)(	
VS.	)(	BEXAR COUNTY, TEXAS
	)(	
HOUSTON PIPELINE COMPANY, LP, AND OASIS PIPELINE, LP	)(	407TH JUDICIAL DISTRICT

REPORTER'S CERTIFICATION
ORAL AND VIDEOTAPED DEPOSITION OF KEITH ALBERS
January 11, 2023

I, TERRI L. HILL, Certified Shorthand Reporter in and for the State of Texas, hereby certify to the following:

That the witness, KEITH ALBERS, was duly sworn by the officer and that the transcript of the oral deposition is a true record of the testimony given by the witness;

That the deposition transcript was submitted on 1-30-23, 2023, to the witness or to the attorney for the witness for examination, signature and return to me by 2-26-23, 2023;

That the amount of time used by each party at the deposition is as follows:
SANTOSH ARAVIND - 0 Hours: 0 Minutes
LAUREN A. VALKENAAR - 0 Hours: 0 Minutes
DAVID C. RIVELA - 0 Hours: 0 Minutes
ADAM C. KIEHNE - 0 Hours: 0 Minutes
JARED MCHAZLETT - 0 Hours: 25 Minutes
CASEY DOWNING - 5 Hours: 26 Minutes

That pursuant to information given to the deposition officer at the time said testimony was taken, the following includes counsel for all parties of record:

SANTOSH ARAVIND
SCOTT DOUGLASS & MCCONNICO, LLP
303 Colorado Street, Suite 2400
Austin, Texas 78701

LAUREN A. VALKENAAR
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DOBROWSKI STAFFORD, LLP
4601 Washington Avenue
Houston, Texas 77007

CASEY DOWNING
YETTER COLEMAN, LLP
811 Main Street, Suite 4100
Houston, Texas 77002

I further certify that I am neither counsel for, related to, nor employed by any of the parties or attorneys in the action in which this proceeding was taken, and further that I am not financially or otherwise interested in the outcome of the action.

Further certification requirements pursuant to Rule 203 TRCP will be certified to after they have occurred.

Sworn to by me this 30th day of Jan., 2023.

signature
TERRI L. HILL, Texas CSR 4495
Expiration Date: 04-30-23
Esquire Deposition Solutions
1700 Pacific Avenue, Suite 1000
Dallas, Texas 75204
Firm Registration No. 286

FURTHER CERTIFICATION UNDER RULE 203.3 TRCP

The original deposition was/~~was not~~ returned to the deposition officer on 2-26-23;

If returned, the attached Changes and Signature page contains any changes and the reasons therefor;

If returned, the original deposition was delivered to Mr. Casey Downing, Custodial Attorney;

That $3176.50 is the deposition officer's charges to the Defendants and Counterclaimants Houston Pipeline Company, LP, and Oasis Pipeline, LP, for preparing the original deposition transcript and any copies of exhibits;

That the deposition was delivered in accordance with Rule 203.3, and that a copy of this certificate was served on all parties shown herein on and filed with the Clerk.

Certified to by me this 9th day of March, 2023.



signature
TERRI L. HILL, Texas CSR 4495
Expiration Date: 04-30-23
Esquire Deposition Solutions
1700 Pacific Avenue, Suite 1000
Dallas, Texas 75204
Firm Registration No. 286

Exhibit A-48

Transaction Confirmation

ENERGY TRANSFER

Houston Pipe Line Company LP
1300 Main St
Houston, TX 77002
Phone: (713) 989-2000

Deal Date: February 12, 2021
Deal ID: 56026

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated 02/01/2012. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller		**Buyer**	
Houston Pipe Line Company LP		City Public Service Board of Trustees on Behalf of City of San Antonio	
Deal Maker:	Jennifer Merritt		
ATTN:	Veronica Herrera	ATTN:	Documentation Department
Phone:	7139897907	Phone:	
Email:	ETCConfirmspipeline@energytransfer.com	Email:	gassupply@cpsenergy.com
Contract No:	97001974		

Price:	$150.0000	Period:	02/13/2021 - 02/16/2021

Delivery Period:	Begin:	02/13/2021	End:	02/16/2021	

Performance Obligation: FIRM

Quantity:	10,000 MMBtu / DAY	Period:	02/13/2021 - 02/16/2021

If any variable quantity fluctuations are caused by a party's operation of, or the need to operate its natural gas facility(ies) or assets, as the case may be, in a manner that causes variable quantity fluctuations (the "Volumetric Adjustment"), then such party represents to the other party that such Volumetric Adjustment is primarily intended, at the time that the parties enter into the transaction, to address physical factors or regulatory requirements that reasonably influence demand for, or supply of, natural gas.

Delivery Points:

Location:	HPL 987342 HOUSTON SHIP CHANNEL HUB METER	Period:	02/13/2021 - 02/16/2021

Special Conditions/Comments:

CPSE Response in Opp to ET MSJ
Exhibit A-48
MDL-2022-CI-02879
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Confirmation Creation Date: 2/14/2021 9:43 PM

Exhibit A-49

Transaction Confirmation

ENERGY TRANSFER

Houston Pipe Line Company LP
1300 Main St
Houston, TX 77002
Phone: (713) 989-2000

Deal Date: February 12, 2021
Deal ID: 56019

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated 02/01/2012. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller		**Buyer**	
Houston Pipe Line Company LP		City Public Service Board of Trustees on Behalf of City of San Antonio	
Deal Maker:	Jennifer Merritt		
ATTN:	Veronica Herrera	ATTN:	Documentation Department
Phone:	7139897907	Phone:	
Email:	ETCConfirmspipeline@energytransfer.com	Email:	gassupply@cpsenergy.com
Contract No:	97001974		

Price:	$150.0000	Period:	02/13/2021 - 02/16/2021

Delivery Period:	Begin:	02/13/2021	End:	02/16/2021	

Performance Obligation: FIRM

Quantity:	10,000 MMBtu / DAY	Period:	02/13/2021 - 02/16/2021

If any variable quantity fluctuations are caused by a party's operation of, or the need to operate its natural gas facility(ies) or assets, as the case may be, in a manner that causes variable quantity fluctuations (the "Volumetric Adjustment"), then such party represents to the other party that such Volumetric Adjustment is primarily intended, at the time that the parties enter into the transaction, to address physical factors or regulatory requirements that reasonably influence demand for, or supply of, natural gas.

Delivery Points:

Location:	HPL 987342 HOUSTON SHIP CHANNEL HUB METER	Period:	02/13/2021 - 02/16/2021

Special Conditions/Comments:

CPSE Response in Opp to ET MSJ
Exhibit A-49
MDL-2022-CI-02879
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Confirmation Creation Date: 2/14/2021 9:43 PM

Exhibit A-50

Transaction Confirmation

ENERGY TRANSFER

Houston Pipe Line Company LP
1300 Main St
Houston, TX 77002
Phone: (713) 989-2000

Deal Date: February 12, 2021
Deal ID: 55986

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated 02/01/2012. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller		**Buyer**	
Houston Pipe Line Company LP		City Public Service Board of Trustees on Behalf of City of San Antonio	
Deal Maker:	Jennifer Merritt		
ATTN:	Veronica Herrera	ATTN:	Documentation Department
Phone:	7139897907	Phone:	
Email:	ETCConfirmspipeline@energytransfer.com	Email:	gassupply@cpsenergy.com
Contract No:	97001974		

Price: $180.0000 Period: 02/13/2021 - 02/16/2021

Delivery Period: Begin: 02/13/2021 End: 02/16/2021

Performance Obligation: FIRM

Quantity: 10,000 MMBtu / DAY Period: 02/13/2021 - 02/16/2021

If any variable quantity fluctuations are caused by a party's operation of, or the need to operate its natural gas facility(ies) or assets, as the case may be, in a manner that causes variable quantity fluctuations (the "Volumetric Adjustment"), then such party represents to the other party that such Volumetric Adjustment is primarily intended, at the time that the parties enter into the transaction, to address physical factors or regulatory requirements that reasonably influence demand for, or supply of, natural gas.

Delivery Points:

Location: OASIS OASIS KATY OASIS KATY Period: 02/13/2021 - 02/16/2021

Special Conditions/Comments:

CPSE Response in Opp to ET MSJ
Exhibit A-50
MDL-2022-CI-02879
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Confirmation Creation Date: 2/14/2021 9:43 PM

Exhibit A-51

Transaction Confirmation

ENERGY TRANSFER

Houston Pipe Line Company LP
1300 Main St
Houston, TX 77002
Phone: (713) 989-2000

Deal Date: February 12, 2021
Deal ID: 55983

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated 02/01/2012. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller		**Buyer**	
Houston Pipe Line Company LP		City Public Service Board of Trustees on Behalf of City of San Antonio	
Deal Maker:	Jennifer Merritt		
ATTN:	Veronica Herrera	ATTN:	Documentation Department
Phone:	7139897907	Phone:	
Email:	ETCConfirmspipeline@energytransfer.com	Email:	gassupply@cpsenergy.com
Contract No:	97001974		

Price: $180.0000 Period: 02/13/2021 - 02/16/2021

Delivery Period: Begin: 02/13/2021 End: 02/16/2021

Performance Obligation: FIRM

Quantity: 10,000 MMBtu / DAY Period: 02/13/2021 - 02/16/2021

If any variable quantity fluctuations are caused by a party's operation of, or the need to operate its natural gas facility(ies) or assets, as the case may be, in a manner that causes variable quantity fluctuations (the "Volumetric Adjustment"), then such party represents to the other party that such Volumetric Adjustment is primarily intended, at the time that the parties enter into the transaction, to address physical factors or regulatory requirements that reasonably influence demand for, or supply of, natural gas.

Delivery Points:

Location: OASIS OASIS KATY OASIS KATY Period: 02/13/2021 - 02/16/2021

Special Conditions/Comments:

CPSE Response in Opp to ET MSJ
Exhibit A-51
MDL-2022-CI-02879
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Confirmation Creation Date: 2/14/2021 9:43 PM

Exhibit A-52

Transaction Confirmation

ENERGY TRANSFER

Oasis Pipeline, LP
1300 Main St.
Houston, TX 77002
Phone: (713) 989-2000

Deal Date: February 12, 2021
Deal ID: 55961

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated 11/01/2009. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller		**Buyer**	
Oasis Pipeline, LP		City Public Service Board of Trustees on Behalf of City of San Antonio	
Deal Maker:	Jennifer Merritt		
ATTN:	Veronica Herrera	ATTN:	Documentation Department
Phone:	7139897907	Phone:	
Email:	ETCConfirmsPipeline@energytransfer.com	Email:	gassupply@cpsenergy.com
Contract No:	880021		

Price: $225.0000 Period: 02/13/2021 - 02/16/2021

Delivery Period: Begin: 02/13/2021 End: 02/16/2021

Performance Obligation: FIRM

Quantity: 50,000 MMBtu / DAY Period: 02/13/2021 - 02/16/2021

If any variable quantity fluctuations are caused by a party's operation of, or the need to operate its natural gas facility(ies) or assets, as the case may be, in a manner that causes variable quantity fluctuations (the "Volumetric Adjustment"), then such party represents to the other party that such Volumetric Adjustment is primarily intended, at the time that the parties enter into the transaction, to address physical factors or regulatory requirements that reasonably influence demand for, or supply of, natural gas.

Delivery Points:

Location: OASIS 1483 VALERO/CPS/ SAN ANTONIO Period: 02/13/2021 - 02/16/2021

Special Conditions/Comments:

CPSE Response in Opp to ET MSJ
Exhibit A-52
MDL-2022-CI-02879
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Confirmation Creation Date: 2/14/2021 9:44 PM

Exhibit A-53

Transaction Confirmation

ENERGY TRANSFER

Oasis Pipeline, LP
1300 Main St.
Houston, TX 77002
Phone: (713) 989-2000

Deal Date: February 12, 2021
Deal ID: 55959

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated 11/01/2009. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller		**Buyer**	
Oasis Pipeline, LP		City Public Service Board of Trustees on Behalf of City of San Antonio	
Deal Maker:	Jennifer Merritt		
ATTN:	Veronica Herrera	ATTN:	Documentation Department
Phone:	7139897907	Phone:	
Email:	ETCConfirmsPipeline@energytransfer.com	Email:	gassupply@cpsenergy.com
Contract No:	880021		

Price: $225.0000 Period: 02/13/2021 - 02/16/2021

Delivery Period: Begin: 02/13/2021 End: 02/16/2021

Performance Obligation: FIRM

Quantity: 50,000 MMBtu / DAY Period: 02/13/2021 - 02/16/2021

If any variable quantity fluctuations are caused by a party's operation of, or the need to operate its natural gas facility(ies) or assets, as the case may be, in a manner that causes variable quantity fluctuations (the "Volumetric Adjustment"), then such party represents to the other party that such Volumetric Adjustment is primarily intended, at the time that the parties enter into the transaction, to address physical factors or regulatory requirements that reasonably influence demand for, or supply of, natural gas.

Delivery Points:

Location: OASIS 1702 RIO NOGALES POWER PLANT Period: 02/13/2021 - 02/16/2021

Special Conditions/Comments:

CPSE Response in Opp to ET MSJ
Exhibit A-53
MDL-2022-CI-02879
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Confirmation Creation Date: 2/14/2021 9:44 PM

Exhibit A-54

Transaction Confirmation

ENERGY TRANSFER

Houston Pipe Line Company LP
1300 Main St
Houston, TX 77002
Phone: (713) 989-2000

Deal Date: February 12, 2021
Deal ID: 55958

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated 02/01/2012. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller		**Buyer**	
Houston Pipe Line Company LP		City Public Service Board of Trustees on Behalf of City of San Antonio	
Deal Maker:	Jennifer Merritt		
ATTN:	Veronica Herrera	ATTN:	Documentation Department
Phone:	7139897907	Phone:	
Email:	ETCConfirmspipeline@energytransfer.com	Email:	gassupply@cpsenergy.com
Contract No:	97001974		

Price: $225.0000 Period: 02/13/2021 - 02/16/2021

Delivery Period: Begin: 02/13/2021 End: 02/16/2021

Performance Obligation: FIRM

Quantity: 50,000 MMBtu / DAY Period: 02/13/2021 - 02/16/2021

If any variable quantity fluctuations are caused by a party's operation of, or the need to operate its natural gas facility(ies) or assets, as the case may be, in a manner that causes variable quantity fluctuations (the "Volumetric Adjustment"), then such party represents to the other party that such Volumetric Adjustment is primarily intended, at the time that the parties enter into the transaction, to address physical factors or regulatory requirements that reasonably influence demand for, or supply of, natural gas.

Delivery Points:

Location: HPL 987357 CPSS/HPL-KARNES BI-DIRECTIONAL Period: 02/13/2021 - 02/16/2021

Special Conditions/Comments:

CPSE Response in Opp to ET MSJ
Exhibit A-54
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Confirmation Creation Date: 2/14/2021 9:44 PM

Exhibit A-55

Sealed

Exhibit A-56

Sealed

Exhibit A-57

Sealed

Exhibit A-58

Public Utility Commission of Texas

1701 N. Congress, P.O. Box 13326, Austin, TX 78711-3326 Fax 512-936-7003

News Release
February 15, 2021

Contact: Andrew Barlow
Andrew.Barlow@PUC.Texas.Gov

PUC ISSUES EMERGENCY ORDER ON ELECTRICITY PRICING

Austin, TX – In response to the weather-induced electricity crisis currently affecting Texas, the Public Utility Commission of Texas met in an emergency open meeting this evening to address concerns that certain pricing mechanisms were not generating an optimal response to the challenge.

In its order, the Commission directed the Electric Reliability Council of Texas to modify pricing models to more accurately reflect the scarcity conditions in the market. Specifically, the Commission directed ERCOT to ensure that firm load being shed in ERCOT's Energy Emergency Alert Level 3 operating condition is accounted for in ERCOT's scarcity pricing.

The decision was spurred by ERCOT's discovery that energy prices across the system were clearing at less than the current system-wide offer cap of $9,000 established by Commission rule. When notified, the Commissioners agreed that energy prices across the system clearing as low as approximately $1,200 during the first day of the weather crisis was inconsistent with the fundamental design of the ERCOT market. Because energy prices should reflect scarcity of the supply, the market price for the energy needed to serve load being shed in the face of scarcity should also be at its highest.

Click **here** to read the Commission order.

###

About the Public Utility Commission

Our mission is to serve Texans by regulating the state's electric, telecommunication, and water and sewer utilities, implementing respective legislation, and offering customer assistance in resolving consumer complaints. Since its founding in 1975, the Commission has a long and proud history of service to Texas, protecting customers, fostering competition, and promoting high quality infrastructure. To learn more, please visit http://www.puc.texas.gov.

In addition to downloading the ERCOT mobile app (on both the **Apple Store** and **Google Play**), Texans are advised to bookmark the PUC's **Storm Resources** page for helpful advice and features like a statewide outage restoration map.

Customers are also encouraged to leverage social media for up-to-date information:

- PUC: **Facebook** | **Twitter** | **Instagram**
- ERCOT: **Facebook** | **Twitter**

CPSE Response in Opp to ET MSJ
Exhibit A-58
MDL-2022-CI-02879
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Exhibit A-59

Sealed

Exhibit A-60

Sealed

Exhibit A-61

Sealed

Exhibit A-62

Sealed

Exhibit A-63

Sealed

Exhibit A-64

Sealed

Exhibit A-65

Sealed

Exhibit A-66

Sealed

Exhibit A-67

Sealed

Exhibit A-68

Transaction Confirmation

ENERGY TRANSFER

Oasis Pipeline, LP
1300 Main St.
Houston, TX 77002
Phone: (713) 989-2000

Deal Date: February 16, 2021
Deal ID: 56580

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated 11/01/2009. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller		**Buyer**	
Oasis Pipeline, LP		City Public Service Board of Trustees on Behalf of City of San Antonio	
Deal Maker:	Jennifer Merritt		
ATTN:	Veronica Herrera	ATTN:	Documentation Department
Phone:	7139897907	Phone:	
Email:	ETCConfirmsPipeline@energytransfer.com	Email:	gassupply@cpsenergy.com
Contract No:	880021		

Price: $400.0000 Period: 02/17/2021 - 02/17/2021

Delivery Period: Begin: 02/17/2021 End: 02/17/2021

Performance Obligation: FIRM

Quantity: 50,000 MMBtu / DAY Period: 02/17/2021 - 02/17/2021

If any variable quantity fluctuations are caused by a party's operation of, or the need to operate its natural gas facility(ies) or assets, as the case may be, in a manner that causes variable quantity fluctuations (the "Volumetric Adjustment"), then such party represents to the other party that such Volumetric Adjustment is primarily intended, at the time that the parties enter into the transaction, to address physical factors or regulatory requirements that reasonably influence demand for, or supply of, natural gas.

Delivery Points:

Location: OASIS 1702 RIO NOGALES POWER PLANT Period: 02/17/2021 - 02/17/2021

Special Conditions/Comments:

CPSE Response in Opp to ET MSJ
Exhibit A-68
MDL-2022-CI-02879
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Confirmation Creation Date: 2/17/2021 8:53 AM

HIGHLY CONFIDENTIAL – ATTORNEY'S EYES ONLY

Exhibit A-69

Transaction Confirmation

ENERGY TRANSFER

Oasis Pipeline, LP
1300 Main St.
Houston, TX 77002
Phone: (713) 989-2000

Deal Date: February 16, 2021
Deal ID: 56579

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated 11/01/2009. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller		**Buyer**	
Oasis Pipeline, LP		City Public Service Board of Trustees on Behalf of City of San Antonio	
Deal Maker:	Jennifer Merritt		
ATTN:	Veronica Herrera	ATTN:	Documentation Department
Phone:	7139897907	Phone:	
Email:	ETCConfirmsPipeline@energytransfer.com	Email:	gassupply@cpsenergy.com
Contract No:	880021		

Price: $400.0000 Period: 02/17/2021 - 02/17/2021

Delivery Period: Begin: 02/17/2021 End: 02/17/2021

Performance Obligation: FIRM

Quantity: 25,000 MMBtu / DAY Period: 02/17/2021 - 02/17/2021

If any variable quantity fluctuations are caused by a party's operation of, or the need to operate its natural gas facility(ies) or assets, as the case may be, in a manner that causes variable quantity fluctuations (the "Volumetric Adjustment"), then such party represents to the other party that such Volumetric Adjustment is primarily intended, at the time that the parties enter into the transaction, to address physical factors or regulatory requirements that reasonably influence demand for, or supply of, natural gas.

Delivery Points:

Location: OASIS 1483 VALERO/CPS/ SAN ANTONIO Period: 02/17/2021 - 02/17/2021

Special Conditions/Comments:

CPSE Response in Opp to ET MSJ
Exhibit A-69
MDL-2022-CI-02879
exhibitsticker.com

Confirmation Creation Date: 2/17/2021 8:53 AM

HIGHLY CONFIDENTIAL – ATTORNEY'S EYES ONLY

Exhibit A-70

Transaction Confirmation

ENERGY TRANSFER

Houston Pipe Line Company LP
1300 Main St
Houston, TX 77002
Phone: (713) 989-2000

Deal Date: February 17, 2021
Deal ID: 56819

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated 02/01/2012. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller		**Buyer**	
Houston Pipe Line Company LP		City Public Service Board of Trustees on Behalf of City of San Antonio	
Deal Maker:	Jennifer Merritt		
ATTN:	Veronica Herrera	ATTN:	Documentation Department
Phone:	7139897907	Phone:	
Email:	ETCConfirmspipeline@energytransfer.com	Email:	gassupply@cpsenergy.com
Contract No:	97001974		

Price: $500.0000 Period: 02/17/2021 - 02/17/2021

Delivery Period: Begin: 02/17/2021 End: 02/17/2021

Performance Obligation: FIRM

Quantity: 80,000 MMBtu / DAY Period: 02/17/2021 - 02/17/2021

If any variable quantity fluctuations are caused by a party's operation of, or the need to operate its natural gas facility(ies) or assets, as the case may be, in a manner that causes variable quantity fluctuations (the "Volumetric Adjustment'), then such party represents to the other party that such Volumetric Adjustment is primarily intended, at the time that the parties enter into the transaction, to address physical factors or regulatory requirements that reasonably influence demand for, or supply of, natural gas.

Delivery Points:

Location: HPL 987357 CPSS/HPL-KARNES BI-DIRECTIONAL Period: 02/17/2021 - 02/17/2021

Special Conditions/Comments:

CPSE Response in Opp to ET MSJ
Exhibit A-70
MDL-2022-CI-02879
exhibitsticker.com

Confirmation Creation Date: 2/18/2021 12:49 PM

Exhibit A-71

Transaction Confirmation

ENERGY TRANSFER

Oasis Pipeline, LP
1300 Main St.
Houston, TX 77002
Phone: (713) 989-2000

Deal Date: February 17, 2021
Deal ID: 56890

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated 11/01/2009. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller		**Buyer**	
Oasis Pipeline, LP		City Public Service Board of Trustees on Behalf of City of San Antonio	
Deal Maker:	Jennifer Merritt		
ATTN:	Veronica Herrera	ATTN:	Documentation Department
Phone:	7139897907	Phone:	
Email:	ETCConfirmsPipeline@energytransfer.com	Email:	gassupply@cpsenergy.com
Contract No:	880021		

Price: $500.0000 Period: 02/17/2021 - 02/17/2021

Delivery Period: Begin: 02/17/2021 End: 02/17/2021

Performance Obligation: FIRM

Quantity: 50,000 MMBtu / DAY Period: 02/17/2021 - 02/17/2021

If any variable quantity fluctuations are caused by a party's operation of, or the need to operate its natural gas facility(ies) or assets, as the case may be, in a manner that causes variable quantity fluctuations (the "Volumetric Adjustment"), then such party represents to the other party that such Volumetric Adjustment is primarily intended, at the time that the parties enter into the transaction, to address physical factors or regulatory requirements that reasonably influence demand for, or supply of, natural gas.

Delivery Points:

Location: OASIS 1483 VALERO/CPS/ SAN ANTONIO Period: 02/17/2021 - 02/17/2021

Special Conditions/Comments:

CPSE Response in Opp to ET MSJ
Exhibit A-71
MDL-2022-CI-02879
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Confirmation Creation Date: 2/18/2021 12:50 PM

Exhibit A-72

Transaction Confirmation

ENERGY TRANSFER

Oasis Pipeline, LP
1300 Main St.
Houston, TX 77002
Phone: (713) 989-2000

Deal Date: February 18, 2021
Deal ID: 56989

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated 11/01/2009. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller		**Buyer**	
Oasis Pipeline, LP		City Public Service Board of Trustees on Behalf of City of San Antonio	
Deal Maker:	Jennifer Merritt		
ATTN:	Veronica Herrera	ATTN:	Documentation Department
Phone:	7139897907	Phone:	
Email:	ETCConfirmsPipeline@energytransfer.com	Email:	gassupply@cpsenergy.com
Contract No:	880021		

Price: $75.0000 Period: 02/19/2021 - 02/19/2021

Delivery Period: Begin: 02/19/2021 End: 02/19/2021

Performance Obligation: FIRM

Quantity: 75,000 MMBtu / DAY Period: 02/19/2021 - 02/19/2021

If any variable quantity fluctuations are caused by a party's operation of, or the need to operate its natural gas facility(ies) or assets, as the case may be, in a manner that causes variable quantity fluctuations (the "Volumetric Adjustment'), then such party represents to the other party that such Volumetric Adjustment is primarily intended, at the time that the parties enter into the transaction, to address physical factors or regulatory requirements that reasonably influence demand for, or supply of, natural gas.

Delivery Points:

Location: OASIS 1483 VALERO/CPS/ SAN ANTONIO Period: 02/19/2021 - 02/19/2021

Special Conditions/Comments:

CPSE Response in Opp to ET MSJ
Exhibit A-72
MDL-2022-CI-02879
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Confirmation Creation Date: 2/19/2021 1:50 PM

Exhibit A-73

Transaction Confirmation

ENERGY TRANSFER

Houston Pipe Line Company LP
1300 Main St
Houston, TX 77002
Phone: (713) 989-2000

Deal Date: February 18, 2021
Deal ID: 57029

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated 02/01/2012. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller		**Buyer**	
Houston Pipe Line Company LP		City Public Service Board of Trustees on Behalf of City of San Antonio	
Deal Maker:	Tim Small		
ATTN:	Veronica Herrera	ATTN:	Documentation Department
Phone:	7139897907	Phone:	
Email:	ETCConfirmspipeline@energytransfer.com	Email:	gassupply@cpsenergy.com
Contract No:	97001974		

Price: $50.0000 Period: 02/19/2021 - 02/19/2021

Delivery Period: Begin: 02/19/2021 End: 02/19/2021

Performance Obligation: FIRM

Quantity: 10,000 MMBtu / DAY Period: 02/19/2021 - 02/19/2021

If any variable quantity fluctuations are caused by a party's operation of, or the need to operate its natural gas facility(ies) or assets, as the case may be, in a manner that causes variable quantity fluctuations (the "Volumetric Adjustment'), then such party represents to the other party that such Volumetric Adjustment is primarily intended, at the time that the parties enter into the transaction, to address physical factors or regulatory requirements that reasonably influence demand for, or supply of, natural gas.

Delivery Points:

Location: OASIS OASIS KATY OASIS KATY Period: 02/19/2021 - 02/19/2021

Special Conditions/Comments:

CPSE Response in Opp to ET MSJ
Exhibit A-73
MDL-2022-CI-02879
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Confirmation Creation Date: 2/19/2021 1:50 PM

Exhibit A-74

CPSE Response in Opp to ET MSJ
Exhibit A-74
MDL-2022-CI-02879
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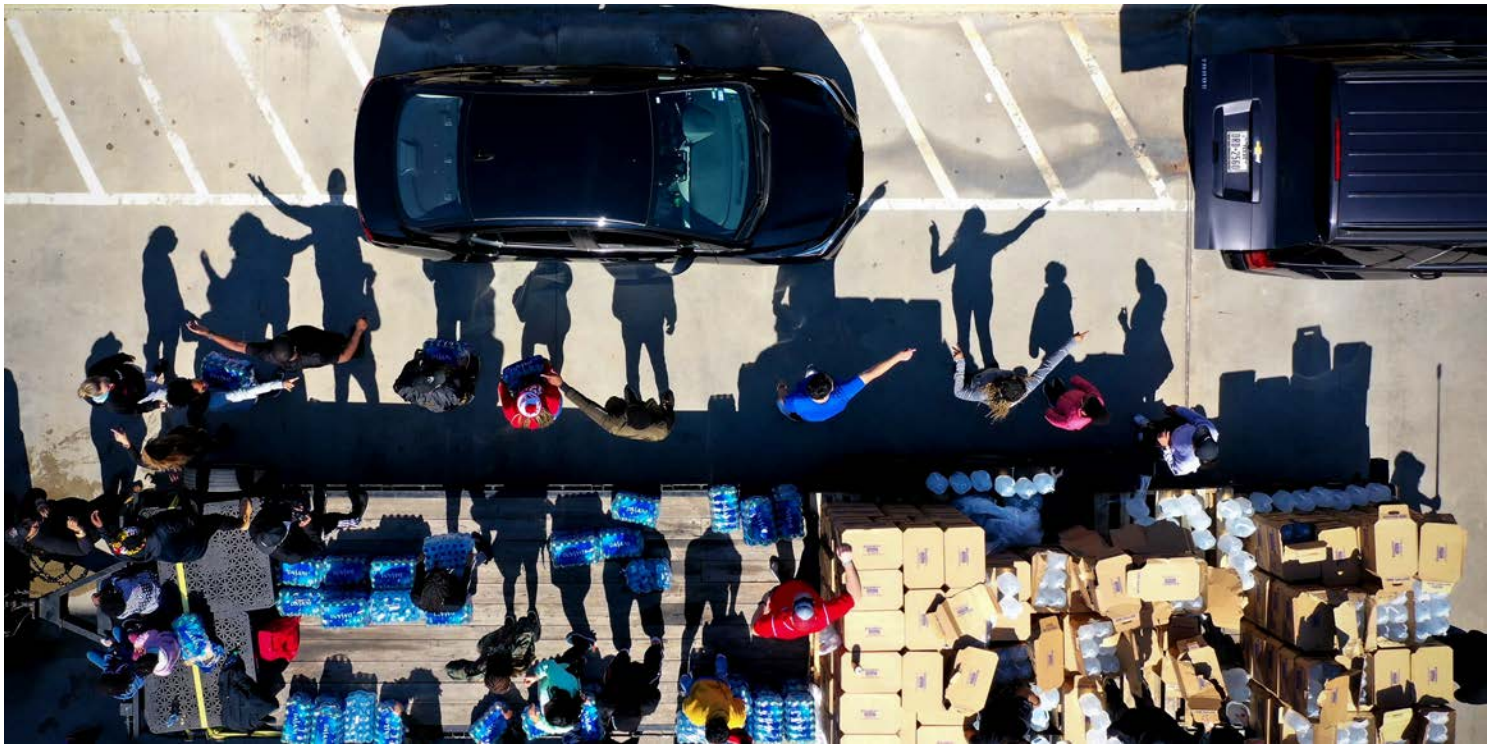
FOSSIL FUEL EXECUTIVES GLOAT ABOUT PROFITS, PR FROM TEXAS WINTER STORM CRISIS

Comstock Resources, a shale drilling company, apologized for describing gas prices from the Texas storm as a "jackpot."

Lee Fang

February 23 2021, 1:04 p.m.

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As much of Texas struggles with historic cold weather, power outages, and a shortage of potable water, volunteers direct traffic at a water distribution event in Houston on Feb. 20, 2021. Photo: Justin Sullivan/Getty Images

AS A SEVERE winter storm swept Texas last week, cutting electricity from millions of residents in freezing temperatures and causing nearly 70 deaths so far, some energy executives saw an upside to the catastrophe.

“Obviously, this week is like hitting the jackpot,” boasted Roland Burns, the chief executive and chief financial officer of Comstock Resources, a shale drilling company that benefited from the sudden demand for natural gas, in a call with investors last Wednesday. The price for gas, said Burns, has been “incredible.”

Marshall McCrea, the co-chief executive of pipeline firm Energy Transfer, told investors last Wednesday that his company has “been able to benefit,” given its ability to transport gas from storage facilities near Houston to power plants across the state. The company, McCrea said, has transported large volumes of gas in Texas and capitalized on “very strong commodity prices.” Energy Transfer, when reached for comment, said that McCrea’s comments “are pretty clear.”

Ronald Mills, the vice president of investor relations at Comstock Resources, said the company apologizes for the use of the word “jackpot” to describe natural gas prices last week. “That description was inappropriate and insensitive to the millions of Texans that did not have electricity or power, including many of our own employees who suffered through the same since we are based in the Dallas area,” said Mills in an email to The Intercept.

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The price of natural gas, which skyrocketed as power plants and industrial consumers scrambled to secure additional supply, benefited other energy interests. Macquarie Group, an investment bank that is the second-biggest physical gas supplier in the U.S., reported a windfall of $210 million from the swing in gas and electricity prices. The company also owns Griddy, a residential energy utility that has billed customers as much as $16,752 and $8,000 in recent days.

There was another "upside" to the Texas storm, McCrea noted during the call. "Just over the last four or five days," he added, "the number one thing that everybody is recognizing, I've already said, and we all know on this call, how important fossil fuels are for this country, in this world."

THE CRISIS HAS indeed sparked a debate over the role of fossil fuels, with some prominent Republicans taking to the air to disingenuously blame only wind and solar energy rather than the failure of the grid as a whole. Texas Gov. Greg Abbott appeared on Fox News to falsely claim that the storm showed the Green New Deal — a slogan for a package of renewable energy policies favored by some in Congress that has not been debated or implemented — "would be a deadly deal for the United States of America."

Rick Perry, the former Texas governor, appeared on Fox News on Friday with host Sean Hannity to also point blame at renewable energy.

“Last week in Texas,” said Perry, “as people were losing their power, thank God we had fossil fuels in this state, because if all we had had was the AOC Green New Deal plan, wind and solar, we would have had a massive disaster on our hands.”



Related

Texas Republicans Ran a 20-Year Experiment. The Results Are In.

Despite the intense focus on the failures of some wind turbines during the storm, many point to a diffuse set of causes for the blackouts, including the deregulated design of the Texas energy grid. Texas is the only state in the nation that is not connected to other states to import energy in times of crisis and does not require any “capacity market” to compel power plants to produce additional standby energy during the winter. Many of the critical power plants that failed last week were reliant on fossil fuels such as natural gas.

A follow-up story on the Fox News website, published after Perry’s appearance, noted that “natural gas, coal and nuclear energy systems were responsible for nearly twice as many outages as frozen wind turbines and solar panels combined.”

Many of the power outages were due to a lack of weatherization at power plants and pipelines, upgrades that were fiercely resisted by energy companies in Texas. Following a winter storm in 2011, which similarly caused rolling blackouts, both state and federal energy regulators recommended extensive work to prepare the electricity infrastructure in the state for severe winter weather events. The warnings produced little change.

In 2014, the Public Utility Commission of Texas also proposed rules to require power plants to identify and address "weather design limits." The proposal was opposed by leading power generation companies, including the Texas subsidiary of utility and energy giant Sempra Energy. The rules were then weakened to allow power plants to only address previously known problems, not identify any new potential weaknesses.

Another fact that went unmentioned during the Hannity segment was his guest's personal financial stake in the debate. Perry, following his resignation as secretary of energy in the Trump administration, rejoined the board of Energy Transfer last year. The part-time position provides stock and cash awards of $174,997 a year, according to a new filing to the Securities and Exchange Commission.

Update: February 23, 2021, 4:08 p.m. ET

This story has been updated to include a response from Comstock Resources.

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Exhibit A-75

Sealed

Exhibit A-76

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
May 6, 2021
Date of Report (Date of earliest event reported)

ENERGY TRANSFER LP

(Exact name of Registrant as specified in its charter)

Delaware	**1-32740**	**30-0108820**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

8111 Westchester Drive, Suite 600
Dallas, Texas 75225

(Address of principal executive offices) (zip code)

(214) 981-0700
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Units	**ET**	**New York Stock Exchange**
7.375% Series C Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units	**ETprC**	**New York Stock Exchange**
7.625% Series D Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units	**ETprD**	**New York Stock Exchange**
7.600% Series E Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units	**ETprE**	**New York Stock Exchange**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

CPSE Response in Opp to ET MSJ
Exhibit A-76
MDL-2022-CI-02879
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Item 2.02. Results of Operations and Financial Condition.

On May 6, 2021, Energy Transfer LP (the "Partnership") issued a press release announcing its financial and operating results for the first fiscal quarter ended March 31, 2021. A copy of this press release is furnished as Exhibit 99.1 to this report and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information set forth in this Item 2.02 and in the attached exhibit shall be deemed to be "furnished" and not be deemed to be "filed" for purposes of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Item 9.01. Financial Statements and Exhibits.

(d) **Exhibits.** In accordance with General Instruction B.2 of Form 8-K, the information set forth in the attached Exhibit 99.1 is deemed to be "furnished" and shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act.

Exhibit Number	Description of the Exhibit
99.1	Energy Transfer LP Press Release dated May 6, 2021
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ENERGY TRANSFER LP
By: LE GP, LLC, its general partner

Date: May 6, 2021

By: /s/ Bradford D. Whitehurst
Bradford D. Whitehurst
Chief Financial Officer (duly authorized to sign on behalf of the registrant)

ENERGY TRANSFER REPORTS FIRST QUARTER 2021 RESULTS

Dallas - May 6, 2021 - Energy Transfer LP (NYSE:ET) ("ET" or the "Partnership") today reported record financial results for the quarter ended March 31, 2021.

ET reported net income attributable to partners for the three months ended March 31, 2021 of $3.29 billion, an increase of $4.14 billion compared to the same period the previous year. For the three months ended March 31, 2021, net income per limited partner unit (diluted) was $1.21 per unit.

Adjusted EBITDA for the three months ended March 31, 2021 was $5.04 billion compared with $2.64 billion for the three months ended March 31, 2020.

Distributable Cash Flow attributable to partners, as adjusted, for the three months ended March 31, 2021 was $3.91 billion compared to $1.42 billion for the three months ended March 31, 2020.

Results for the first quarter reflected the one-time impacts of the winter storm in February and reliable operations of ET's flexible, well-maintained asset base, particularly its storage and transportation facilities in Texas. Prior to the storm, ET pre-deployed employees and specialized equipment to key assets, and added line pack to pipelines to serve as additional storage. During the storm, employees manned facilities 24 hours a day, ET's transmission lines remained fully operational and the Partnership did everything within its control to keep plants running and field compression idling so that ET would be prepared to deliver natural gas to facilities throughout Texas for residential consumption and power generation. ET was able to continuously provide energy to help meet critical needs throughout the historic storm, due to years of significant capital investments, strategic planning and a dedicated workforce.

Key accomplishments and current developments:

Operational

- During the first quarter of 2021, the Partnership commissioned its ethane export facilities at Nederland, Texas, and through April has successfully loaded three very large ethane carriers ("VLEC") and three additional ships with ethane, bringing the total ethane loaded out of this facility to nearly three and a half million barrels.
- The Partnership also recently completed the final drill necessary to commission its PA Access Pipeline for refined products service.
- In April 2021, ET announced an agreement which utilizes existing pipeline assets to expand crude oil transportation opportunities from the Denver-Julesburg Basin and Cushing, Oklahoma to ET's Nederland, Texas terminal.

Strategic

- In February 2021, the Partnership announced the acquisition of Enable Midstream Partners, LP ("Enable") in a $7.2 billion, all-equity transaction. Pursuant to support agreements entered into in connection with the merger agreement, the two largest Enable unitholders have delivered their written consents to approve the merger. These unitholders collectively own 79% of Enable's outstanding common units and those consents are therefore sufficient to approve the merger. The transaction is subject to the satisfaction of customary closing conditions, including Hart-Scott-Rodino Act ("HSR") clearance. We anticipate that the Federal Trade Commission ("FTC") will issue requests for additional information and documentary material. We continue to believe that the FTC will grant unconditional clearance of the transaction, and we remain fully committed to closing the Enable merger under the terms of the merger agreement and we now expect to close the transaction in the second half of 2021.
- In April 2021, the Partnership completed several internal reorganization transactions, including the merger of Energy Transfer Operating, L.P. directly into Energy Transfer LP. These internal transactions will benefit the Partnership going forward by simplifying the Partnership's structure and reducing certain administrative costs.

- ET continues to pursue opportunities to reduce the Partnership's environmental footprint throughout its operations with increased use of technologies, such as the Partnership's dual drive compressors, and by supporting electric generation projects, such as the Maplewood 2 solar project, which is the Partnership's first-ever dedicated solar power contract.

Financial

- During the first quarter of 2021, the Partnership used cash from operations to reduce outstanding debt by approximately $3.7 billion.
- In April 2021, ET announced a quarterly distribution of $0.1525 per unit ($0.61 annualized) on ET common units for the quarter ended March 31, 2021.
- As of March 31, 2021, the Partnership's $6.00 billion revolving credit facilities had an aggregate $5.08 billion of available capacity, and the leverage ratio, as defined by the credit agreement, was 3.23x.
- For 2021, the Partnership's previous full-year Adjusted EBITDA guidance was $10.6 billion to $11.0 billion, which included approximately $200 million related to Winter Storm Uri. The Partnership now expects to realize a total impact of approximately $2.4 billion from the storm for 2021. As a result, ET is updating its full-year Adjusted EBITDA guidance to $12.9 billion to $13.3 billion. This represents an increase of approximately $100 million compared to ET's previous Adjusted EBITDA guidance, excluding the full impact of Winter Storm Uri. These estimates exclude any contribution from the recently announced Enable acquisition.
- For the three months ended March 31, 2021, the Partnership spent approximately $360 million on growth capital expenditures. The Partnership now expects to spend approximately $1.6 billion on growth capital expenditures for the full year of 2021.

ET benefits from a portfolio of assets with exceptional product and geographic diversity. The Partnership's multiple segments generate high-quality, balanced earnings with no single segment contributing more than 30% of the Partnership's consolidated Adjusted EBITDA (excluding the impacts of the February 2021 winter storm) for the three months ended March 31, 2021. The vast majority of the Partnership's segment margins are fee-based and therefore have limited commodity price sensitivity.

Conference Call information:

The Partnership has scheduled a conference call for 4:00 p.m. Central Time, Thursday, May 6, 2021 to discuss its first quarter 2021 results and provide a partnership update. The conference call will be broadcast live via an internet webcast, which can be accessed through www.energytransfer.com and will also be available for replay on the Partnership's website for a limited time.

Energy Transfer LP (NYSE: ET) owns and operates one of the largest and most diversified portfolios of energy assets in the United States, with a strategic footprint in all of the major domestic production basins. ET is a publicly traded limited partnership with core operations that include complementary natural gas midstream, intrastate and interstate transportation and storage assets; crude oil, NGL and refined product transportation and terminalling assets; NGL fractionation; and various acquisition and marketing assets. ET also owns Lake Charles LNG Company, as well as the general partner interests, the incentive distribution rights and 28.5 million common units of Sunoco LP (NYSE: SUN), and the general partner interests and 46.1 million common units of USA Compression Partners, LP (NYSE: USAC). For more information, visit the Energy Transfer LP website at www.energytransfer.com.

Sunoco LP (NYSE: SUN) is a master limited partnership with core operations that include the distribution of motor fuel to approximately 10,000 convenience stores, independent dealers, commercial customers and distributors located in more than 30 states, as well as refined product transportation and terminalling assets. SUN's general partner is owned by Energy Transfer LP (NYSE: ET). For more information, visit the Sunoco LP website at www.sunocolp.com.

USA Compression Partners, LP (NYSE: USAC) is a growth-oriented Delaware limited partnership that is one of the nation's largest independent providers of compression services in terms of total compression fleet horsepower. USAC partners with a broad customer base composed of producers, processors, gatherers and transporters of natural gas and crude oil. USAC focuses on providing compression services to infrastructure applications primarily in high-volume gathering systems, processing facilities and transportation applications. For more information, visit the USAC website at www.usacompression.com.

Forward-Looking Statements

This news release may include certain statements concerning expectations for the future that are forward-looking statements as defined by federal law. Such forward-looking statements are subject to a variety of known and unknown risks, uncertainties, and other factors that are difficult to predict and many of which are beyond management's control. An extensive list of factors

that can affect future results are discussed in the Partnership's Annual Report on Form 10-K and other documents filed from time to time with the Securities and Exchange Commission, including the Partnership's Quarterly Report on Form 10-Q to be filed for the current period. In addition to the risks and uncertainties previously disclosed, the Partnership has also been, or may in the future be, impacted by new or heightened risks related to the COVID-19 pandemic, and we cannot predict the length and ultimate impact of those risks. The Partnership has also been, and may in the future be, impacted by the winter storm in February 2021 and the resolution of related contingencies, including credit losses, disputed purchases and sales, litigation and/or potential legislative action. The Partnership undertakes no obligation to update or revise any forward-looking statement to reflect new information or events.

The information contained in this press release is available on our website at www.energytransfer.com.

Contacts

Energy Transfer

Investor Relations:
Bill Baerg, Brent Ratliff, Lyndsay Hannah, 214-981-0795
or
Media Relations:
Vicki Granado, 214-840-5820

ENERGY TRANSFER LP AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)
(unaudited)

	March 31, 2021	December 31, 2020
ASSETS		
Current assets	$ 7,820	$ 6,317
Property, plant and equipment, net	74,804	75,107
Investments in unconsolidated affiliates	3,009	3,060
Lease right-of-use assets, net	857	866
Other non-current assets, net	1,680	1,657
Intangible assets, net	5,657	5,746
Goodwill	2,391	2,391
Total assets	$ 96,218	$ 95,144
LIABILITIES AND EQUITY		
Current liabilities	$ 7,779	$ 5,923
Long-term debt, less current maturities	47,712	51,417
Non-current derivative liabilities	136	237
Non-current operating lease liabilities	820	837
Deferred income taxes	3,550	3,428
Other non-current liabilities	1,198	1,152
Commitments and contingencies		
Redeemable noncontrolling interests	769	762
Equity:		
Total partners' capital	21,431	18,529
Noncontrolling interests	12,823	12,859
Total equity	34,254	31,388
Total liabilities and equity	$ 96,218	$ 95,144

ENERGY TRANSFER LP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per unit data)
(unaudited)

	Three Months Ended March 31,	
	2021	2020
REVENUES	$ 16,995	$ 11,627
COSTS AND EXPENSES:		
Cost of products sold	10,948	8,291
Operating expenses	820	879
Depreciation, depletion and amortization	954	867
Selling, general and administrative	201	204
Impairment losses	3	1,325
Total costs and expenses	12,926	11,566
OPERATING INCOME	4,069	61
OTHER INCOME (EXPENSE):		
Interest expense, net of interest capitalized	(589)	(602)
Equity in earnings (losses) of unconsolidated affiliates	55	(7)
Losses on extinguishments of debt	(7)	(62)
Gains (losses) on interest rate derivatives	194	(329)
Other, net	(6)	3
INCOME (LOSS) BEFORE INCOME TAX EXPENSE	3,716	(936)
Income tax expense	75	28
NET INCOME (LOSS)	3,641	(964)
Less: Net income (loss) attributable to noncontrolling interests	341	(121)
Less: Net income attributable to redeemable noncontrolling interests	12	12
NET INCOME (LOSS) ATTRIBUTABLE TO PARTNERS	3,288	(855)
General Partner's interest in net income (loss)	3	(1)
Limited Partners' interest in net income (loss)	$ 3,285	$ (854)
NET INCOME (LOSS) PER LIMITED PARTNER UNIT:		
Basic	$ 1.22	$ (0.32)
Diluted	$ 1.21	$ (0.32)
WEIGHTED AVERAGE NUMBER OF UNITS OUTSTANDING:		
Basic	2,702.8	2,691.7
Diluted	2,708.6	2,691.7

ENERGY TRANSFER LP AND SUBSIDIARIES
SUPPLEMENTAL INFORMATION
(Dollars and units in millions)
(unaudited)

	Three Months Ended March 31,	
	2021[a]	2020
Reconciliation of net income (loss) to Adjusted EBITDA and Distributable Cash Flow[b]:		
Net income (loss)	$ 3,641	$ (964)
Interest expense, net of interest capitalized	589	602
Impairment losses	3	1,325
Income tax expense	75	28
Depreciation, depletion and amortization	954	867
Non-cash compensation expense	28	22
(Gains) losses on interest rate derivatives	(194)	329
Unrealized gains on commodity risk management activities	(46)	(51)
Losses on extinguishments of debt	7	62
Inventory valuation adjustments (Sunoco LP)	(100)	227
Equity in (earnings) losses of unconsolidated affiliates	(55)	7
Adjusted EBITDA related to unconsolidated affiliates	123	154
Other, net	15	27
Adjusted EBITDA (consolidated)	5,040	2,635
Adjusted EBITDA related to unconsolidated affiliates	(123)	(154)
Distributable cash flow from unconsolidated affiliates	76	113
Interest expense, net of interest capitalized	(589)	(602)
Preferred unitholders' distributions	(96)	(89)
Current income tax (expense) benefit	(9)	14
Maintenance capital expenditures	(76)	(103)
Other, net	19	22
Distributable Cash Flow (consolidated)	4,242	1,836
Distributable Cash Flow attributable to Sunoco LP (100%)	(108)	(159)
Distributions from Sunoco LP	41	41
Distributable Cash Flow attributable to USAC (100%)	(53)	(55)
Distributions from USAC	24	24
Distributable Cash Flow attributable to noncontrolling interests in other non-wholly-owned consolidated subsidiaries	(251)	(290)
Distributable Cash Flow attributable to the partners of ET	3,895	1,397
Transaction-related adjustments	19	20
Distributable Cash Flow attributable to the partners of ET, as adjusted	$ 3,914	$ 1,417
Distributions to partners:		
Limited Partners	$ 412	$ 822
General Partner	—	1
Total distributions to be paid to partners	$ 412	$ 823
Common Units outstanding – end of period	2,703.5	2,694.2
Distribution coverage ratio	9.50x	1.72x

(a) Winter Storm Uri, which occurred in February 2021, resulted in one-time impacts to the Partnership's consolidated net income, Adjusted EBITDA and Distributable Cash Flow. Please see additional discussion of these impacts, as well as the potential impacts to future periods, included in the "Summary Analysis of Quarterly Results by Segment" below.

(b) Adjusted EBITDA, Distributable Cash Flow and distribution coverage ratio are non-GAAP financial measures used by industry analysts, investors, lenders and rating agencies to assess the financial performance and the operating results of ET's fundamental business activities and should not be considered in isolation or as a substitute for net income, income from operations, cash flows from operating activities or other GAAP measures.

There are material limitations to using measures such as Adjusted EBITDA, Distributable Cash Flow and distribution coverage ratio, including the difficulty associated with using any such measure as the sole measure to compare the results of one company to another, and the inability to analyze certain significant items that directly affect a company's net income or loss or cash flows. In addition, our calculations of Adjusted EBITDA, Distributable Cash Flow and distribution coverage ratio may not be consistent with similarly titled measures of other companies and should be viewed in conjunction with measurements that are computed in accordance with GAAP, such as operating income, net income and cash flow from operating activities.

Definition of Adjusted EBITDA

We define Adjusted EBITDA as total partnership earnings before interest, taxes, depreciation, depletion, amortization and other non-cash items, such as non-cash compensation expense, gains and losses on disposals of assets, the allowance for equity funds used during construction, unrealized gains and losses on commodity risk management activities, inventory valuation adjustments, non-cash impairment charges, losses on extinguishments of debt and other non-operating income or expense items. Inventory adjustments that are excluded from the calculation of Adjusted EBITDA represent only the changes in lower of cost or market reserves on inventory that is carried at last-in, first-out ("LIFO"). These amounts are unrealized valuation adjustments applied to Sunoco LP's fuel volumes remaining in inventory at the end of the period.

Adjusted EBITDA reflects amounts for unconsolidated affiliates based on the same recognition and measurement methods used to record equity in earnings of unconsolidated affiliates. Adjusted EBITDA related to unconsolidated affiliates excludes the same items with respect to the unconsolidated affiliate as those excluded from the calculation of Adjusted EBITDA, such as interest, taxes, depreciation, depletion, amortization and other non-cash items. Although these amounts are excluded from Adjusted EBITDA related to unconsolidated affiliates, such exclusion should not be understood to imply that we have control over the operations and resulting revenues and expenses of such affiliates. We do not control our unconsolidated affiliates; therefore, we do not control the earnings or cash flows of such affiliates. The use of Adjusted EBITDA or Adjusted EBITDA related to unconsolidated affiliates as an analytical tool should be limited accordingly.

Adjusted EBITDA is used by management to determine our operating performance and, along with other financial and volumetric data, as internal measures for setting annual operating budgets, assessing financial performance of our numerous business locations, as a measure for evaluating targeted businesses for acquisition and as a measurement component of incentive compensation.

Definition of Distributable Cash Flow

We define Distributable Cash Flow as net income, adjusted for certain non-cash items, less distributions to preferred unitholders and maintenance capital expenditures. Non-cash items include depreciation, depletion and amortization, non-cash compensation expense, amortization included in interest expense, gains and losses on disposals of assets, the allowance for equity funds used during construction, unrealized gains and losses on commodity risk management activities, inventory valuation adjustments, non-cash impairment charges, losses on extinguishments of debt and deferred income taxes. For unconsolidated affiliates, Distributable Cash Flow reflects the Partnership's proportionate share of the investee's distributable cash flow.

Distributable Cash Flow is used by management to evaluate our overall performance. Our partnership agreement requires us to distribute all available cash, and Distributable Cash Flow is calculated to evaluate our ability to fund distributions through cash generated by our operations.

On a consolidated basis, Distributable Cash Flow includes 100% of the Distributable Cash Flow of ET's consolidated subsidiaries. However, to the extent that noncontrolling interests exist among our subsidiaries, the Distributable Cash Flow generated by our subsidiaries may not be available to be distributed to our partners. In order to reflect the cash flows available for distributions to our partners, we have reported Distributable Cash Flow attributable to partners, which is calculated by adjusting Distributable Cash Flow (consolidated), as follows:

- For subsidiaries with publicly traded equity interests, Distributable Cash Flow (consolidated) includes 100% of Distributable Cash Flow attributable to such subsidiary, and Distributable Cash Flow attributable to our partners includes distributions to be received by the parent company with respect to the periods presented.
- For consolidated joint ventures or similar entities, where the noncontrolling interest is not publicly traded, Distributable Cash Flow (consolidated) includes 100% of Distributable Cash Flow attributable to such subsidiaries, but Distributable Cash Flow attributable to partners reflects only the amount of Distributable Cash Flow of such subsidiaries that is attributable to our ownership interest.

For Distributable Cash Flow attributable to partners, as adjusted, certain transaction-related adjustments and non-recurring expenses that are included in net income are excluded.

Definition of Distribution Coverage Ratio

Distribution coverage ratio for a period is calculated as Distributable Cash Flow attributable to partners, as adjusted, divided by distributions expected to be paid to the partners of ET in respect of such period.

ENERGY TRANSFER LP AND SUBSIDIARIES
SUMMARY ANALYSIS OF QUARTERLY RESULTS BY SEGMENT
(Tabular dollar amounts in millions)
(unaudited)

	Three Months Ended March 31,	
	2021	2020
Segment Adjusted EBITDA:		
Intrastate transportation and storage	$ 2,813	$ 240
Interstate transportation and storage	453	404
Midstream	288	383
NGL and refined products transportation and services	647	663
Crude oil transportation and services	510	591
Investment in Sunoco LP	157	209
Investment in USAC	100	106
All other	72	39
Total Segment Adjusted EBITDA	$ 5,040	$ 2,635

In the following analysis of segment operating results, a measure of segment margin is reported for segments with sales revenues. Segment margin is a non-GAAP financial measure and is presented herein to assist in the analysis of segment operating results and particularly to facilitate an understanding of the impacts that changes in sales revenues have on the segment performance measure of Segment Adjusted EBITDA. Segment margin is similar to the GAAP measure of gross margin, except that segment margin excludes charges for depreciation, depletion and amortization. Among the GAAP measures reported by the Partnership, the most directly comparable measure to segment margin is Segment Adjusted EBITDA; a reconciliation of segment margin to Segment Adjusted EBITDA is included in the following tables for each segment where segment margin is presented.

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

Winter Storm Uri, which occurred in February 2021, resulted in one-time impacts to the Partnership's Adjusted EBITDA and also affected the results of operations in certain segments, as discussed in segment analysis below. The recognition of the impacts of Winter Storm Uri during the three months ended March 31, 2021 required management to make certain estimates and assumptions, including estimates of expected credit losses and assumptions related to the resolution of disputes with counterparties with respect to certain purchases and sales of natural gas. The ultimate realization of credit losses and the resolution of disputed purchases and sales of natural gas could impact the Partnership's financial condition and results of operations in future periods.

Intrastate Transportation and Storage

	Three Months Ended March 31,	
	2021	2020
Natural gas transported (BBtu/d)	11,851	13,135
Withdrawals from storage natural gas inventory (BBtu)	19,045	6,975
Revenues	$ 4,900	$ 593
Cost of products sold	1,994	303
Segment margin	2,906	290
Unrealized gains on commodity risk management activities	(12)	(6)
Operating expenses, excluding non-cash compensation expense	(80)	(41)
Selling, general and administrative expenses, excluding non-cash compensation expense	(8)	(9)
Adjusted EBITDA related to unconsolidated affiliates	6	6
Other	1	—
Segment Adjusted EBITDA	$ 2,813	$ 240

Transported volumes decreased primarily due to the bankruptcy filing of a transportation customer, a contract step-down, and impacts of Winter Storm Uri.

Segment Adjusted EBITDA. For the three months ended March 31, 2021 compared to the same period last year, Segment Adjusted EBITDA related to our intrastate transportation segment increased due to the net effects of the following:

- an increase of $1.52 billion in realized storage margin due to higher physical storage margin from withdrawals during Winter Storm Uri;
- an increase of $983 million in realized natural gas sales and other primarily due to natural gas sales at prevailing market prices during Winter Storm Uri;
- an increase of $84 million in retained fuel revenues primarily due to natural gas prices during Winter Storm Uri; and
- an increase of $19 million in transportation fees due to demand volume ramp-ups from the Permian and fees related to Winter Storm Uri, partially offset by the expiration of certain contracts on our Regency Intrastate Gas System; partially offset by
- an increase of $39 million in operating expenses primarily due to a $29 million increase in the cost of fuel consumption during Winter Storm Uri and a $9 million increase in electricity costs.

Interstate Transportation and Storage

	Three Months Ended March 31,	
	2021	2020
Natural gas transported (BBtu/d)	9,654	10,630
Natural gas sold (BBtu/d)	21	15
Revenues	$ 525	$ 464
Operating expenses, excluding non-cash compensation, amortization and accretion expenses	(134)	(143)
Selling, general and administrative expenses, excluding non-cash compensation, amortization and accretion expenses	(21)	(21)
Adjusted EBITDA related to unconsolidated affiliates	85	106
Other	(2)	(2)
Segment Adjusted EBITDA	$ 453	$ 404

Transported volumes decreased primarily due to foundation shipper contract expirations and a shipper bankruptcy on our ETC Tiger system, maintenance of third-party facilities, and lower crude production resulting in lower associated gas production.

Segment Adjusted EBITDA. For the three months ended March 31, 2021 compared to the same period last year, Segment Adjusted EBITDA related to our interstate transportation and storage segment increased due to the net impacts of the following:

- an increase of $61 million in revenues primarily due to an $88 million increase in operational gas sales and a $6 million increase in reservation revenues from higher contracted volumes and increased short-term firm contracts. These increases were partially offset by a $31 million decrease due to contract expirations and a shipper bankruptcy during 2020 on our ETC Tiger system; and
- a decrease of $9 million in operating expenses primarily due to a $5 million decrease in employee costs, a $2 million decrease in maintenance expenses and a $2 million decrease in ad valorem tax expense; partially offset by
- a decrease of $21 million in Adjusted EBITDA related to unconsolidated affiliates primarily due to a $19 million decrease from our Fayetteville Express Pipeline joint venture as a result of the expiration of foundation shipper contracts and a $3 million decrease from our Midcontinent Express Pipeline joint venture as a result of less capacity sold and lower rates received following the expiration of foundation shipper contracts, partially offset by a $1 million increase from our Citrus joint venture resulting from higher revenues.

Midstream

	Three Months Ended March 31,	
	2021	2020
Gathered volumes (BBtu/d)	12,024	13,346
NGLs produced (MBbls/d)	534	610
Equity NGLs (MBbls/d)	30	36
Revenues	$ 2,672	$ 1,170
Cost of products sold	2,202	575
Segment margin	470	595
Operating expenses, excluding non-cash compensation expense	(164)	(193)
Selling, general and administrative expenses, excluding non-cash compensation expense	(25)	(26)
Adjusted EBITDA related to unconsolidated affiliates	7	7
Segment Adjusted EBITDA	$ 288	$ 383

Gathered volumes and NGL production decreased compared to the same period last year primarily due to basin declines and Winter Storm Uri in the South Texas, Mid-Continent/Panhandle, Permian and North Texas regions partially offset by volume growth in the Ark-La-Tex region.

Segment Adjusted EBITDA. For the three months ended March 31, 2021 compared to the same period last year, Segment Adjusted EBITDA related to our midstream segment decreased due to the net impacts of the following:

- a decrease of $145 million in non-fee-based margin due to the impacts of Winter Storm Uri; and
- a decrease of $32 million in fee-based margin due to lower volumes primarily in the South Texas Region as a result of basin declines and Winter Storm Uri; partially offset by
- an increase of $52 million in non-fee-based margin due to favorable natural gas prices of $26 million and NGL prices of $26 million;
- a decrease of $29 million in operating expenses due to cost-saving initiatives, including a decrease of $19 million in outside services, $7 million in materials and $3 million in ad valorem taxes; and
- a decrease of $1 million in selling, general and administrative expenses due to a decrease in overhead costs resulting from corporate cost reductions.

NGL and Refined Products Transportation and Services

	Three Months Ended March 31,	
	2021	2020
NGL transportation volumes (MBbls/d)	1,502	1,398
Refined products transportation volumes (MBbls/d)	462	542
NGL and refined products terminal volumes (MBbls/d)	1,042	847
NGL fractionation volumes (MBbls/d)	726	804
Revenues	$ 3,990	$ 2,715
Cost of products sold	3,141	1,836
Segment margin	849	879
Unrealized gains on commodity risk management activities	(23)	(55)
Operating expenses, excluding non-cash compensation expense	(172)	(159)
Selling, general and administrative expenses, excluding non-cash compensation expense	(28)	(25)
Adjusted EBITDA related to unconsolidated affiliates	21	23
Segment Adjusted EBITDA	$ 647	$ 663

Refined products transportation volumes decreased due to less domestic demand for jet fuel and other refined products, as well as COVID-19 related demand reductions.

NGL and refined products terminal volumes increased primarily due to higher volumes from our Mariner East system. In addition, loaded vessels at our Nederland Terminal increased due to the additional supply from the initiation of service on our propane and ethane export pipelines in the fourth quarter of 2020. These increases were partially offset by lower domestic demand for jet fuel and other refined products at our refined product terminals due primarily to COVID-19 related demand reductions.

Average fractionated volumes at our Mont Belvieu, Texas fractionation facility decreased primarily due to lower NGL volumes feeding our Mont Belvieu fractionation facility as a result of production interruptions, primarily in the Permian region, due to Winter Storm Uri during the first quarter of 2021.

Segment Adjusted EBITDA. For the three months ended March 31, 2021 compared to the same period last year, Segment Adjusted EBITDA related to our NGL and refined products transportation and services segment decreased due to the net impacts of the following:

- a decrease of $34 million in fractionators and refinery services margin primarily due to a $28 million decrease resulting from downtime on our various fractionators due to the previously mentioned weather-driven and COVID-19 related volume reductions in the first quarter of 2021 and a $17 million decrease relating to a cavern withdrawal in the first quarter of 2021, the impact of which was partially offset in our transportation margin. These decreases were partially offset by an $8 million increase due to a more favorable pricing environment impacting our refinery services business;
- an increase of $13 million in operating expenses primarily due to a $14 million increase in power costs; and
- a decrease of $10 million in terminal services margin primarily due to a $32 million decrease resulting from an expiration of a third-party contract at our Nederland Terminal in the second quarter of 2020. This decrease was partially offset by increases of $13 million in loading fees due to higher LPG export volumes at our Nederland Terminal, $7 million due to the startup of our ethane export facilities at our Nederland Terminal in the first quarter of 2021, and $1 million due to higher throughput at our Marcus Hook Terminal; partially offset by
- an increase of $26 million in marketing margin primarily due to a $45 million increase resulting from higher optimization gains and from the sale of NGL component products at our Mont Belvieu facility, a $14 million increase from our optimization and blending operations from our northeast NGL and refined products marketing operations, and a $7 million increase due to inventory write-downs taken on various products during 2020 as a result of market price declines. These increases were partially offset by intrasegment charges of $24 million in the first quarter of 2021 which were fully offset within our transportation margin, as well as a $15 million decrease in butane blending margin due to less favorable prices; and
- an increase of $16 million in transportation margin primarily due to intrasegment revenues of $24 million in the first quarter of 2021, which are fully offset by a charge reflected in our marketing margin, a $20 million increase due to higher

export volumes feeding into our Nederland Terminal resulting from the initiation of service on our propane and ethane export pipelines in the fourth quarter of 2020, a $19 million increase from higher throughput on our Mariner East pipeline system and an $11 million gain relating to a cavern withdrawal in the first quarter of 2021 that is partially offset on our fractionators margin. These increases were partially offset by a $58 million decrease resulting from lower throughput across the various regions in Texas due to Winter Storm Uri related production outages.

Crude Oil Transportation and Services

	Three Months Ended March 31,	
	2021	2020
Crude transportation volumes (MBbls/d)	3,491	4,424
Crude terminals volumes (MBbls/d)	2,327	2,996
Revenues	$ 3,500	$ 4,213
Cost of products sold	2,838	3,458
Segment margin	662	755
Unrealized (gains) losses on commodity risk management activities	(5)	10
Operating expenses, excluding non-cash compensation expense	(122)	(158)
Selling, general and administrative expenses, excluding non-cash compensation expense	(30)	(28)
Adjusted EBITDA related to unconsolidated affiliates	5	12
Segment Adjusted EBITDA	$ 510	$ 591

Crude transportation volumes were lower on our Texas pipeline system and Bakken pipeline, driven by COVID-19 related demand reductions impacting both regions, as well as lower crude oil production along our Texas systems due to Winter Storm Uri during the first quarter of 2021. These volume reductions also resulted in lower terminal volumes compared to the prior period.

Segment Adjusted EBITDA. For the three months ended March 31, 2021 compared to the same period last year, Segment Adjusted EBITDA related to our crude oil transportation and services segment decreased due to the net impacts of the following:

- a decrease of $108 million in segment margin (excluding unrealized gains and losses on commodity risk management activities) primarily due to a $111 million decrease from our Texas crude pipeline system due to lower volumes transported and lower average tariff rates realized, a $55 million decrease due to lower volumes on our Bakken Pipeline resulting from lower Bakken crude oil production, a $26 million decrease in crude terminal margin primarily driven by lower Permian and Bakken pipeline volumes, reduced Gulf Coast refinery utilization from adverse weather, and decreased export demand, a $5 million decrease due to lower volumes on our Bayou Bridge pipeline, and a $3 million decrease in Mid-Continent gathering volumes due to lower production. These decreases were partially offset by a $92 million increase (excluding a net change of $15 million in unrealized gains and losses on commodity risk management activities) from our crude oil acquisition and marketing business primarily due to losses realized in the first quarter of 2020 on the write down of crude inventory due to significant market price declines;
- an increase of $2 million in selling, general and administrative expenses primarily due to higher insurance premiums and allocated overhead costs; and
- a decrease of $7 million in Adjusted EBITDA related to unconsolidated affiliates due to lower volumes on White Cliffs Pipeline due to lower crude oil production in the DJ basin, partly offset by higher margin from jet fuel sales by our joint ventures, partially offset by
- a decrease of $36 million in operating expenses primarily due to lower volume-driven expenses and corporate cost reduction initiatives.

Investment in Sunoco LP

	Three Months Ended March 31,	
	2021	2020
Revenues	$ 3,471	$ 3,272
Cost of products sold	3,120	3,164
Segment margin	351	108
Unrealized (gains) losses on commodity risk management activities	(5)	6
Operating expenses, excluding non-cash compensation expense	(76)	(109)
Selling, general and administrative expenses, excluding non-cash compensation expense	(20)	(30)
Adjusted EBITDA related to unconsolidated affiliates	2	2
Inventory valuation adjustments	(100)	227
Other	5	5
Segment Adjusted EBITDA	$ 157	$ 209

The Investment in Sunoco LP segment reflects the consolidated results of Sunoco LP.

Segment Adjusted EBITDA. For the three months ended March 31, 2021 compared to the same period last year, Segment Adjusted EBITDA related to our investment in Sunoco LP segment decreased due to the net impacts of the following:

- a decrease in the gross profit on motor fuel sales of $78 million primarily due to a 20.7% decrease in gross profit per gallon sold and a 7.5% decrease in gallons sold; and
- a decrease in non-motor fuel sales and lease gross profit of $17 million primarily due to reduced credit card transactions; partially offset by
- a decrease in operating expenses and selling, general and administrative expenses of $43 million primarily due to lower expected credit losses, employee costs, professional fees, credit card processing fees, insurance and maintenance.

Investment in USAC

	Three Months Ended March 31,	
	2021	2020
Revenues	$ 158	$ 179
Cost of products sold	21	24
Segment margin	137	155
Operating expenses, excluding non-cash compensation expense	(28)	(35)
Selling, general and administrative expenses, excluding non-cash compensation expense	(9)	(14)
Segment Adjusted EBITDA	$ 100	$ 106

The Investment in USAC segment reflects the consolidated results of USAC.

Segment Adjusted EBITDA. For the three months ended March 31, 2021 compared to the same period last year, Segment Adjusted EBITDA related to our investment in USAC segment decreased due to the net impacts of the following:

- a decrease of $18 million in segment margin primarily due to a decrease in demand for compression services driven by decreased U.S. crude oil and natural gas activity compared to the prior period, partially offset by
- a decrease of $7 million in operating expenses is primarily driven by the decrease in average revenue generating horsepower and reduced headcount in the current period; and
- a decrease of $5 million in selling, general and administrative expenses primarily due to changes in the allowance for expected credit losses and lower employee-related expenses.

All Other

	Three Months Ended March 31,	
	2021	2020
Revenues	$ 1,512	$ 513
Cost of products sold	1,342	415
Segment margin	170	98
Unrealized gains on commodity risk management activities	(1)	(5)
Operating expenses, excluding non-cash compensation expense	(51)	(38)
Selling, general and administrative expenses, excluding non-cash compensation expense	(39)	(35)
Adjusted EBITDA related to unconsolidated affiliates	(1)	—
Other and eliminations	(6)	19
Segment Adjusted EBITDA	$ 72	$ 39

For the three months ended March 31, 2021 compared to the same period last year, Segment Adjusted EBITDA related to our all other segment increased due to the net impacts of the following:

- an increase of $52 million from power trading activities primarily due to short-term, favorable market conditions created by Winter Storm Uri in February 2021;
- an increase of $17 million primarily due to revenues earned under the Electric Reliability Council of Texas (“ERCOT”) responsive reserve program during the Winter Storm Uri, and
- an increase of $5 million primarily due to increased gains from sales of storage natural gas; partially offset by
- a decrease of $22 million primarily due to insurance proceeds received in the prior period on settled claims related to our MTBE litigation; and
- a decrease of $10 million due to higher utility expense related to freezing temperatures.

ENERGY TRANSFER LP AND SUBSIDIARIES
SUPPLEMENTAL INFORMATION ON LIQUIDITY
(In millions)
(unaudited)

The following table is a summary of our revolving credit facilities. We also have other consolidated subsidiaries with revolving credit facilities which are not included in this table.

	Facility Size	Funds Available at March 31, 2021	Maturity Date
Five-Year Revolving Credit Facility	$ 5,000	$ 4,079	December 1, 2023
364-Day Revolving Credit Facility	1,000	1,000	November 26, 2021
	$ 6,000	$ 5,079	

ENERGY TRANSFER LP AND SUBSIDIARIES
SUPPLEMENTAL INFORMATION ON UNCONSOLIDATED AFFILIATES
(In millions)
(unaudited)

The table below provides information on an aggregated basis for our unconsolidated affiliates, which are accounted for as equity method investments in the Partnership's financial statements for the periods presented.

	Three Months Ended March 31,	
	2021	2020
Equity in earnings (losses) of unconsolidated affiliates:		
Citrus	$ 37	$ 35
FEP	—	(70)
MEP	(3)	—
White Cliffs	—	8
Other	21	20
Total equity in earnings (losses) of unconsolidated affiliates	$ 55	$ (7)
Adjusted EBITDA related to unconsolidated affiliates:		
Citrus	$ 79	$ 79
FEP	—	19
MEP	5	8
White Cliffs	5	14
Other	34	34
Total Adjusted EBITDA related to unconsolidated affiliates	$ 123	$ 154
Distributions received from unconsolidated affiliates:		
Citrus	$ 56	$ 49
FEP	4	18
MEP	4	11
White Cliffs	15	13
Other	21	19
Total distributions received from unconsolidated affiliates	$ 100	$ 110

ENERGY TRANSFER LP AND SUBSIDIARIES
SUPPLEMENTAL INFORMATION ON NON-WHOLLY-OWNED JOINT VENTURE SUBSIDIARIES
(Dollars in millions)
(unaudited)

The table below provides information on an aggregated basis for our non-wholly-owned joint venture subsidiaries, which are reflected on a consolidated basis in our financial statements. The table below excludes Sunoco LP and USAC, our non-wholly-owned subsidiaries that are publicly traded.

	Three Months Ended March 31,	
	2021	2020
Adjusted EBITDA of non-wholly-owned subsidiaries (100%) [(a)]	$ 540	$ 646
Our proportionate share of Adjusted EBITDA of non-wholly-owned subsidiaries [(b)]	275	335
Distributable Cash Flow of non-wholly-owned subsidiaries (100%) [(c)]	$ 504	$ 608
Our proportionate share of Distributable Cash Flow of non-wholly-owned subsidiaries [(d)]	253	318

Below is our current ownership percentage of certain non-wholly-owned subsidiaries:

Non-wholly-owned subsidiary:	ET Percentage Ownership [(e)]
Bakken Pipeline	36.4 %
Bayou Bridge	60.0 %
Maurepas	51.0 %
Ohio River System	75.0 %
Permian Express Partners	87.7 %
Red Bluff Express	70.0 %
Rover	32.6 %
SemCAMS	51.0 %
Others	various

(a) Adjusted EBITDA of non-wholly-owned subsidiaries reflects the total Adjusted EBITDA of our non-wholly-owned subsidiaries on an aggregated basis. This is the amount of Adjusted EBITDA included in our consolidated non-GAAP measure of Adjusted EBITDA.

(b) Our proportionate share of Adjusted EBITDA of non-wholly-owned subsidiaries reflects the amount of Adjusted EBITDA of such subsidiaries (on an aggregated basis) that is attributable to our ownership interest.

(c) Distributable Cash Flow of non-wholly-owned subsidiaries reflects the total Distributable Cash Flow of our non-wholly-owned subsidiaries on an aggregated basis.

(d) Our proportionate share of Distributable Cash Flow of non-wholly-owned subsidiaries reflects the amount of Distributable Cash Flow of such subsidiaries (on an aggregated basis) that is attributable to our ownership interest. This is the amount of Distributable Cash Flow included in our consolidated non-GAAP measure of Distributable Cash Flow attributable to the partners of ET.

(e) Our ownership reflects the total economic interest held by us and our subsidiaries. In some cases, this percentage comprises ownership interests held in (or by) multiple entities.

Exhibit A-77

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2021

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-32740

ENERGY TRANSFER LP

(Exact name of registrant as specified in its charter)

Delaware	**30-0108820**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

8111 Westchester Drive, Suite 600, Dallas, Texas 75225
(Address of principal executive offices) (zip code)

(214) 981-0700
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Units	**ET**	**New York Stock Exchange**
7.375% Series C Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units	**ETprC**	**New York Stock Exchange**
7.625% Series D Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units	**ETprD**	**New York Stock Exchange**
7.600% Series E Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units	**ETprE**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At April 30, 2021, the registrant had 2,703,496,243 Common Units outstanding.

CPSE Response in Opp to ET MSJ
Exhibit A-77
MDL-2022-CI-02879
exhibitsticker.com

FORM 10-Q

ENERGY TRANSFER LP AND SUBSIDIARIES

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Definitions

References to the "Partnership" or "ET" refer to Energy Transfer LP. In addition, the following is a list of certain acronyms and terms used throughout this document:

/d	per day
AOCI	accumulated other comprehensive income (loss)
BBtu	billion British thermal units
Btu	British thermal unit, an energy measurement used by gas companies to convert the volume of gas used to its heat equivalent, and thus calculate the actual energy content
Citrus	Citrus, LLC, a 50/50 joint venture which owns FGT
Dakota Access	Dakota Access, LLC
DOJ	U.S. Department of Justice
Enable	Enable Midstream Partners, LP, a Delaware limited partnership
Energy Transfer Canada	Energy Transfer Canada ULC (formerly SemCAMS Midstream ULC), a less than wholly-owned subsidiary of ET
EPA	U.S. Environmental Protection Agency
ET Preferred Units	Collectively, the Series A Preferred Units, Series B Preferred Units, Series C Preferred Units, Series D Preferred Units, Series E Preferred Units, Series F Preferred Units and Series G Preferred Units (all originally issued by ETO and exchanged for preferred units issued by ET on April 1, 2021)
ETC Tiger	ETC Tiger Pipeline, LLC, a wholly-owned subsidiary of ET, which owns the Tiger Pipeline
ETO	Energy Transfer Operating, L.P.
Exchange Act	Securities Exchange Act of 1934
FEP	Fayetteville Express Pipeline LLC
FERC	Federal Energy Regulatory Commission
FGT	Florida Gas Transmission Company, LLC, a wholly-owned subsidiary of Citrus
GAAP	accounting principles generally accepted in the United States of America
HFOTCO	Houston Fuel Oil Terminal Company, a wholly-owned subsidiary of ET, which owns the Houston Terminal
Lake Charles LNG	Lake Charles LNG Company, LLC, a wholly-owned subsidiary of ET
LE GP	LE GP, LLC, the general partner of ET
LIBOR	London Interbank Offered Rate
MBbls	thousand barrels
MEP	Midcontinent Express Pipeline LLC
MTBE	methyl tertiary butyl ether
NGL	natural gas liquid, such as propane, butane and natural gasoline
NYMEX	New York Mercantile Exchange
OSHA	Federal Occupational Safety and Health Act
OTC	over-the-counter
Panhandle	Panhandle Eastern Pipe Line Company, LP, a wholly-owned subsidiary of ET
Regency	Regency Energy Partners LP

Rover	Rover Pipeline LLC
SEC	Securities and Exchange Commission
Series A Preferred Units	6.250% Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units
Series B Preferred Units	6.625% Series B Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units
Series C Preferred Units	7.375% Series C Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units
Series D Preferred Units	7.625% Series D Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units
Series E Preferred Units	7.600% Series E Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units
Series F Preferred Units	6.750% Series F Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Units
Series G Preferred Units	7.125% Series G Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Units
Sunoco Logistics Operations	Sunoco Logistics Partners Operations L.P, a wholly-owned subsidiary of ET
Sunoco R&M	Sunoco (R&M), LLC (formerly Sunoco, Inc. (R&M))
Transwestern	Transwestern Pipeline Company, LLC, a wholly-owned subsidiary of ET
Trunkline	Trunkline Gas Company, LLC, a wholly-owned subsidiary of Panhandle
USAC	USA Compression Partners, LP, a subsidiary of ET
USAC Preferred Units	USAC Series A preferred units
White Cliffs	White Cliffs Pipeline, L.L.C.

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ENERGY TRANSFER LP AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Dollars in millions)

(unaudited)

	March 31, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 355	$ 367
Accounts receivable, net	5,288	3,875
Accounts receivable from related companies	90	79
Inventories	1,810	1,739
Income taxes receivable	29	35
Derivative assets	16	9
Other current assets	232	213
Total current assets	7,820	6,317
Property, plant and equipment	94,672	94,115
Accumulated depreciation and depletion	(19,868)	(19,008)
	74,804	75,107
Investments in unconsolidated affiliates	3,009	3,060
Lease right-of-use assets, net	857	866
Other non-current assets, net	1,680	1,657
Intangible assets, net	5,657	5,746
Goodwill	2,391	2,391
Total assets	$ 96,218	$ 95,144

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY TRANSFER LP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Dollars in million)
(unaudited)

	March 31, 2021	December 31, 2020
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 4,732	$ 2,809
Accounts payable to related companies	23	27
Derivative liabilities	120	238
Operating lease current liabilities	52	53
Accrued and other current liabilities	2,829	2,775
Current maturities of long-term debt	23	21
Total current liabilities	7,779	5,923
Long-term debt, less current maturities	47,712	51,417
Non-current derivative liabilities	136	237
Non-current operating lease liabilities	820	837
Deferred income taxes	3,550	3,428
Other non-current liabilities	1,198	1,152
Commitments and contingencies		
Redeemable noncontrolling interests	769	762
Equity:		
Limited Partners:		
Common Unitholders	21,428	18,531
General Partner	(5)	(8)
Accumulated other comprehensive income	8	6
Total partners' capital	21,431	18,529
Noncontrolling interests	12,823	12,859
Total equity	34,254	31,388
Total liabilities and equity	$ 96,218	$ 95,144

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY TRANSFER LP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in millions, except per unit data)
(unaudited)

	Three Months Ended March 31,	
	2021	2020
REVENUES:		
Refined product sales	$ 3,524	$ 3,232
Crude sales	2,988	3,543
NGL sales	2,906	1,689
Gathering, transportation and other fees	2,266	2,385
Natural gas sales	5,124	588
Other	187	190
Total revenues	16,995	11,627
COSTS AND EXPENSES:		
Cost of products sold	10,948	8,291
Operating expenses	820	879
Depreciation, depletion and amortization	954	867
Selling, general and administrative	201	204
Impairment losses	3	1,325
Total costs and expenses	12,926	11,566
OPERATING INCOME	4,069	61
OTHER INCOME (EXPENSE):		
Interest expense, net of interest capitalized	(589)	(602)
Equity in earnings (losses) of unconsolidated affiliates	55	(7)
Losses on extinguishments of debt	(7)	(62)
Gains (losses) on interest rate derivatives	194	(329)
Other, net	(6)	3
INCOME (LOSS) BEFORE INCOME TAX EXPENSE	3,716	(936)
Income tax expense	75	28
NET INCOME (LOSS)	3,641	(964)
Less: Net income (loss) attributable to noncontrolling interests	341	(121)
Less: Net income attributable to redeemable noncontrolling interests	12	12
NET INCOME (LOSS) ATTRIBUTABLE TO PARTNERS	3,288	(855)
General Partner's interest in net income (loss)	3	(1)
Limited Partners' interest in net income (loss)	$ 3,285	$ (854)
NET INCOME (LOSS) PER LIMITED PARTNER UNIT:		
Basic	$ 1.22	$ (0.32)
Diluted	$ 1.21	$ (0.32)

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY TRANSFER LP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Dollars in millions)
(unaudited)

	Three Months Ended March 31,	
	2021	2020
Net income (loss)	$ 3,641	$ (964)
Other comprehensive income (loss), net of tax:		
Change in value of available-for-sale securities	—	(9)
Actuarial gain related to pension and other postretirement benefit plans	5	3
Foreign currency translation adjustments	12	(64)
Change in other comprehensive loss from unconsolidated affiliates	(9)	(16)
	8	(86)
Comprehensive income (loss)	3,649	(1,050)
Less: Comprehensive income (loss) attributable to noncontrolling interests	347	(159)
Less: Comprehensive income attributable to redeemable noncontrolling interests	12	12
Comprehensive income (loss) attributable to partners	$ 3,290	$ (903)

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY TRANSFER LP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(Dollars in millions)
(unaudited)

	Common Unitholders	General Partner	AOCI	Noncontrolling Interests	Total
Balance, December 31, 2020	$ 18,531	$ (8)	$ 6	$ 12,859	$ 31,388
Distributions to partners	(406)	—	—	—	(406)
Distributions to noncontrolling interests	—	—	—	(406)	(406)
Capital contributions from noncontrolling interests	—	—	—	20	20
Other comprehensive income, net of tax	—	—	2	6	8
Other, net	18	—	—	3	21
Net income, excluding amounts attributable to redeemable noncontrolling interests	3,285	3	—	341	3,629
Balance, March 31, 2021	$ 21,428	$ (5)	$ 8	$ 12,823	$ 34,254

	Common Unitholders	General Partner	AOCI	Noncontrolling Interests	Total
Balance, December 31, 2019	$ 21,935	$ (4)	$ (11)	$ 12,018	$ 33,938
Distributions to partners	(1,591)	(1)	—	—	(1,592)
Distributions to noncontrolling interests	—	—	—	(444)	(444)
Subsidiary units issued	—	—	—	1,580	1,580
Capital contributions from noncontrolling interests	—	—	—	95	95
Other comprehensive loss, net of tax	—	—	(48)	(38)	(86)
Other, net	22	—	—	(7)	15
Net loss, excluding amounts attributable to redeemable noncontrolling interests	(854)	(1)	—	(121)	(976)
Balance, March 31, 2020	$ 19,512	$ (6)	$ (59)	$ 13,083	$ 32,530

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY TRANSFER LP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in millions)
(unaudited)

	Three Months Ended March 31,	
	2021	2020
OPERATING ACTIVITIES:		
Net income (loss)	$ 3,641	$ (964)
Reconciliation of net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	954	867
Deferred income taxes	66	42
Inventory valuation adjustments	(100)	227
Non-cash compensation expense	28	22
Impairment losses	3	1,325
Losses on extinguishments of debt	7	62
Distributions on unvested awards	(6)	(11)
Equity in (earnings) losses of unconsolidated affiliates	(55)	7
Distributions from unconsolidated affiliates	45	58
Other non-cash	39	17
Net change in operating assets and liabilities, net of effects of acquisitions	533	176
Net cash provided by operating activities	5,155	1,828
INVESTING ACTIVITIES:		
Capital expenditures, excluding allowance for equity funds used during construction	(698)	(1,621)
Contributions in aid of construction costs	3	25
Contributions to unconsolidated affiliates	(2)	(9)
Distributions from unconsolidated affiliates in excess of cumulative earnings	55	52
Proceeds from the sale of other assets	7	2
Other	—	(6)
Net cash used in investing activities	(635)	(1,557)
FINANCING ACTIVITIES:		
Proceeds from borrowings	4,751	12,134
Repayments of debt	(8,479)	(12,898)
Subsidiary units issued for cash	—	1,580
Capital contributions from noncontrolling interests	20	95
Distributions to partners	(406)	(770)
Distributions to noncontrolling interests	(406)	(444)
Distributions to redeemable noncontrolling interest	(12)	(12)
Debt issuance costs	—	(51)
Net cash used in financing activities	(4,532)	(366)
Decrease in cash and cash equivalents	(12)	(95)
Cash and cash equivalents, beginning of period	367	291
Cash and cash equivalents, end of period	$ 355	$ 196

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY TRANSFER LP AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Tabular dollar and unit amounts, except per unit data, are in millions)
(unaudited)

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

The consolidated financial statements presented herein contain the results of Energy Transfer LP and its subsidiaries (the "Partnership," "we," "us," "our" or "ET").

On April 1, 2021, ET, ETO and certain of ETO's subsidiaries consummated several internal reorganization transactions (the "Rollup Mergers"). In connection with the Rollup Mergers, Sunoco Logistics Operations and its general partner merged with and into ETO, with ETO surviving, and immediately thereafter, ETO merged with and into ET, with ET surviving. The impacts of the Rollup Mergers also included the following:

- All of ETO's long-term debt was assumed by ET, as more fully described in Note 7.
- Each issued and outstanding ETO preferred unit was converted into the right to receive one newly created ET preferred unit. A description of the ET Preferred Units is included in Note 9.
- Each of ETO's issued and outstanding Class K, Class L, Class M and Class N units, all of which were held by ETP Holdco Corporation, a wholly-owned subsidiary of ETO, were converted into an aggregate 675,625,000 newly created Class B Units representing limited partner interests in ET.

Our financial statements reflect the following reportable segments:

- intrastate transportation and storage;
- interstate transportation and storage;
- midstream;
- NGL and refined products transportation and services;
- crude oil transportation and services;
- investment in Sunoco LP;
- investment in USAC; and
- all other.

Basis of Presentation

The unaudited financial information included in this Form 10-Q has been prepared on the same basis as the audited consolidated financial statements included in the Partnership's Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on February 19, 2021. In the opinion of the Partnership's management, such financial information reflects all adjustments necessary for a fair presentation of the financial position and the results of operations for such interim periods in accordance with GAAP. All intercompany items and transactions have been eliminated in consolidation. Certain information and footnote disclosures normally included in annual consolidated financial statements prepared in accordance with GAAP have been omitted pursuant to the rules and regulations of the SEC.

The consolidated financial statements of the Partnership presented herein include the results of operations of our controlled subsidiaries, including Sunoco LP and USAC.

Our subsidiaries also own varying undivided interests in certain pipelines. Ownership of these pipelines has been structured as an ownership of an undivided interest in assets, not as an ownership interest in a partnership, limited liability company, joint venture or other forms of entities. Each owner controls marketing and invoices separately, and each owner is responsible for any loss, damage or injury that may occur to their own customers. As a result, we apply proportionate consolidation for our interests in these entities.

Certain prior period amounts have also been reclassified to conform to the current period presentation. These reclassifications had no impact on net income or total equity.

Use of Estimates

The unaudited consolidated financial statements have been prepared in conformity with GAAP, which includes the use of estimates and assumptions made by management that affect the reported amounts of assets, liabilities, revenues, expenses and the accrual for and disclosure of contingent assets and liabilities that exist at the date of the consolidated financial statements. Although these estimates are based on management's available knowledge of current and expected future events, actual results could be different from those estimates.

2. ACQUISITIONS AND RELATED TRANSACTIONS

Pending Enable Acquisition

On February 16, 2021, the Partnership entered into a definitive merger agreement to acquire Enable. Under the terms of the merger agreement, Enable's common unitholders will receive 0.8595 of an ET common unit in exchange for each Enable common unit. In addition, each outstanding Enable preferred unit will be exchanged for 0.0265 of a Series G Preferred Unit, and ET will make a $10 million cash payment for Enable's general partner. Pursuant to support agreements entered into in connection with the merger agreement, the two largest Enable unitholders have delivered their written consents to approve the merger. These unitholders collectively own 79% of Enable's outstanding common units, and those consents are therefore sufficient to approve the merger. The transaction is subject to the satisfaction of customary closing conditions, including Hart-Scott-Rodino Act ("HSR") clearance.

We anticipate that the Federal Trade Commission ("FTC") will issue requests for additional information and documentary material, commonly known as "second requests," which would extend the HSR waiting period until the 30th calendar day after the date that both parties substantially comply with the second requests. We continue to believe that the FTC will grant unconditional clearance of the transaction, and we remain fully committed to closing the Enable merger under the terms of the merger agreement. We expect to close the transaction in the second half of 2021.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all cash on hand, demand deposits, and investments with original maturities of three months or less. We consider cash equivalents to include short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. The Partnership's consolidated balance sheets did not include any material amounts of restricted cash as of March 31, 2021 or December 31, 2020.

We place our cash deposits and temporary cash investments with high credit quality financial institutions. At times, our cash and cash equivalents may be uninsured or in deposit accounts that exceed the Federal Deposit Insurance Corporation insurance limit.

The net change in operating assets and liabilities (net of effects of acquisitions) included in cash flows from operating activities is comprised as follows:

	Three Months Ended March 31,	
	2021	2020
Accounts receivable	$ (1,413)	$ 1,667
Accounts receivable from related companies	(11)	(20)
Inventories	30	281
Other current assets	(12)	110
Other non-current assets, net	(31)	(101)
Accounts payable	1,958	(1,704)
Accounts payable to related companies	(7)	(21)
Accrued and other current liabilities	194	(233)
Other non-current liabilities	51	37
Derivative assets and liabilities, net	(226)	160
Net change in operating assets and liabilities, net of effects of acquisitions	$ 533	$ 176

Non-cash activities were as follows:

	Three Months Ended March 31,	
	2021	2020
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Accrued capital expenditures	$ 559	$ 1,015
Accrued distributions to partners	—	822
Lease assets obtained in exchange for new lease liabilities	14	17

4. INVENTORIES

Inventories consist principally of natural gas held in storage, NGLs, and refined products, crude oil and spare parts, all of which are valued at the lower of cost or net realizable value utilizing the weighted-average cost method.

Sunoco LP's fuel inventories are stated at the lower of cost or market using the last-in, first-out ("LIFO") method. As of March 31, 2021 and December 31, 2020, the carrying value of Sunoco LP's fuel inventory included lower of cost or market reserves of $211 million and $311 million, respectively, and the inventory carrying value equaled or exceeded its replacement cost. For the three months ended March 31, 2021 and 2020, the Partnership's consolidated income statements did not include any material amounts of income from the liquidation of LIFO fuel inventory.

	March 31, 2021	December 31, 2020
Natural gas, NGLs and refined products	$ 1,020	$ 1,013
Crude oil	350	287
Spare parts and other	440	439
Total inventories	$ 1,810	$ 1,739

We utilize commodity derivatives to manage price volatility associated with our natural gas inventory. Changes in fair value of designated hedged inventory are recorded in inventory on our consolidated balance sheets and cost of products sold in our consolidated statements of operations.

5. FAIR VALUE MEASURES

We have commodity derivatives and interest rate derivatives that are accounted for as assets and liabilities at fair value in our consolidated balance sheets. We determine the fair value of our assets and liabilities subject to fair value measurement by using the highest possible "level" of inputs. Level 1 inputs are observable quotes in an active market for identical assets and liabilities. We consider the valuation of marketable securities and commodity derivatives transacted through a clearing broker with a published price from the appropriate exchange as a Level 1 valuation. Level 2 inputs are inputs observable for similar assets and liabilities. We consider OTC commodity derivatives entered into directly with third parties as a Level 2 valuation since the values of these derivatives are quoted on an exchange for similar transactions. Additionally, we consider our options transacted through our clearing broker as having Level 2 inputs due to the level of activity of these contracts on the exchange in which they trade. We consider the valuation of our interest rate derivatives as Level 2 as the primary input, the LIBOR curve, is based on quotes from an active exchange of Eurodollar futures for the same period as the future interest swap settlements. Level 3 inputs are unobservable. During the three months ended March 31, 2021, no transfers were made between any levels within the fair value hierarchy.

The following tables summarize the gross fair value of our financial assets and liabilities measured and recorded at fair value on a recurring basis as of March 31, 2021 and December 31, 2020 based on inputs used to derive their fair values:

		Fair Value Measurements at March 31, 2021	
	Fair Value Total	Level 1	Level 2
Assets:			
Commodity derivatives:			
Natural Gas:			
Basis Swaps IFERC/NYMEX	$ 14	$ 14	$ —
Swing Swaps IFERC	1	—	1
Fixed Swaps/Futures	2	2	—
Forward Physical Contracts	6	—	6
Power:			
Forwards	14	—	14
Futures	1	1	—
NGLs – Forwards/Swaps	91	91	—
Refined Products – Futures	2	2	—
Crude – Forwards/Swaps	135	135	—
Total commodity derivatives	266	245	21
Other non-current assets	36	24	12
Total assets	$ 302	$ 269	$ 33
Liabilities:			
Interest rate derivatives	$ (254)	$ —	$ (254)
Commodity derivatives:			
Natural Gas:			
Basis Swaps IFERC/NYMEX	(10)	(10)	—
Fixed Swaps/Futures	(7)	(7)	—
Forward Physical Contracts	(2)	—	(2)
Power:			
Forwards	(9)	—	(9)
Futures	(2)	(2)	—
NGLs – Forwards/Swaps	(162)	(162)	—
Refined Products – Futures	(2)	(2)	—
Crude – Forwards/Swaps	(130)	(130)	—
Total commodity derivatives	(324)	(313)	(11)
Total liabilities	$ (578)	$ (313)	$ (265)

	Fair Value Total	Fair Value Measurements at December 31, 2020 Level 1	Level 2
Assets:			
Commodity derivatives:			
Natural Gas:			
Basis Swaps IFERC/NYMEX	$ 12	$ 12	$ —
Swing Swaps IFERC	1	—	1
Fixed Swaps/Futures	13	13	—
Forward Physical Contracts	5	—	5
Power:			
Forwards	4	—	4
Futures	2	2	—
Options – Calls	1	1	—
NGLs – Forwards/Swaps	127	127	—
Refined Products – Futures	3	3	—
Total commodity derivatives	168	158	10
Other non-current assets	34	22	12
Total assets	$ 202	$ 180	$ 22
Liabilities:			
Interest rate derivatives	$ (448)	$ —	$ (448)
Commodity derivatives:			
Natural Gas:			
Basis Swaps IFERC/NYMEX	(11)	(11)	—
Swing Swaps IFERC	(3)	—	(3)
Fixed Swaps/Futures	(13)	(13)	—
Forward Physical Contracts	(1)	—	(1)
Power:			
Futures	(3)	(3)	—
NGLs – Forwards/Swaps	(227)	(227)	—
Refined Products – Futures	(11)	(11)	—
Total commodity derivatives	(269)	(265)	(4)
Total liabilities	$ (717)	$ (265)	$ (452)

Based on the estimated borrowing rates currently available to us and our subsidiaries for loans with similar terms and average maturities, the aggregate fair value and carrying amount of our consolidated debt obligations as of March 31, 2021 were $51.39 billion and $47.74 billion, respectively. As of December 31, 2020, the aggregate fair value and carrying amount of our consolidated debt obligations were $56.21 billion and $51.44 billion, respectively. The fair value of our consolidated debt obligations is a Level 2 valuation based on the respective debt obligations' observable inputs used for similar liabilities.

6. NET INCOME (LOSS) PER LIMITED PARTNER UNIT

A reconciliation of income and weighted average units used in computing basic and diluted income (loss) per unit is as follows:

	Three Months Ended March 31,	
	2021	2020
Net income (loss)	$ 3,641	$ (964)
Less: Net income (loss) attributable to noncontrolling interests	341	(121)
Less: Net income attributable to redeemable noncontrolling interests	12	12
Net income (loss), net of noncontrolling interests	3,288	(855)
Less: General Partner's interest in income (loss)	3	(1)
Income (loss) available to Limited Partners	$ 3,285	$ (854)
Basic Income (Loss) per Limited Partner Unit:		
Weighted average limited partner units	2,702.8	2,691.7
Basic income (loss) per Limited Partner unit	$ 1.22	$ (0.32)
Diluted Income (Loss) per Limited Partner Unit:		
Income (loss) available to Limited Partners	$ 3,285	$ (854)
Dilutive effect of equity-based compensation of subsidiaries [(1)]	—	—
Diluted income (loss) available to Limited Partners	$ 3,285	$ (854)
Weighted average limited partner units	2,702.8	2,691.7
Dilutive effect of unvested unit awards [(1)]	5.8	—
Weighted average limited partner units, assuming dilutive effect of unvested unit awards	2,708.6	2,691.7
Diluted income (loss) per Limited Partner unit	$ 1.21	$ (0.32)

(1) Dilutive effects are excluded from the calculation for periods where the impact would have been antidilutive.

7. DEBT OBLIGATIONS

As discussed in Note 1 above, in connection with the Rollup Mergers on April 1, 2021, ET entered into various supplemental indentures and assumed all the obligations of ETO under the respective indentures and credit agreements.

During the first quarter of 2021, ETO redeemed its $600 million of 4.40% senior notes due April 1, 2021 and its $800 million of 4.65% senior notes due June 1, 2021, using proceeds from the Five-Year Credit Facility.

Credit Facilities and Commercial Paper

Term Loan

As a result of the Rollup Mergers, on April 1, 2021, ET assumed all of ETO's obligations in respect of its term loan credit agreement (the "Term Loan") and Sunoco Logistics Operations was released as a guarantor in respect of the Term Loan. The Partnership's Term Loan provides for a $2.00 billion three-year term loan credit facility. Borrowings under the Term Loan mature on October 17, 2022 and are available for working capital purposes and for general partnership purposes. As of March 31, 2021, the Term Loan had $2.00 billion outstanding and was fully drawn. The weighted average interest rate on the total amount outstanding as of March 31, 2021 was 1.11%.

Five-Year Credit Facility

As a result of the Rollup Mergers, on April 1, 2021, ET assumed all of ETO's obligations in respect of its revolving credit facility (the "Five-Year Credit Facility") and Sunoco Logistics Operations was released as a guarantor in respect of the Five-Year Credit Facility. The Partnership's Five-Year Credit Facility allows for unsecured borrowings up to $5.00 billion and matures on December 1, 2023. The Five-Year Credit Facility contains an accordion feature, under which the total aggregate commitment may be increased up to $6.00 billion under certain conditions.

As of March 31, 2021, the Five-Year Credit Facility had $800 million of outstanding borrowings, all of which consisted of commercial paper. The amount available for future borrowings was $4.08 billion, after accounting for outstanding letters of

credit in the amount of $121 million. The weighted average interest rate on the total amount outstanding as of March 31, 2021 was 0.45%.

364-Day Facility

As a result of the Rollup Mergers, on April 1, 2021, ET assumed all of ETO's obligations in respect of its 364-day revolving credit facility (the "364-Day Facility") and Sunoco Logistics Operations was released as a guarantor in respect of the 364-Day Facility. The Partnership's 364-Day Facility allows for unsecured borrowings up to $1.00 billion and matures on November 26, 2021. As of March 31, 2021, the 364-Day Facility had no outstanding borrowings.

Sunoco LP Credit Facility

Sunoco LP maintains a $1.50 billion revolving credit facility (the "Sunoco LP Credit Facility"). As of March 31, 2021, the Sunoco LP Credit Facility had $381 million of outstanding borrowings and $8 million in standby letters of credit. The amount available for future borrowings at March 31, 2021 was $1.10 billion. The weighted average interest rate on the total amount outstanding as of March 31, 2021 was 1.86%.

USAC Credit Facility

USAC maintains a $1.60 billion revolving credit facility (the "USAC Credit Facility"), which matures on April 2, 2023 and permits up to $400 million of future increases in borrowing capacity. As of March 31, 2021, USAC had $503 million of outstanding borrowings and no outstanding letters of credit under the USAC Credit Facility. As of March 31, 2021, USAC had $1.10 billion of availability under the USAC Credit Facility. The weighted average interest rate on the total amount outstanding as of March 31, 2021 was 3.20%.

Energy Transfer Canada Credit Facilities

Energy Transfer Canada is party to a credit agreement providing for a C$350 million (US$278 million at the March 31, 2021 exchange rate) senior secured term loan facility, a C$525 million (US$417 million at the March 31, 2021 exchange rate) senior secured revolving credit facility, and a C$300 million (US$239 million at the March 31, 2021 exchange rate) senior secured construction loan facility (the "KAPS Facility"). The term loan facility and the revolving credit facility mature on February 25, 2024. The KAPS Facility matures on June 13, 2024. Energy Transfer Canada may incur additional term loans and revolving commitments in an aggregate amount not to exceed C$250 million (US$199 million at the March 31, 2021 exchange rate), subject to receiving commitments for such additional term loans or revolving commitments from either new lenders or increased commitments from existing lenders. As of March 31, 2021, the Energy Transfer Canada senior secured term loan facility and senior secured revolving credit facility had $261 million and $65 million, respectively, of outstanding borrowings. As of March 31, 2021, the KAPS Facility had no outstanding borrowings.

Compliance with our Covenants

We and our subsidiaries were in compliance with all requirements, tests, limitations, and covenants related to our debt agreements as of March 31, 2021. For the quarter ended March 31, 2021, our leverage ratio, as calculated pursuant to the covenant related to our revolving credit facility, was 3.23x.

8. REDEEMABLE NONCONTROLLING INTERESTS

Certain redeemable noncontrolling interests in the Partnership's subsidiaries are reflected as mezzanine equity on the consolidated balance sheets. Redeemable noncontrolling interests as of March 31, 2021 included a balance of $477 million related to the USAC Preferred Units described below and a balance of $15 million related to noncontrolling interest holders in one of the Partnership's consolidated subsidiaries that have the option to sell their interests to the Partnership. In addition, redeemable noncontrolling interests includes a balance of $277 million related to Energy Transfer Canada preferred shares.

USAC Preferred Units

As of March 31, 2021, USAC had 500,000 USAC Preferred Units issued and outstanding. The USAC Preferred Units are entitled to receive cumulative quarterly distributions equal to $24.375 per USAC Preferred Unit, subject to increase in certain limited circumstances. The USAC Preferred Units will have a perpetual term, unless converted or redeemed. Certain portions of the USAC Preferred Units will be convertible into USAC common units at the election of the holders beginning in 2021. To the extent the holders of the USAC Preferred Units have not elected to convert their preferred units by the fifth anniversary of the issue date, USAC will have the option to redeem all or any portion of the USAC Preferred Units for cash. In addition, at any time on or after the tenth anniversary of the issue date, the holders of the USAC

Preferred Units will have the right to require USAC to redeem all or any portion of the USAC Preferred Units, and the Partnership may elect to pay up to 50% of such redemption amount in USAC common units.

Energy Transfer Canada Redeemable Preferred Stock

Energy Transfer Canada has 300,000 shares of cumulative preferred stock issued and outstanding. The preferred stock is redeemable at Energy Transfer Canada's option at a redemption price of C$1,100 (US$875 at the March 31, 2021 exchange rate) per share. The preferred stock is redeemable by the holder contingent upon a change of control or liquidation of Energy Transfer Canada. The preferred stock is convertible to Energy Transfer Canada common shares in the event of an initial public offering by Energy Transfer Canada.

Dividends on the preferred stock are payable in-kind through the quarter ending June 30, 2021. The dividends paid-in-kind increased the liquidation preference such that, as of March 31, 2021, the preferred stock was convertible into 351,954 shares.

9. EQUITY

ET Common Units

The change in ET common units during the three months ended March 31, 2021 was as follows:

	Number of Units
Number of common units at December 31, 2020	2,702.4
Common units issued in connection with the distribution reinvestment plan	0.9
Common units vested under equity incentive plans and other	0.2
Number of common units at March 31, 2021	2,703.5

ET Repurchase Program

During the three months ended March 31, 2021, ET did not repurchase any ET common units under its current buyback program. As of March 31, 2021, $911 million remained available to repurchase under the current program.

ET Distribution Reinvestment Program

During the three months ended March 31, 2021, distributions of $6 million were reinvested under the distribution reinvestment program. As of March 31, 2021, a total of 20 million ET common units remain available to be issued under the existing registration statement in connection with the distribution reinvestment program.

Cash Distributions on ET Common Units

Distributions declared and/or paid with respect to ET common units subsequent to December 31, 2020 were as follows:

Quarter Ended	Record Date	Payment Date	Rate
December 31, 2020	February 8, 2021	February 19, 2021	$ 0.1525
March 31, 2021	May 11, 2021	May 19, 2021	0.1525

The Partnership's distribution on its common units with respect to the quarter ended March 31, 2020 was declared on March 31, 2020 and accrued as of that date. For the three months ended March 31, 2020, the consolidated statement of equity reflects distributions to common unitholders for two quarters.

ET Preferred Units

Conversion of ETO Preferred Units to ET Preferred Units

In connection with the Rollup Mergers on April 1, 2021, as discussed in Note 1, all of ETO's previously outstanding preferred units were converted to ET Preferred Units with identical distribution and redemption rights, as described under "Description of ET Preferred Units" below.

As of and prior to March 31, 2021, the ET Preferred Units were reflected as noncontrolling interests on the Partnership's consolidated financial statements. Beginning April 1, 2021, the ET Preferred Units will be reflected as limited partner interests in the Partnership's consolidated financial statements.

Cash Distributions on ET Preferred Units

Distributions declared on the ET Preferred Units were as follows:

Period Ended	Record Date	Payment Date	Series A [1]	Series B [1]	Series C	Series D	Series E	Series F [1]	Series G [1]
December 31, 2020 [2]	February 1, 2021	February 16, 2021	$ 31.25	$ 33.125	$ 0.4609	$ 0.4766	$ 0.4750	$ —	$ —
March 31, 2021	May 3, 2021	May 17, 2021	—	—	0.4609	0.4766	0.4750	33.75	35.63

[1] Series A, Series B, Series F and Series G distributions are paid on a semi-annual basis.

[2] Distributions for the period ended December 31, 2020 reflect distributions paid on the ETO preferred units prior to the conversion to ET Preferred Units, as discussed above.

Description of ET Preferred Units

Following is a summary of the distribution and redemption rights associated with the ET Preferred Units:

- *Series A Preferred Units*. Distributions on the Series A Preferred Units will accrue and be cumulative to, but excluding, February 15, 2023, at a rate of 6.250% per annum of the stated liquidation preference of $1,000. On and after February 15, 2023, distributions on the Series A Preferred Units will accumulate at a percentage of the $1,000 liquidation preference equal to an annual floating rate of the three-month LIBOR, determined quarterly, plus a spread of 4.028% per annum. Distributions on the Series A Preferred Units will be payable semi-annually in arrears on the 15th day of February and August of each year. The Series A Preferred Units are redeemable at ET's option on or after February 15, 2023 at a redemption price of $1,000 per Series A Preferred Unit, plus an amount equal to all accumulated and unpaid distributions thereon to, but excluding, the date of redemption.
- *Series B Preferred Units.* Distributions on the Series B Preferred Units will accrue and be cumulative to, but excluding, February 15, 2028, at a rate of 6.625% per annum of the stated liquidation preference of $1,000. On and after February 15, 2028, distributions on the Series B Preferred Units will accumulate at a percentage of the $1,000 liquidation preference equal to an annual floating rate of the three-month LIBOR, determined quarterly, plus a spread of 4.155% per annum. Distributions on the Series B Preferred Units will be payable semi-annually in arrears on the 15th day of February and August of each year. The Series B Preferred Units are redeemable at ET's option on or after February 15, 2028 at a redemption price of $1,000 per Series B Preferred Unit, plus an amount equal to all accumulated and unpaid distributions thereon to, but excluding, the date of redemption.
- *Series C Preferred Units.* Distributions on the Series C Preferred Units will accrue and be cumulative to, but excluding, May 15, 2023, at a rate of 7.375% per annum of the stated liquidation preference of $25. On and after May 15, 2023, distributions on the Series C Preferred Units will accumulate at a percentage of the $25 liquidation preference equal to an annual floating rate of the three-month LIBOR, determined quarterly, plus a spread of 4.530% per annum. Distributions on the Series C Preferred Units will be payable quarterly in arrears on the 15th day of February, May, August and November of each year. The Series C Preferred Units are redeemable at ET's option on or after May 15, 2023 at a redemption price of $25 per Series C Preferred Unit, plus an amount equal to all accumulated and unpaid distributions thereon to, but excluding, the date of redemption.
- *Series D Preferred Units.* Distributions on the Series D Preferred Units will accrue and be cumulative to, but excluding, August 15, 2023, at a rate of 7.625% per annum of the stated liquidation preference of $25. On and after August 15, 2023, distributions on the Series D Preferred Units will accumulate at a percentage of the $25 liquidation preference equal to an annual floating rate of the three-month LIBOR, determined quarterly, plus a spread of 4.738% per annum. Distributions on the Series D Preferred Units will be payable quarterly in arrears on the 15th day of February, May, August and November of each year. The Series D Preferred Units are redeemable at ET's option on or after August 15, 2023 at a redemption price of $25 per Series D Preferred Unit, plus an amount equal to all accumulated and unpaid distributions thereon to, but excluding, the date of redemption.
- *Series E Preferred Units.* Distributions on the Series E Preferred Units will accrue and be cumulative to, but excluding, May 15, 2024, at a rate of 7.600% per annum of the stated liquidation preference of $25. On and after May 15, 2024, distributions on the Series E Preferred Units will accumulate at a percentage of the $25 liquidation preference equal to an annual floating rate of the three-month LIBOR, determined quarterly, plus a spread of 5.161% per annum. Distributions on the Series E Preferred Units will be payable quarterly in arrears on the 15th day of February, May, August and November of each year. The Series E Preferred Units are redeemable at ET's option on or after May 15, 2024 at a redemption price of $25 per Series E Preferred Unit, plus an amount equal to all accumulated and unpaid distributions thereon to, but excluding, the date of redemption.

- *Series F Preferred Units.* Distributions on the Series F Preferred Units will accrue and be cumulative to, but excluding, May 15, 2025, at a rate equal to 6.750% per annum of the $1,000 liquidation preference. On and after May 15, 2025, the distribution rate on the Series F Preferred Units will equal a percentage of the $1,000 liquidation preference equal to the five-year U.S. treasury rate plus a spread of 5.134% per annum. Distributions on the Series F Preferred Units will be payable semi-annually in arrears on the 15th day of May and November of each year. The Series F Preferred Units are redeemable at ET's option on or after May 15, 2025 at a redemption price of $1,000 per Series F Preferred Unit, plus an amount equal to all accumulated and unpaid distributions thereon to, but excluding, the date of redemption.
- *Series G Preferred Units.* Distributions on the Series G Preferred Units will accrue and be cumulative to, but excluding, May 15, 2030, at a rate equal to 7.125% per annum of the $1,000 liquidation preference. On and after May 15, 2030, the distribution rate on the Series G Preferred Units will equal a percentage of the $1,000 liquidation preference equal to the five-year U.S. treasury rate plus a spread of 5.306% per annum. Distributions on the Series G Preferred Units will be payable semi-annually in arrears on the 15th day of May and November of each year. The Series G Preferred Units are redeemable at ET's option on or after May 15, 2030 at a redemption price of $1,000 per Series G Preferred Unit, plus an amount equal to all accumulated and unpaid distributions thereon to, but excluding, the date of redemption.

Noncontrolling Interests

The Partnership's consolidated financial statements include Sunoco LP and USAC, both of which are publicly traded master limited partnerships, as well as other less-than-wholly-owned, consolidated joint ventures. The following sections describe cash distributions made by our publicly traded subsidiaries, Sunoco LP and USAC, both of which are required by their respective partnership agreements to distribute all cash on hand (less appropriate reserves determined by the boards of directors of their respective general partners) subsequent to the end of each quarter.

Sunoco LP Cash Distributions

Distributions on Sunoco LP's units declared and/or paid by Sunoco LP subsequent to December 31, 2020 were as follows:

Quarter Ended	Record Date	Payment Date	Rate
December 31, 2020	February 8, 2021	February 19, 2021	$ 0.8255
March 31, 2021	May 11, 2021	May 19, 2021	0.8255

USAC Cash Distributions

Distributions on USAC's units declared and/or paid by USAC subsequent to December 31, 2020 were as follows:

Quarter Ended	Record Date	Payment Date	Rate
December 31, 2020	January 25, 2021	February 5, 2021	$ 0.5250
March 31, 2021	April 26, 2021	May 7, 2021	0.5250

Accumulated Other Comprehensive Income (Loss)

The following table presents the components of AOCI, net of tax:

	March 31, 2021	December 31, 2020
Available-for-sale securities	$ 18	$ 18
Foreign currency translation adjustment	21	7
Actuarial loss related to pensions and other postretirement benefits	(2)	(7)
Investments in unconsolidated affiliates, net	(23)	(14)
Total AOCI, net of tax	14	4
Amounts attributable to noncontrolling interest	(6)	2
Total AOCI included in partners' capital, net of tax	$ 8	$ 6

10. INCOME TAXES

The Partnership's effective tax rate differs from the statutory rate primarily due to partnership earnings that are not subject to United States federal and most state income taxes at the partnership level.

11. REGULATORY MATTERS, COMMITMENTS, CONTINGENCIES AND ENVIRONMENTAL LIABILITIES

Winter Storm Impacts

Winter Storm Uri, which occurred in February 2021, resulted in one-time impacts to the Partnership's consolidated net income and also affected the results of operations in certain segments. The recognition of the impacts of Winter Storm Uri during the three months ended March 31, 2021 required management to make certain estimates and assumptions, including estimates of expected credit losses and assumptions related to the resolution of disputes with counterparties with respect to certain purchases and sales of natural gas. The ultimate realization of credit losses and the resolution of disputed purchases and sales of natural gas could materially impact the Partnership's financial condition and results of operations in future periods.

FERC Proceedings

By Order issued January 16, 2019, the FERC initiated a review of Panhandle's existing rates pursuant to Section 5 of the Natural Gas Act ("NGA") to determine whether the rates currently charged by Panhandle are just and reasonable and set the matter for hearing. On August 30, 2019, Panhandle filed a general rate proceeding under Section 4 of the NGA. The Natural Gas Act Section 5 and Section 4 proceedings were consolidated by the order of the Chief Judge dated October 1, 2019. A hearing in the combined proceedings commenced on August 25, 2020 and adjourned on September 15, 2020. The initial decision by the administrative law judge was issued on March 26, 2021. On April 26, 2021, Panhandle filed its brief on exceptions to the initial decision.

Commitments

In the normal course of business, our subsidiaries purchase, process and sell natural gas pursuant to long-term contracts and enter into long-term transportation and storage agreements. Such contracts contain terms that are customary in the industry. We believe that the terms of these agreements are commercially reasonable and will not have a material adverse effect on its financial position or results of operations.

Our joint venture agreements require that we fund our proportionate share of capital contributions to our unconsolidated affiliates. Such contributions will depend upon the unconsolidated affiliates' capital requirements, such as for funding capital projects or repayment of long-term obligations.

We have certain non-cancelable rights-of-way ("ROW") commitments, which require fixed payments and either expire upon our chosen abandonment or at various dates in the future. The table below reflects ROW expense included in operating expenses in the accompanying consolidated statements of operations:

	Three Months Ended March 31,	
	2021	2020
ROW expense	$ 6	$ 10

Litigation and Contingencies

We may, from time to time, be involved in litigation and claims arising out of our operations in the normal course of business. Natural gas and crude oil are flammable and combustible. Serious personal injury and significant property damage can arise in connection with their transportation, storage or use. In the ordinary course of business, we are sometimes threatened with or named as a defendant in various lawsuits seeking actual and punitive damages for product liability, personal injury and property damage. We maintain liability insurance with insurers in amounts and with coverage and deductibles management believes are reasonable and prudent, and which are generally accepted in the industry. However, there can be no assurance that the levels of insurance protection currently in effect will continue to be available at reasonable prices or that such levels will remain adequate to protect us from material expenses related to product liability, personal injury or property damage in the future.

We or our subsidiaries are a party to various legal proceedings and/or regulatory proceedings incidental to our businesses. For each of these matters, we evaluate the merits of the case, our exposure to the matter, possible legal or settlement strategies, the likelihood of an unfavorable outcome and the availability of insurance coverage. If we determine that an

unfavorable outcome of a particular matter is probable and can be estimated, we accrue the contingent obligation, as well as any expected insurance recoverable amounts related to the contingency. As new information becomes available, our estimates may change. The impact of these changes may have a significant effect on our results of operations in a single period.

As of March 31, 2021 and December 31, 2020, accruals of approximately $49 million and $77 million, respectively, were reflected on our consolidated balance sheets related to contingent obligations that met both the probable and reasonably estimable criteria. In addition, we may recognize additional contingent losses in the future related to (i) contingent matters for which a loss is currently considered reasonably possible but not probable and/or (ii) losses in excess of amounts that have already been accrued for such contingent matters. In some of these cases, we are not able to estimate possible losses or a range of possible losses in excess of amounts accrued. For such matters where additional contingent losses can be reasonably estimated, the range of additional losses is estimated to be up to approximately $80 million.

The outcome of these matters cannot be predicted with certainty and there can be no assurance that the outcome of a particular matter will not result in the payment of amounts that have not been accrued for the matter. Furthermore, we may revise accrual amounts or our estimates of reasonably possible losses prior to resolution of a particular contingency based on changes in facts and circumstances or changes in the expected outcome.

Dakota Access Pipeline

On July 27, 2016, the Standing Rock Sioux Tribe (“SRST”) filed a lawsuit in the United States District Court for the District of Columbia (“District Court”) challenging permits issued by the United States Army Corps of Engineers (“USACE”) that allowed Dakota Access to cross the Missouri River at Lake Oahe in North Dakota. The case was subsequently amended to challenge an easement issued by the USACE that allowed the pipeline to cross land owned by the USACE adjacent to the Missouri River. Dakota Access and the Cheyenne River Sioux Tribe (“CRST”) intervened. Separate lawsuits filed by the Oglala Sioux Tribe (“OST”) and the Yankton Sioux Tribe (“YST”) were consolidated with this action and several individual tribal members intervened (collectively, with SRST and CRST, the “Tribes”). On March 25, 2020, the District Court remanded the case back to the USACE for preparation of an Environment Impact Statement (“EIS”). On July 6, 2020, the District Court vacated the easement and ordered Dakota Access to be shut down and emptied of oil by August 5, 2020. Dakota Access and the USACE appealed to the United States Court of Appeals for the District of Columbia (“Court of Appeals”) which granted an administrative stay of the District Court’s July 6 order and ordered further briefing on whether to fully stay the July 6 order. On August 5, 2020, the Court of Appeals 1) granted a stay of the portion of the District Court order that required Dakota Access to shut the pipeline down and empty it of oil, 2) denied a motion to stay the March 25 order pending a decision on the merits by the Court of Appeals as to whether the USACE would be required to prepare an EIS, and 3) denied a motion to stay the District Court’s order to vacate the easement during this appeal process. The August 5 order also states that the Court of Appeals expected the USACE to clarify its position with respect to whether USACE intended to allow the continued operation of the pipeline notwithstanding the vacatur of the easement and that the District Court may consider additional relief, if necessary.

On August 10, 2020, the District Court ordered the USACE to submit a status report by August 31, 2020, clarifying its position with regard to its decision-making process with respect to the continued operation of the pipeline. On August 31, 2020, the USACE submitted a status report that indicated that it considered the presence of the pipeline at the Lake Oahe crossing without an easement to constitute an encroachment on federal land, and that it was still considering whether to exercise its enforcement discretion regarding this encroachment. The Tribes subsequently filed a motion seeking an injunction to stop the operation of the pipeline and both of the USACE and Dakota Access filed briefs in opposition of the motion for injunction. The motion for injunction was fully briefed as of January 8, 2021.

On January 26, 2021, the Court of Appeals affirmed the District Court’s March 25, 2020 order requiring an EIS and its July 6, 2020 order vacating the easement. In this same January 26 order, the Court of Appeals also overturned the District Court’s July 6, 2020 order that the pipeline shut down and be emptied of oil. Dakota Access filed for rehearing en banc on April 12, 2021, which the Court of Appeals denied. Dakota Access has until September 30, 2021 to petition the U.S. Supreme Court to hear the case.

The District Court scheduled a status conference for February 10, 2021 to discuss the effects of the Court of Appeals’ January 26, 2021 order on the pending motion for injunctive relief, as well as USACE’s expectations as to how it will proceed regarding its enforcement discretion regarding the easement. At the request of the USACE, on February 9, 2021 the District Court granted a two-month continuance for the status conference until April 9, 2021. On April 9, 2021, the District Court granted Dakota Access’s request for the opportunity to file updates to its declarations supporting the opposition to injunctive relief and thereafter granted the Tribes’ request to file updates to their declarations supporting their position with respect to injunctive relief. Dakota Access and the Tribes filed their supplemental declarations on April 19,

2021 and April 26, 2021, respectively. On April 26, 2021, the District Court requested that USACE advise it by May 3, 2021 as to USACE's current position, if it has one, with respect to the Motion. On May 3, 2021, USACE advised the District Court that it had not changed its position with respect to its opposition to the Tribes' motion for injunction. The USACE also advised the District Court that it expected that the EIS will be completed by March 2022. The District Court is expected to rule on the motion in the near future.

The pipeline continues to operate pending rulings from the District Court. ET cannot determine when or how these lawsuits will be resolved or the impact they may have on the Dakota Access pipelines; however, ET expects after the law and complete record are fully considered, the issues in this litigation will be resolved in a manner that will allow the pipeline to continue to operate.

In addition, lawsuits and/or regulatory proceedings or actions of this or a similar nature could result in interruptions to construction or operations of current or future projects, delays in completing those projects and/or increased project costs, all of which could have an adverse effect on our business and results of operations.

Mont Belvieu Incident

On June 26, 2016, a hydrocarbon storage well located on another operator's facility adjacent to Lone Star NGL LLC's ("Lone Star") facilities in Mont Belvieu, Texas experienced an over-pressurization resulting in a subsurface release. The subsurface release caused a fire at Lone Star's South Terminal and damage to Lone Star's storage well operations at its South and North Terminals. Normal operations have resumed at the facilities with the exception of one of Lone Star's storage wells; however, Lone Star is still quantifying the extent of its incurred and ongoing damages and has obtained, and will continue to seek, reimbursement for these losses.

MTBE Litigation

ETC Sunoco Holdings LLC and Sunoco R&M (collectively, "Sunoco Defendants") are defendants in lawsuits alleging MTBE contamination of groundwater. The plaintiffs, state-level governmental entities, assert product liability, nuisance, trespass, negligence, violation of environmental laws, and/or deceptive business practices claims. The plaintiffs seek to recover compensatory damages, and in some cases also seek natural resource damages, injunctive relief, punitive damages, and attorneys' fees.

As of March 31, 2021, Sunoco Defendants are defendants in five cases, including one case each initiated by the States of Maryland and Rhode Island, one by the Commonwealth of Pennsylvania and two by the Commonwealth of Puerto Rico. The more recent Puerto Rico action is a companion case alleging damages for additional sites beyond those at issue in the initial Puerto Rico action. The actions brought by the State of Maryland and Commonwealth of Pennsylvania have also named as defendants ETO, ETP Holdco Corporation, and Sunoco Partners Marketing & Terminals L.P. ("SPMT").

It is reasonably possible that a loss may be realized in the remaining cases; however, we are unable to estimate the possible loss or range of loss in excess of amounts accrued. An adverse determination with respect to one or more of the MTBE cases could have a significant impact on results of operations during the period in which any such adverse determination occurs, but such an adverse determination likely would not have a material adverse effect on the Partnership's consolidated financial position.

Regency Merger Litigation

On June 10, 2015, Adrian Dieckman ("Dieckman or Plaintiff"), a purported Regency unitholder, filed a class action complaint related to the Regency-ETO merger (the "Regency Merger") in the Court of Chancery of the State of Delaware (the "Regency Merger Litigation"), on behalf of Regency's common unitholders against Regency GP LP, Regency GP LLC, ET, ETO, Energy Transfer Partners GP, L.P., and the members of Regency's board of directors.

The Regency Merger Litigation alleges that the Regency Merger breached the Regency partnership agreement. On March 29, 2016, the Delaware Court of Chancery granted the defendants' motion to dismiss the lawsuit in its entirety. Plaintiff appealed, and the Delaware Supreme Court reversed the judgment of the Court of Chancery. Plaintiff then filed an Amended Verified Class Action Complaint, which defendants moved to dismiss. The Court of Chancery granted in part and denied in part the motions to dismiss, dismissing the claims against all defendants other than Regency GP LP and Regency GP LLC (the "Regency Defendants"). The Court of Chancery later granted plaintiff's unopposed motion for class certification. Trial was held on December 10-16, 2019, and a post-trial hearing was held on May 6, 2020. On February 15, 2021, the Court of Chancery ruled in favor of the Regency Defendants on all claims at issue in this litigation, determined that the Regency Merger was fair and reasonable to Regency, and denied plaintiff any relief.

On March 19, 2021, Plaintiff filed a notice of appeal. The Regency Defendants cannot predict the outcome of this appeal but intend to vigorously oppose it.

Litigation Filed By or Against Williams

In April and May 2016, the Williams Companies, Inc. ("Williams") filed two lawsuits (the "Williams Litigation") against ET, LE GP, and, in one of the lawsuits, Energy Transfer Corp LP, ETE Corp GP, LLC, and Energy Transfer Equity GP, LLC (collectively, "ET Defendants"), alleging that ET Defendants breached their obligations under the ET-Williams merger agreement (the "Merger Agreement"). In general, Williams alleges that ET Defendants breached the Merger Agreement by (a) failing to use commercially reasonable efforts to obtain from Latham & Watkins LLP ("Latham") the delivery of a tax opinion concerning Section 721 of the Internal Revenue Code ("721 Opinion"), (b) issuing the Partnership's series A convertible preferred units (the "Issuance"), and (c) making allegedly untrue representations and warranties in the Merger Agreement.

After a two-day trial on June 20 and 21, 2016, the Court ruled in favor of ET Defendants and issued a declaratory judgment that ET could terminate the merger after June 28, 2016 because of Latham's inability to provide the required 721 Opinion. The Court did not reach a decision regarding Williams' claims related to the Issuance nor the alleged untrue representations and warranties. On March 23, 2017, the Delaware Supreme Court affirmed the Court's ruling on the June 2016 trial.

In September 2016, the parties filed amended pleadings. Williams filed an amended complaint seeking a $410 million termination fee based on the alleged breaches of the Merger Agreement listed above. ET Defendants filed amended counterclaims and affirmative defenses, asserting that Williams materially breached the Merger Agreement by, among other things, (a) failing to use its reasonable best efforts to consummate the merger, (b) failing to provide material information to ET for inclusion in the Form S-4 related to the merger, (c) failing to facilitate the financing of the merger, and (d) breaching the Merger Agreement's forum-selection clause.

In July 2020, the Court denied ET Defendant's Motion for Summary Judgment and Williams' Motion for Partial Summary Judgment. Trial is currently set for May 10-17, 2021. ET Defendants cannot predict the outcome of the Williams Litigation or any lawsuits that might be filed subsequent to the date of this filing; nor can ET Defendants predict the amount of time and expense that will be required to resolve these lawsuits. ET Defendants believe that Williams' claims are without merit and intend to defend vigorously against them.

Rover

On November 3, 2017, the State of Ohio and the Ohio Environmental Protection Agency ("Ohio EPA") filed suit against Rover and other defendants seeking to recover civil penalties allegedly owed and certain injunctive relief related to permit compliance. The defendants filed several motions to dismiss, which were granted on all counts. The Ohio EPA appealed, and on December 9, 2019, the Fifth District Court of Appeals entered a unanimous judgment affirming the trial court. The Ohio EPA sought review from the Ohio Supreme Court, which the defendants opposed in briefs filed in February 2020. On April 22, 2020, the Ohio Supreme Court granted the Ohio EPA's request for review. Briefing has concluded and oral argument was held on January 26, 2021. The parties are awaiting a decision.

Revolution

On September 10, 2018, a pipeline release and fire (the "Incident") occurred on the Revolution pipeline, a natural gas gathering line located in Center Township, Beaver County, Pennsylvania. There were no injuries. On February 8, 2019, the Pennsylvania Department of Environmental Protection ("PADEP") issued a Permit Hold on any requests for approvals/permits or permit amendments for any project in Pennsylvania pursuant to the state's water laws. The Partnership filed an appeal of the Permit Hold with the Pennsylvania Environmental Hearing Board. On January 3, 2020, the Partnership entered into a Consent Order and Agreement with the PADEP in which, among other things, the Permit Hold was lifted, the Partnership agreed to pay a $28.6 million civil penalty and fund a $2 million community environmental project, and all related appeals were withdrawn. On November 11, 2020, the PADEP issued an order that required additional approvals and work prior to placing the Revolution Pipeline back in service. The Partnership filed an appeal of this order on December 8, 2020. On February 26, 2021, the Partnership entered into a Consent Order and Agreement with the Department in which, among other things, allowed the Partnership to place the Revolution pipeline back in service, the Partnership agreed to pay a $125,000 penalty, and all related appeals were withdrawn.

The Pennsylvania Office of Attorney General has commenced an investigation regarding the Incident, and the United States Attorney for the Western District of Pennsylvania has issued a federal grand jury subpoena for documents relevant to the Incident. The scope of these investigations is not further known at this time.

Chester County, Pennsylvania Investigation

In December 2018, the former Chester County District Attorney (the "Chester County DA") sent a letter to the Partnership stating that his office was investigating the Partnership and related entities for "potential crimes" related to the Mariner East pipelines.

Subsequently, the matter was submitted to an Investigating Grand Jury in Chester County, Pennsylvania, which has issued subpoenas seeking documents and testimony. On September 24, 2019, the Chester County DA sent a Notice of Intent to the Partnership of its intent to pursue an abatement action if certain conditions were not remediated. The Partnership responded to the Notice of Intent within the prescribed time period.

In December 2019, the Chester County DA announced charges against a current employee related to the provision of security services. On June 25, 2020, a preliminary hearing was held on the charges against the employee, and the judge dismissed all charges.

Delaware County, Pennsylvania Investigation

On March 11, 2019, the Delaware County District Attorney's Office (the "Delaware County DA") announced that the Delaware County DA and the Pennsylvania Attorney General's Office, at the request of the Delaware County DA, are conducting an investigation of alleged criminal misconduct involving the construction and related activities of the Mariner East pipelines in Delaware County. On March 16, 2020, the Pennsylvania Attorney General Office served a Statewide Investigating Grand Jury subpoena for documents relating to inadvertent returns and water supplies related to the Mariner East pipelines. While the Partnership will cooperate with the subpoena, it intends to vigorously defend itself.

Shareholder Litigation Regarding Pennsylvania Pipeline Construction

Four purported unitholders of ET filed derivative actions against various past and current members of ET's Board of Directors, LE GP, and ET, as a nominal defendant that assert claims for breach of fiduciary duties, unjust enrichment, waste of corporate assets, breach of ET's limited partnership agreement, tortious interference, abuse of control, and gross mismanagement related primarily to matters involving the construction of pipelines in Pennsylvania. They also seek damages and changes to ET's corporate governance structure. See *Bettiol v. LE GP*, Case No. 3:19-cv-02890-X (N.D. Tex.); *Davidson v. Kelcy L. Warren*, Cause No. DC-20-02322 (44th Judicial District of Dallas County, Texas); *Harris v. Kelcy L. Warren*, Case No. 2:20-cv-00364-GAM (E.D. Pa.); and *King v. LE GP*, Case No. 3:20-cv-00719-X (N.D. Tex.). Another purported unitholder of ET, Allegheny County Employees' Retirement System ("ACERS"), individually and on behalf of all others similarly situated, filed a suit under the federal securities laws purportedly on behalf of a class, against ET and three of ET's directors, Kelcy L. Warren, John W. McReynolds, and Thomas E. Long. See *Allegheny County Emps.' Ret. Sys. v. Energy Transfer LP*, Case No. 2:20-00200-GAM (E.D. Pa.). On June 15, 2020, ACERS filed an amended complaint and added as additional defendants ET directors Marshall McCrea and Matthew Ramsey, as well as Michael J. Hennigan and Joseph McGinn. The amended complaint asserts claims for violations of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder related primarily to matters involving the construction of pipelines in Pennsylvania. On August 14, 2020, the defendants filed a motion to dismiss ACERS' amended complaint. On April 6, 2021, the court granted in part and denied in part the defendants' motion to dismiss. The court held that ACERS could proceed with its claims regarding certain statements put at issue by the amended complaint while also dismissing claims based on other statements. The court also dismissed without prejudice the claims against defendants McReynolds, McGinn, and Hennigan. The defendants cannot predict the outcome of these lawsuits or any lawsuits that might be filed subsequent to the date of this filing; nor can the defendants predict the amount of time and expense that will be required to resolve these lawsuits. However, the defendants believe that the claims are without merit and intend to vigorously contest them.

Cline Class Action

On July 7, 2017, Perry Cline filed a class action complaint in the Eastern District of Oklahoma against Sunoco R&M and Sunoco Partners Marketing & Terminals L.P. (collectively, "SPMT") that alleged SPMT failed to make timely payments of oil and gas proceeds from Oklahoma wells and to pay statutory interest for those untimely payments. On October 3, 2019, the Court certified a class to include all persons who received untimely payments from Oklahoma wells on or after July 7, 2012 and who have not already been paid statutory interest on the untimely payments (the "Class"). Excluded from the Class are those entitled to payments of proceeds that qualify as "minimum pay," prior period adjustments, and pass through payments, as well as governmental agencies and publicly traded oil and gas companies.

After a bench trial, on August 17, 2020, Judge John Gibney (sitting from the Eastern District of Virginia) issued an opinion that awarded the Class actual damages of $74.8 million for late payment interest for identified and unidentified royalty

owners and interest-on-interest. This amount was later amended to $80.7 million to account for interest accrued from trial (the "Order"). Judge Gibney also awarded punitive damages in the amount of $75 million. The Class is also seeking attorneys' fees.

On August 27, 2020, SPMT filed its Notice of Appeal with the 10th Circuit and appealed the entirety of the Order. SPMT cannot predict the outcome of the case, nor can SPMT predict the amount of time and expense that will be required to resolve the appeal, but intends to vigorously appeal the entirety of the Order.

Environmental Matters

Our operations are subject to extensive federal, tribal, state and local environmental and safety laws and regulations that require expenditures to ensure compliance, including related to air emissions and wastewater discharges, at operating facilities and for remediation at current and former facilities as well as waste disposal sites. Historically, our environmental compliance costs have not had a material adverse effect on our results of operations but there can be no assurance that such costs will not be material in the future or that such future compliance with existing, amended or new legal requirements will not have a material adverse effect on our business and operating results. Costs of planning, designing, constructing and operating pipelines, plants and other facilities must incorporate compliance with environmental laws and regulations and safety standards. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal penalties, the imposition of investigatory, remedial and corrective action obligations, natural resource damages, the issuance of injunctions in affected areas and the filing of federally authorized citizen suits. Contingent losses related to all significant known environmental matters have been accrued and/or separately disclosed. However, we may revise accrual amounts prior to resolution of a particular contingency based on changes in facts and circumstances or changes in the expected outcome.

Environmental exposures and liabilities are difficult to assess and estimate due to unknown factors such as the magnitude of possible contamination, the timing and extent of remediation, the determination of our liability in proportion to other parties, improvements in cleanup technologies and the extent to which environmental laws and regulations may change in the future. Although environmental costs may have a significant impact on our results of operations for any single period, we believe that such costs will not have a material adverse effect on our financial position.

Based on information available at this time and reviews undertaken to identify potential exposure, we believe the amount reserved for environmental matters is adequate to cover the potential exposure for cleanup costs.

In February 2017, we received letters from the DOJ on behalf of EPA and Louisiana Department of Environmental Quality ("LDEQ") notifying SPLP and Mid-Valley Pipeline Company ("Mid-Valley") that enforcement actions were being pursued for three separate crude oil releases: (a) an estimated 550 barrels released from the Colmesneil-to-Chester pipeline in Tyler County, Texas ("Colmesneil") which allegedly occurred in February 2013; (b) an estimated 4,509 barrels released from the Longview-to-Mayersville pipeline in Caddo Parish, Louisiana (a/k/a Milepost 51.5) which allegedly occurred in October 2014; and (c) an estimated 40 barrels released from the Wakita 4-inch gathering line in Oklahoma which allegedly occurred in January 2015. In January 2019, a Consent Decree approved by all parties as well as an accompanying Complaint was filed in the United States District Court for the Western District of Louisiana seeking public comment and final court approval to resolve all penalties with the DOJ and LDEQ for the three releases. Subsequently, the court approved the Consent Decree and the penalty payment of $5.4 million was satisfied. The Consent Decree requires certain injunctive relief to be completed on the Longview-to-Mayersville pipeline within three years but the injunctive relief is not expected to have any material impact on operations. In addition to resolution of the civil penalty and injunctive relief, we continue to discuss natural resource damages with the Louisiana trustees related to the Caddo Parish, Louisiana release.

On June 4, 2019, the Oklahoma Corporation Commission's ("OCC") Transportation Division filed a complaint against SPLP seeking a penalty of up to $1 million related to a May 2018 rupture near Edmond, Oklahoma. The rupture occurred on the Noble to Douglas 8-inch pipeline in an area of external corrosion and caused the release of approximately fifteen barrels of crude oil. SPLP responded immediately to the release and remediated the surrounding environment and pipeline in cooperation with the OCC. The OCC filed the complaint alleging that SPLP failed to provide adequate cathodic protection to the pipeline causing the failure. SPLP is finalizing a settlement agreement with the OCC for a lesser penalty

Environmental Remediation

Our subsidiaries are responsible for environmental remediation at certain sites, including the following:

- certain of our interstate pipelines conduct soil and groundwater remediation related to contamination from past uses of polychlorinated biphenyls ("PCBs"). PCB assessments are ongoing and, in some cases, our subsidiaries could be contractually responsible for contamination caused by other parties.

- certain gathering and processing systems are responsible for soil and groundwater remediation related to releases of hydrocarbons.
- legacy sites related to Sunoco, Inc. are subject to environmental assessments, including formerly owned terminals and other logistics assets, retail sites that Sunoco no longer operates, closed and/or sold refineries and other formerly owned sites.
- Sunoco Inc. is potentially subject to joint and several liability for the costs of remediation at sites at which it has been identified as a potentially responsible party ("PRP"). As of March 31, 2021, Sunoco, Inc. had been named as a PRP at approximately 35 identified or potentially identifiable "Superfund" sites under federal and/or comparable state law. Sunoco Inc. is usually one of a number of companies identified as a PRP at a site. Sunoco, Inc. has reviewed the nature and extent of its involvement at each site and other relevant circumstances and, based upon Sunoco Inc.'s purported nexus to the sites, believes that its potential liability associated with such sites will not be significant.

To the extent estimable, expected remediation costs are included in the amounts recorded for environmental matters in our consolidated balance sheets. In some circumstances, future costs cannot be reasonably estimated because remediation activities are undertaken as claims are made by customers and former customers. To the extent that an environmental remediation obligation is recorded by a subsidiary that applies regulatory accounting policies, amounts that are expected to be recoverable through tariffs or rates are recorded as regulatory assets on our consolidated balance sheets.

The table below reflects the amounts of accrued liabilities recorded in our consolidated balance sheets related to environmental matters that are considered to be probable and reasonably estimable. Currently, we are not able to estimate possible losses or a range of possible losses in excess of amounts accrued. Except for matters discussed above, we do not have any material environmental matters assessed as reasonably possible that require disclosure in our consolidated financial statements.

	March 31, 2021	December 31, 2020
Current	$ 46	$ 44
Non-current	255	262
Total environmental liabilities	$ 301	$ 306

We have established a wholly-owned captive insurance company to bear certain risks associated with environmental obligations related to certain sites that are no longer operating. The premiums paid to the captive insurance company include estimates for environmental claims that have been incurred but not reported, based on an actuarially determined fully developed claims expense estimate. In such cases, we accrue losses attributable to unasserted claims based on the discounted estimates that are used to develop the premiums paid to the captive insurance company.

During the three months ended March 31, 2021 and 2020, the Partnership recorded $6 million and $9 million, respectively, of expenditures related to environmental cleanup programs.

Our pipeline operations are subject to regulation by the United States Department of Transportation under PHMSA, pursuant to which PHMSA has established requirements relating to the design, installation, testing, construction, operation, replacement and management of pipeline facilities. Moreover, PHMSA, through the Office of Pipeline Safety, has promulgated a rule requiring pipeline operators to develop integrity management programs to comprehensively evaluate their pipelines and take measures to protect pipeline segments located in what the rule refers to as "high consequence areas." Activities under these integrity management programs involve the performance of internal pipeline inspections, pressure testing or other effective means to assess the integrity of these regulated pipeline segments, and the regulations require prompt action to address integrity issues raised by the assessment and analysis. Integrity testing and assessment of all of these assets will continue, and the potential exists that results of such testing and assessment could cause us to incur future capital and operating expenditures for repairs or upgrades deemed necessary to ensure the continued safe and reliable operation of our pipelines; however, no estimate can be made at this time of the likely range of such expenditures.

Our operations are also subject to the requirements of OSHA, and comparable state laws that regulate the protection of the health and safety of employees. In addition, the Occupational Safety and Health Administration's hazardous communication standard requires that information be maintained about hazardous materials used or produced in our operations and that this information be provided to employees, state and local government authorities and citizens. We believe that our past costs for OSHA required activities, including general industry standards, record keeping requirements, and monitoring of occupational exposure to regulated substances have not had a material adverse effect on our results of operations, but there is no assurance that such costs will not be material in the future.

12. REVENUE

Disaggregation of Revenue

The Partnership's consolidated financial statements reflect eight reportable segments, which also represent the level at which the Partnership aggregates revenue for disclosure purposes. Note 15 depicts the disaggregation of revenue by segment.

Contract Balances with Customers

The Partnership satisfies its obligations by transferring goods or services in exchange for consideration from customers. The timing of performance may differ from the timing the associated consideration is paid to or received from the customer, thus resulting in the recognition of a contract asset or a contract liability.

The Partnership recognizes a contract asset when making upfront consideration payments to certain customers or when providing services to customers prior to the time at which the Partnership is contractually allowed to bill for such services.

The Partnership recognizes a contract liability if the customer's payment of consideration precedes the Partnership's fulfillment of the performance obligations. Certain contracts contain provisions requiring customers to pay a fixed minimum fee, but allow customers to apply such fees against services to be provided at a future point in time. These amounts are reflected as deferred revenue until the customer applies the deficiency fees to services provided or becomes unable to use the fees as payment for future services due to expiration of the contractual period the fees can be applied or physical inability of the customer to utilize the fees due to capacity constraints. Additionally, Sunoco LP maintains some franchise agreements requiring dealers to make one-time upfront payments for long term license agreements. Sunoco LP recognizes a contract liability when the upfront payment is received and recognizes revenue over the term of the license.

The following table summarizes the consolidated activity of our contract liabilities:

	Contract Liabilities
Balance, December 31, 2020	$ 290
Additions	249
Revenue recognized	(165)
Balance, March 31, 2021	$ 374
Balance, December 31, 2019	$ 365
Additions	170
Revenue recognized	(196)
Balance, March 31, 2020	$ 339

The balances of Sunoco LP's contract assets were as follows:

	March 31, 2021	December 31, 2020
Contract balances:		
Contract assets	$ 134	$ 121
Accounts receivable from contracts with customers	324	256

Costs to Obtain or Fulfill a Contract

Sunoco LP recognizes an asset from the costs incurred to obtain a contract (e.g., sales commissions) only if it expects to recover those costs. On the other hand, the costs to fulfill a contract are capitalized if the costs are specifically identifiable to a contract, would result in enhancing resources that will be used in satisfying performance obligations in the future and are expected to be recovered. These capitalized costs are recorded as a part of other current assets and other non-current assets and are amortized on a systematic basis consistent with the pattern of transfer of the goods or services to which such costs relate. The amount of amortization expense that Sunoco LP recognized for the three months ended March 31, 2021 and 2020 was $4 million and $5 million, respectively. Sunoco LP has also made a policy election of expensing the costs to obtain a contract, as and when they are incurred, in cases where the expected amortization period is one year or less.

Performance Obligations

At contract inception, the Partnership assesses the goods and services promised in its contracts with customers and identifies a performance obligation for each promise to transfer a good or service (or bundle of goods or services) that is distinct. To identify the performance obligations, the Partnership considers all the goods or services promised in the contract, whether explicitly stated or implied based on customary business practices. For a contract that has more than one performance obligation, the Partnership allocates the total contract consideration it expects to be entitled to, to each distinct performance obligation based on a standalone-selling price basis. Revenue is recognized when (or as) the performance obligations are satisfied, that is, when the customer obtains control of the good or service. Certain of our contracts contain variable components, which, when combined with the fixed component are considered a single performance obligation. For these types of contacts, only the fixed component of the contracts are included in the table below.

As of March 31, 2021, the aggregate amount of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is $40.32 billion, and the Partnership expects to recognize this amount as revenue within the time bands illustrated below:

	Years Ending December 31,				
	2021 (remainder)	2022	2023	Thereafter	Total
Revenue expected to be recognized on contracts with customers existing as of March 31, 2021	$ 4,673	$ 5,621	$ 5,094	$ 24,935	$ 40,323

13. DERIVATIVE ASSETS AND LIABILITIES

Commodity Price Risk

We are exposed to market risks related to the volatility of commodity prices. To manage the impact of volatility from these prices, we utilize various exchange-traded and OTC commodity financial instrument contracts. These contracts consist primarily of futures, swaps and options and are recorded at fair value in our consolidated balance sheets.

We use futures and basis swaps, designated as fair value hedges, to hedge our natural gas inventory stored in our Bammel storage facility. At hedge inception, we lock in a margin by purchasing gas in the spot market or off peak season and entering into a financial contract. Changes in the spreads between the forward natural gas prices and the physical inventory spot price result in unrealized gains or losses until the underlying physical gas is withdrawn and the related designated derivatives are settled. Once the gas is withdrawn and the designated derivatives are settled, the previously unrealized gains or losses associated with these positions are realized.

We use futures, swaps and options to hedge the sales price of natural gas we retain for fees in our intrastate transportation and storage segment and operational gas sales in our interstate transportation and storage segment. These contracts are not designated as hedges for accounting purposes.

We use NGL and crude derivative swap contracts to hedge forecasted sales of NGL and condensate equity volumes we retain for fees in our midstream segment whereby our subsidiaries generally gather and process natural gas on behalf of producers, sell the resulting residue gas and NGL volumes at market prices and remit to producers an agreed upon percentage of the proceeds based on an index price for the residue gas and NGL. These contracts are not designated as hedges for accounting purposes.

We utilize swaps, futures and other derivative instruments to mitigate the risk associated with market movements in the price of refined products and NGLs to manage our storage facilities and the purchase and sale of purity NGL. These contracts are not designated as hedges for accounting purposes.

We use futures and swaps to achieve ratable pricing of crude oil purchases, to convert certain expected refined product sales to fixed or floating prices, to lock in margins for certain refined products and to lock in the price of a portion of natural gas purchases or sales. These contracts are not designated as hedges for accounting purposes.

We use financial commodity derivatives to take advantage of market opportunities in our trading activities which complement our transportation and storage segment’s operations and are netted in cost of products sold in our consolidated statements of operations. We also have trading and marketing activities related to power and natural gas in our all other segment which are also netted in cost of products sold. As a result of our trading activities and the use of derivative financial instruments in our transportation and storage segment, the degree of earnings volatility that can occur may be

significant, favorably or unfavorably, from period to period. We attempt to manage this volatility through the use of daily position and profit and loss reports provided to our risk oversight committee, which includes members of senior management, and the limits and authorizations set forth in our commodity risk management policy.

The following table details our outstanding commodity-related derivatives:

	March 31, 2021		December 31, 2020	
	Notional Volume	Maturity	Notional Volume	Maturity
Mark-to-Market Derivatives				
(Trading)				
Natural Gas (BBtu):				
Basis Swaps IFERC/NYMEX [1]	21,125	2021-2022	(44,225)	2021-2022
Fixed Swaps/Futures	1,493	2021-2022	1,603	2021-2022
Power (Megawatt):				
Forwards	408,800	2021-2029	1,392,400	2021-2029
Futures	(32,918)	2021-2022	18,706	2021-2022
Options – Puts	174,398	2021-2022	519,071	2021
Options – Calls	(202,034)	2021-2022	2,343,293	2021
(Non-Trading)				
Natural Gas (BBtu):				
Basis Swaps IFERC/NYMEX	(25,610)	2021-2022	(29,173)	2021-2022
Swing Swaps IFERC	(13,573)	2021	11,208	2021
Fixed Swaps/Futures	(18,425)	2021-2022	(53,575)	2021-2022
Forward Physical Contracts	(15,338)	2022	(11,861)	2021
NGLs (MBbls) – Forwards/Swaps	(2,759)	2021-2022	(5,840)	2021-2022
Refined Products (MBbls) – Futures	(1,724)	2021-2023	(2,765)	2021
Crude (MBbls) – Forwards/Swaps	(3,592)	2021-2022	—	—
Fair Value Hedging Derivatives				
(Non-Trading)				
Natural Gas (BBtu):				
Basis Swaps IFERC/NYMEX	(14,068)	2021	(30,113)	2021
Fixed Swaps/Futures	(14,068)	2021	(30,113)	2021
Hedged Item – Inventory	14,068	2021	30,113	2021

[1] Includes aggregate amounts for open positions related to Houston Ship Channel, Waha Hub, NGPL TexOk, West Louisiana Zone and Henry Hub locations.

Interest Rate Risk

We are exposed to market risk for changes in interest rates. To maintain a cost effective capital structure, we borrow funds using a mix of fixed rate debt and variable rate debt. We also manage our interest rate exposure by utilizing interest rate swaps to achieve a desired mix of fixed and variable rate debt. We also utilize forward starting interest rate swaps to lock in the rate on a portion of our anticipated debt issuances.

The following table summarizes our interest rate swaps outstanding, none of which were designated as hedges for accounting purposes:

Term	Type[1]	Notional Amount Outstanding March 31, 2021	Notional Amount Outstanding December 31, 2020
July 2021[2]	Forward-starting to pay a fixed rate of 3.55% and receive a floating rate	$ 400	$ 400
July 2022[2]	Forward-starting to pay a fixed rate of 3.80% and receive a floating rate	400	400

(1) Floating rates are based on 3-month LIBOR.

(2) Represents the effective date. These forward-starting swaps have terms of 30 years with a mandatory termination date the same as the effective date.

Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a loss to the Partnership. Credit policies have been approved and implemented to govern the Partnership's portfolio of counterparties with the objective of mitigating credit losses. These policies establish guidelines, controls and limits to manage credit risk within approved tolerances by mandating an appropriate evaluation of the financial condition of existing and potential counterparties, monitoring agency credit ratings, and by implementing credit practices that limit exposure according to the risk profiles of the counterparties. Furthermore, the Partnership may, at times, require collateral under certain circumstances to mitigate credit risk as necessary. The Partnership also uses industry standard commercial agreements which allow for the netting of exposures associated with transactions executed under a single commercial agreement. Additionally, we utilize master netting agreements to offset credit exposure across multiple commercial agreements with a single counterparty or affiliated group of counterparties.

The Partnership's counterparties consist of a diverse portfolio of customers across the energy industry, including petrochemical companies, commercial and industrial end-users, oil and gas producers, municipalities, gas and electric utilities, midstream companies and independent power generators. Our overall exposure may be affected positively or negatively by macroeconomic or regulatory changes that impact our counterparties to one extent or another. Currently, management does not anticipate a material adverse effect in our financial position or results of operations as a consequence of counterparty non-performance.

The Partnership has maintenance margin deposits with certain counterparties in the OTC market, primarily with independent system operators and with clearing brokers. Payments on margin deposits are required when the value of a derivative exceeds our pre-established credit limit with the counterparty. Margin deposits are returned to us on or about the settlement date for non-exchange traded derivatives, and we exchange margin calls on a daily basis for exchange traded transactions. Since the margin calls are made daily with the exchange brokers, the fair value of the financial derivative instruments are deemed current and netted in deposits paid to vendors within other current assets in the consolidated balance sheets.

For financial instruments, failure of a counterparty to perform on a contract could result in our inability to realize amounts that have been recorded on our consolidated balance sheets and recognized in our statement of operations or statement of comprehensive income (loss).

Derivative Summary

The following table provides a summary of our derivative assets and liabilities:

	Fair Value of Derivative Instruments			
	Asset Derivatives		Liability Derivatives	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Derivatives designated as hedging instruments:				
Commodity derivatives (margin deposits)	$ 6	$ 25	$ (12)	$ (32)
	6	25	(12)	(32)
Derivatives not designated as hedging instruments:				
Commodity derivatives (margin deposits)	98	90	(164)	(166)
Commodity derivatives	162	53	(148)	(71)
Interest rate derivatives	—	—	(254)	(448)
	260	143	(566)	(685)
Total derivatives	$ 266	$ 168	$ (578)	$ (717)

The following table presents the fair value of our recognized derivative assets and liabilities on a gross basis and amounts offset on the consolidated balance sheets that are subject to enforceable master netting arrangements or similar arrangements:

		Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Derivatives without offsetting agreements	Derivative liabilities	$ —	$ —	$ (254)	$ (448)
Derivatives in offsetting agreements:					
OTC contracts	Derivative assets (liabilities)	162	53	(148)	(71)
Broker cleared derivative contracts	Other current assets (liabilities)	104	115	(176)	(198)
Total gross derivatives		266	168	(578)	(717)
Offsetting agreements:					
Counterparty netting	Derivative assets (liabilities)	(146)	(44)	146	44
Counterparty netting	Other current assets (liabilities)	(92)	(64)	92	64
Total net derivatives		$ 28	$ 60	$ (340)	$ (609)

We disclose the non-exchange traded financial derivative instruments as derivative assets and liabilities on our consolidated balance sheets at fair value with amounts classified as either current or long-term depending on the anticipated settlement date.

The following table summarizes the location and amounts recognized in our consolidated statements of operations with respect to our derivative financial instruments:

	Location	Amount of Gain (Loss) Recognized in Income on Derivatives	
		Three Months Ended March 31,	
		2021	2020
Derivatives not designated as hedging instruments:			
Commodity derivatives – Trading	Cost of products sold	$ 3	$ 5
Commodity derivatives – Non-trading	Cost of products sold	(42)	112
Interest rate derivatives	Gains (losses) on interest rate derivatives	194	(329)
Total		$ 155	$ (212)

14. RELATED PARTY TRANSACTIONS

The Partnership has related party transactions with several of its unconsolidated affiliates. In addition to commercial transactions, these transactions include the provision of certain management services and leases of certain assets.

The following table summarizes the revenues from related companies on our consolidated statements of operations:

	Three Months Ended March 31,	
	2021	2020
Revenues from related companies	$ 130	$ 133

The following table summarizes the accounts receivable from related companies on our consolidated balance sheets:

	March 31, 2021	December 31, 2020
Accounts receivable from related companies:		
FGT	$ 14	$ 12
Phillips 66	21	30
Various	55	37
Total accounts receivable from related companies	$ 90	$ 79

As of March 31, 2021 and December 31, 2020, accounts payable to related companies on our consolidated balance sheets totaled $23 million and $27 million, respectively.

15. REPORTABLE SEGMENTS

Our reportable segments, which conduct their business primarily in the United States, are as follows:

- intrastate transportation and storage;
- interstate transportation and storage;
- midstream;
- NGL and refined products transportation and services;
- crude oil transportation and services;
- investment in Sunoco LP;
- investment in USAC; and
- all other.

Consolidated revenues and expenses reflect the elimination of all material intercompany transactions.

Revenues from our intrastate transportation and storage segment are primarily reflected in natural gas sales and gathering, transportation and other fees. Revenues from our interstate transportation and storage segment are primarily reflected in gathering, transportation and other fees. Revenues from our midstream segment are primarily reflected in natural gas sales, NGL sales and gathering, transportation and other fees. Revenues from our NGL and refined products transportation and services segment are primarily reflected in NGL sales and gathering, transportation and other fees. Revenues from our crude oil transportation and services segment are primarily reflected in crude sales. Revenues from our investment in Sunoco LP segment are primarily reflected in refined product sales. Revenues from our investment in USAC segment are primarily reflected in gathering, transportation and other fees. Revenues from our all other segment are primarily reflected in natural gas sales and gathering, transportation and other fees.

We report Segment Adjusted EBITDA and consolidated Adjusted EBITDA as measures of segment performance. We define Segment Adjusted EBITDA and consolidated Adjusted EBITDA as total partnership earnings before interest, taxes, depreciation, depletion, amortization and other non-cash items, such as non-cash compensation expense, gains and losses on disposals of assets, the allowance for equity funds used during construction, unrealized gains and losses on commodity risk management activities, inventory valuation adjustments, non-cash impairment charges, losses on extinguishments of debt and other non-operating income or expense items. Inventory adjustments that are excluded from the calculation of Adjusted EBITDA represent only the changes in lower of cost or market reserves on inventory that is carried at LIFO. These amounts are unrealized valuation adjustments applied to Sunoco LP’s fuel volumes remaining in inventory at the end of the period.

Segment Adjusted EBITDA and consolidated Adjusted EBITDA reflect amounts for unconsolidated affiliates based on the same recognition and measurement methods used to record equity in earnings of unconsolidated affiliates. Adjusted EBITDA related to unconsolidated affiliates excludes the same items with respect to the unconsolidated affiliate as those excluded from the calculation of Segment Adjusted EBITDA and consolidated Adjusted EBITDA, such as interest, taxes, depreciation, depletion, amortization and other non-cash items. Although these amounts are excluded from Adjusted EBITDA related to unconsolidated affiliates, such exclusion should not be understood to imply that we have control over the operations and resulting revenues and expenses of such affiliates. We do not control our unconsolidated affiliates; therefore, we do not control the earnings or cash flows of such affiliates. The use of Segment Adjusted EBITDA or Adjusted EBITDA related to unconsolidated affiliates as an analytical tool should be limited accordingly.

The following tables present financial information by segment:

	Three Months Ended March 31,	
	2021	2020
Revenues:		
Intrastate transportation and storage:		
Revenues from external customers	$ 3,976	$ 536
Intersegment revenues	924	57
	4,900	593
Interstate transportation and storage:		
Revenues from external customers	501	459
Intersegment revenues	24	5
	525	464
Midstream:		
Revenues from external customers	578	501
Intersegment revenues	2,094	669
	2,672	1,170
NGL and refined products transportation and services:		
Revenues from external customers	3,397	2,118
Intersegment revenues	593	597
	3,990	2,715
Crude oil transportation and services:		
Revenues from external customers	3,500	4,213
Intersegment revenues	—	—
	3,500	4,213
Investment in Sunoco LP:		
Revenues from external customers	3,469	3,260
Intersegment revenues	2	12
	3,471	3,272
Investment in USAC:		
Revenues from external customers	155	176
Intersegment revenues	3	3
	158	179
All other:		
Revenues from external customers	1,419	364
Intersegment revenues	93	149
	1,512	513
Eliminations	(3,733)	(1,492)
Total revenues	$ 16,995	$ 11,627

	Three Months Ended March 31,	
	2021	2020
Segment Adjusted EBITDA:		
Intrastate transportation and storage	$ 2,813	$ 240
Interstate transportation and storage	453	404
Midstream	288	383
NGL and refined products transportation and services	647	663
Crude oil transportation and services	510	591
Investment in Sunoco LP	157	209
Investment in USAC	100	106
All other	72	39
Adjusted EBITDA (consolidated)	5,040	2,635
Depreciation, depletion and amortization	(954)	(867)
Interest expense, net of interest capitalized	(589)	(602)
Impairment losses	(3)	(1,325)
Gains (losses) on interest rate derivatives	194	(329)
Non-cash compensation expense	(28)	(22)
Unrealized gains on commodity risk management activities	46	51
Inventory valuation adjustments (Sunoco LP)	100	(227)
Losses on extinguishments of debt	(7)	(62)
Adjusted EBITDA related to unconsolidated affiliates	(123)	(154)
Equity in earnings (losses) of unconsolidated affiliates	55	(7)
Other, net	(15)	(27)
Income (loss) before income tax expense	3,716	(936)
Income tax expense	(75)	(28)
Net income (loss)	$ 3,641	$ (964)

	March 31, 2021	December 31, 2020
Segment assets:		
Intrastate transportation and storage	$ 7,461	$ 7,549
Interstate transportation and storage	17,974	17,730
Midstream	19,364	18,816
NGL and refined products transportation and services	21,614	21,578
Crude oil transportation and services	19,235	18,335
Investment in Sunoco LP	5,380	5,267
Investment in USAC	2,896	2,949
All other	2,294	2,920
Total segment assets	$ 96,218	$ 95,144

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Tabular dollar and unit amounts, except per unit data, are in millions)

The following is a discussion of our historical consolidated financial condition and results of operations, and should be read in conjunction with (i) our historical consolidated financial statements and accompanying notes thereto included elsewhere in this Quarterly Report on Form 10-Q; and (ii) the consolidated financial statements and management's discussion and analysis of financial condition and results of operations included in the Partnership's Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC on February 19, 2021. This discussion includes forward-looking statements that are subject to risk and uncertainties. Actual results may differ substantially from the statements we make in this section due to a number of factors that are discussed in "Part I – Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC on February 19, 2021. Additional information on forward-looking statements is discussed below in "Forward-Looking Statements."

Unless the context requires otherwise, references to "we," "us," "our," the "Partnership" and "ET" mean Energy Transfer LP and its consolidated subsidiaries.

RECENT DEVELOPMENTS

Winter Storm Impacts

Winter Storm Uri, which occurred in February 2021, resulted in one-time impacts to the Partnership's consolidated net income and Adjusted EBITDA and also affected the results of operations in certain segments, as discussed in "Results of Operations" below. The recognition of the impacts of Winter Storm Uri during the three months ended March 31, 2021 required management to make certain estimates and assumptions, including estimates of expected credit losses and assumptions related to the resolution of disputes with counterparties with respect to certain purchases and sales of natural gas. The ultimate realization of credit losses and the resolution of disputed purchases and sales of natural gas could materially impact the Partnership's financial condition and results of operations in future periods.

Enable Acquisition

On February 16, 2021, the Partnership entered into a definitive merger agreement to acquire Enable. Under the terms of the merger agreement, Enable's common unitholders will receive 0.8595 of an ET common unit in exchange for each Enable common unit. In addition, each outstanding Enable preferred unit will be exchanged for 0.0265 of a Series G Preferred Unit, and ET will make a $10 million cash payment for Enable's general partner. Pursuant to support agreements entered into in connection with the merger agreement, the two largest Enable unitholders have delivered their written consents to approve the merger. These unitholders collectively own 79% of Enable's outstanding common units, and those consents are therefore sufficient to approve the merger. The transaction is subject to the satisfaction of customary closing conditions, including Hart-Scott-Rodino Act ("HSR") clearance.

We anticipate that the Federal Trade Commission ("FTC") will issue requests for additional information and documentary material, commonly known as "second requests," which would extend the HSR waiting period until the 30th calendar day after the date that both parties substantially comply with the second requests. We continue to believe that the FTC will grant unconditional clearance of the transaction, and we remain fully committed to closing the Enable merger under the terms of the merger agreement. We expect to close the transaction in the second half of 2021.

Rollup Mergers

On April 1, 2021, ET, ETO and certain of ETO's subsidiaries consummated several internal reorganization transactions (the "Rollup Mergers"). In connection with the Rollup Mergers, Sunoco Logistics Operations and its general partner merged with and into ETO, with ETO surviving, and immediately thereafter, ETO merged with and into ET, with ET surviving. The impacts of the Rollup Mergers also included the following:

- All of ETO's long-term debt was assumed by ET, as more fully described in Note 7 to the consolidated financial statements in "Item 1. Financial Statements."
- Each issued and outstanding ETO preferred unit was converted into the right to receive one newly created ET preferred unit. A description of the ET Preferred Units is included in Note 9 to the consolidated financial statements in "Item 1. Financial Statements."
- Each of ETO's issued and outstanding Class K, Class L, Class M and Class N units, all of which were held by ETP Holdco Corporation, a wholly-owned subsidiary of ETO, were converted into an aggregate 675,625,000 newly created Class B Units representing limited partner interests in ET.

Quarterly Cash Distribution

In April 2021, ET announced its quarterly distribution of $0.1525 per unit ($0.61 annualized) on ET common units for the quarter ended March 31, 2021.

Regulatory Update

Interstate Natural Gas Transportation Regulation

Rate Regulation

Effective January 2018, the 2017 Tax Cuts and Jobs Act (the "Tax Act") changed several provisions of the federal tax code, including a reduction in the maximum corporate tax rate. On March 15, 2018, in a set of related proposals, the FERC addressed treatment of federal income tax allowances in regulated entity rates. The FERC issued a Revised Policy Statement on Treatment of Income Taxes ("Revised Policy Statement") stating that it will no longer permit master limited partnerships to recover an income tax allowance in their cost-of-service rates. The FERC issued the Revised Policy Statement in response to a remand from the United States Court of Appeals for the District of Columbia Circuit in United Airlines v. FERC, in which the court determined that the FERC had not justified its conclusion that a pipeline organized as a master limited partnership would not "double recover" its taxes under the current policy by both including an income-tax allowance in its cost of service and earning a return on equity calculated using the discounted cash flow methodology. On July 18, 2018, the FERC issued an order denying requests for rehearing and clarification of its Revised Policy Statement. In the rehearing order, the FERC clarified that a pipeline organized as a master limited partnership will not be precluded in a future proceeding from arguing and providing evidentiary support that it is entitled to an income tax allowance and demonstrating that its recovery of an income tax allowance does not result in a double-recovery of investors' income tax costs. On July 31, 2020, the United States Court of Appeals for the District of Columbia Circuit issued an opinion upholding the FERC's decision denying a separate master limited partnership recovery of an income tax allowance and its decision not to require the master limited partnership to refund accumulated deferred income tax balances. In light of the rehearing order's clarification regarding an individual entity's ability to argue in support of recovery of an income tax allowance and the court's subsequent opinion upholding denial of an income tax allowance to a master limited partnership, the impact of the FERC's policy on the treatment of income taxes on the rates we can charge for FERC-regulated transportation services is unknown at this time.

Even without application of the FERC's recent rate making-related policy statements and rulemakings, the FERC or our shippers may challenge the cost-of-service rates we charge. The FERC's establishment of a just and reasonable rate is based on many components, including ROE and tax-related components, although changes in these components may tend to decrease our cost-of-service rate, other components in the cost-of-service rate calculation may increase and result in a newly calculated cost-of-service rate that is less than, the same as, or greater than the prior cost-of-service rate. Moreover, we receive revenues from our pipelines based on a variety of rate structures, including cost-of-service rates, negotiated rates, discounted rates and market-based rates. Many of our interstate pipelines, such as ETC Tiger, Midcontinent Express and Fayetteville Express, have negotiated market rates that were agreed to by customers in connection with long-term contracts entered into to support the construction of the pipelines. Other systems, such as FGT, Transwestern and Panhandle, have a mix of tariff rate, discount rate, and negotiated rate agreements. The revenues we receive from natural gas transportation services we provide pursuant to cost-of-service based rates may decrease in the future as a result of the Revised Policy Statement, changes to ROE methodology, or other FERC policies, combined with the reduced corporate federal income tax rate established in the Tax Act. The extent of any revenue reduction related to our cost-of-service rates, if any, will depend on a detailed review of all of our cost-of-service components and the outcomes of any challenges to our rates by the FERC or our shippers.

On July 18, 2018, the FERC issued a final rule establishing procedures to evaluate rates charged by the FERC-jurisdictional gas pipelines in light of the Tax Act and the FERC's Revised Policy Statement. By order issued January 16, 2019, the FERC initiated a review of Panhandle's existing rates pursuant to Section 5 of the NGA to determine whether the rates currently charged by Panhandle are just and reasonable and set the matter for hearing. Panhandle filed a cost and revenue study on April 1, 2019 and an NGA Section 4 rate case on August 30, 2019. The Section 4 and Section 5 proceedings were consolidated by order of the Chief Judge on October 1, 2019. A hearing in the combined proceedings commenced on August 25, 2020 and adjourned on September 15, 2020. The initial decision by the administrative law judge was issued on March 26, 2021. On April 26, 2021, Panhandle filed its brief on exceptions to the initial decision.

Pipeline Certification

The FERC issued a Notice of Inquiry on April 19, 2018 ("Pipeline Certification NOI"), thereby initiating a review of its policies on certification of natural gas pipelines, including an examination of its long-standing Policy Statement on Certification of New Interstate Natural Gas Pipeline Facilities, issued in 1999, that is used to determine whether to grant certificates for new pipeline projects. We are unable to predict what, if any, changes may be proposed as a result of the Pipeline Certification NOI

that will affect our natural gas pipeline business or when such proposals, if any, might become effective. Comments in response to the Pipeline Certification NOI were due on or before July 25, 2018. We do not expect that any change in this policy would affect us in a materially different manner than any other natural gas pipeline company operating in the United States.

Interstate Common Carrier Regulation

The FERC utilizes an indexing rate methodology which, as currently in effect, allows common carriers to change their rates within prescribed ceiling levels that are tied to changes in the Producer Price Index for Finished Goods, or PPI-FG. Many existing pipelines utilize the FERC liquids index to change transportation rates annually. The indexing methodology is applicable to existing rates, with the exclusion of market-based rates. The FERC's indexing methodology is subject to review every five years. In a December 2020 order, FERC determined that during the five-year period commencing July 1, 2021 and ending June 30, 2026, common carriers charging indexed rates will be permitted to adjust their indexed ceilings annually by PPI-FG plus 0.78 percent. Requests for rehearing of the December 2020 order were filed on January 19, 2021, and remain pending before FERC. Accordingly, the FERC's final determination of the index rate coupled with the anticipated and subsequent appeals of the December 2020 order could adversely impact the final determination of the FERC approved index.

FERC has also implemented changes related to its treatment of federal income taxes. The change in treatment impacts two rate components. Those components are the allowance for income taxes and the amount for accumulated deferred income taxes. These changes will primarily impact any cost-of-service related filing and our revenues associated with any cost-based service could be adversely affected by future FERC or judicial rulings. However, we believe that these impacts, if any, will be minimal.

Results of Operations

We report Segment Adjusted EBITDA and consolidated Adjusted EBITDA as measures of segment performance. We define Segment Adjusted EBITDA and consolidated Adjusted EBITDA as total partnership earnings before interest, taxes, depreciation, depletion, amortization and other non-cash items, such as non-cash compensation expense, gains and losses on disposals of assets, the allowance for equity funds used during construction, unrealized gains and losses on commodity risk management activities, inventory valuation adjustments, non-cash impairment charges, losses on extinguishments of debt and other non-operating income or expense items. Inventory adjustments that are excluded from the calculation of Adjusted EBITDA represent only the changes in lower of cost or market reserves on inventory that is carried at LIFO. These amounts are unrealized valuation adjustments applied to Sunoco LP's fuel volumes remaining in inventory at the end of the period.

Segment Adjusted EBITDA and consolidated Adjusted EBITDA reflect amounts for unconsolidated affiliates based on the same recognition and measurement methods used to record equity in earnings of unconsolidated affiliates. Adjusted EBITDA related to unconsolidated affiliates excludes the same items with respect to the unconsolidated affiliate as those excluded from the calculation of Segment Adjusted EBITDA and consolidated Adjusted EBITDA, such as interest, taxes, depreciation, depletion, amortization and other non-cash items. Although these amounts are excluded from Adjusted EBITDA related to unconsolidated affiliates, such exclusion should not be understood to imply that we have control over the operations and resulting revenues and expenses of such affiliates. We do not control our unconsolidated affiliates; therefore, we do not control the earnings or cash flows of such affiliates. The use of Segment Adjusted EBITDA or Adjusted EBITDA related to unconsolidated affiliates as an analytical tool should be limited accordingly.

Segment Adjusted EBITDA, as reported for each segment in the table below, is analyzed for each segment in the section titled "Segment Operating Results." Adjusted EBITDA is a non-GAAP measure used by industry analysts, investors, lenders and rating agencies to assess the financial performance and the operating results of the Partnership's fundamental business activities and should not be considered in isolation or as a substitution for net income, income from operations, cash flows from operating activities or other GAAP measures.

Consolidated Results

	Three Months Ended March 31,		
	2021	2020	Change
Segment Adjusted EBITDA:			
Intrastate transportation and storage	$ 2,813	$ 240	$ 2,573
Interstate transportation and storage	453	404	49
Midstream	288	383	(95)
NGL and refined products transportation and services	647	663	(16)
Crude oil transportation and services	510	591	(81)
Investment in Sunoco LP	157	209	(52)
Investment in USAC	100	106	(6)
All other	72	39	33
Adjusted EBITDA (consolidated)	5,040	2,635	2,405
Depreciation, depletion and amortization	(954)	(867)	(87)
Interest expense, net of interest capitalized	(589)	(602)	13
Impairment losses	(3)	(1,325)	1,322
Gains (losses) on interest rate derivatives	194	(329)	523
Non-cash compensation expense	(28)	(22)	(6)
Unrealized gains on commodity risk management activities	46	51	(5)
Inventory valuation adjustments (Sunoco LP)	100	(227)	327
Losses on extinguishments of debt	(7)	(62)	55
Adjusted EBITDA related to unconsolidated affiliates	(123)	(154)	31
Equity in earnings (losses) of unconsolidated affiliates	55	(7)	62
Other, net	(15)	(27)	12
Income (loss) before income tax expense	3,716	(936)	4,652
Income tax expense	(75)	(28)	(47)
Net income (loss)	$ 3,641	$ (964)	$ 4,605

Adjusted EBITDA (consolidated). For the three months ended March 31, 2021 compared to the same period last year, Adjusted EBITDA increased 91%, primarily due to the impacts of Winter Storm Uri in February 2021. The most significant impacts from the storm were recognized in our intrastate transportation and storage segment, where realized storage margin increased by $1.52 billion compared to the prior period as a result of withdrawals during the storm, realized natural gas sales increased $983 million primarily due to sales during the storm, and retained fuel revenues increased $84 million primarily due to unprecedented natural gas prices during the storm. Additional information on changes impacting Adjusted EBITDA, including other impacts from Winter Storm Uri and other non-storm-related factors, is available below in “Segment Operating Results.”

Depreciation, Depletion and Amortization. Depreciation, depletion and amortization increased for the three months ended March 31, 2021 compared to the same period last year primarily due to the incremental depreciation related to assets recently placed in service.

Interest expense, net. Interest expense, net of interest capitalized decreased for the three months ended March 31, 2021 compared to the same periods last year primarily due to the following:

- a decrease of $10 million for the Partnership primarily due to lower average debt balance and borrowing costs on recently refinanced and floating rate debt, partially offset by lower interest capitalized; and
- a decrease of $3 million for Sunoco LP primarily attributable to a slight decrease in average total long-term debt and decrease in the weighted average interest rate on long-term debt for the respective periods.

Impairment Losses. During the three months ended March 31, 2021, USAC recognized an impairment of $3 million related to its compression equipment as a result of its evaluations of the future deployment of its idle fleet under current market conditions. During the three months ended March 31, 2020, the Partnership performed an interim impairment test on certain reporting units within its midstream, interstate, crude, NGL and all other operations. As a result of the interim impairment test, the Partnership recognized goodwill impairments totaling of $706 million due to decreases in projected future cash flows as a

result of overall market demand decline. In addition, USAC recognized a goodwill impairment of $619 million based on changes in market condition.

Gains (Losses) on Interest Rate Derivatives. Gains and losses on interest rate derivatives during the three months ended March 31, 2021 resulted from changes in forward interest rates, which caused our forward-starting swaps to change in value.

Unrealized Gains (Losses) on Commodity Risk Management Activities. See additional information on the unrealized gains (losses) on commodity risk management activities included in "Segment Operating Results" below.

Losses on Extinguishments of Debt. During the three months ended March 31, 2021, amounts were related to Sunoco LP's January 2021 repurchase of the remainder of its 2023 senior notes. During the three months ended March 31, 2020, amounts were related to ETO's senior notes redemption in January 2020.

Inventory Valuation Adjustments. Inventory valuation adjustments represent changes in lower of cost or market using the last-in, first-out method on Sunoco LP's inventory. These amounts are unrealized valuation adjustments applied to fuel volumes remaining in inventory at the end of the period. For the three months ended March 31, 2021, an increase in fuel prices reduced lower of cost or market reserve requirements for the period by $100 million. For the three months ended March 31, 2020, a decline in fuel prices increased lower of cost or market reserve requirements for the period by $227 million.

Adjusted EBITDA Related to Unconsolidated Affiliates and Equity in Earnings of Unconsolidated Affiliates. See additional information in "Supplemental Information on Unconsolidated Affiliates" and "Segment Operating Results" below.

Other, net. Other, net primarily includes the amortization of regulatory assets and other income and expense amounts.

Income Tax Expense. For the three months ended March 31, 2021 compared to the same period in the prior year, income tax expense increased due to higher earnings from the Partnership's consolidated corporate subsidiaries in the current period.

Supplemental Information on Unconsolidated Affiliates

The following table presents financial information related to unconsolidated affiliates:

	Three Months Ended March 31,		
	2021	2020[1]	Change
Equity in earnings (losses) of unconsolidated affiliates:			
Citrus	$ 37	$ 35	$ 2
FEP	—	(70)	70
MEP	(3)	—	(3)
White Cliffs	—	8	(8)
Other	21	20	1
Total equity in earnings (losses) of unconsolidated affiliates	$ 55	$ (7)	$ 62
Adjusted EBITDA related to unconsolidated affiliates[2]:			
Citrus	$ 79	$ 79	$ —
FEP	—	19	(19)
MEP	5	8	(3)
White Cliffs	5	14	(9)
Other	34	34	—
Total Adjusted EBITDA related to unconsolidated affiliates	$ 123	$ 154	$ (31)
Distributions received from unconsolidated affiliates:			
Citrus	$ 56	$ 49	$ 7
FEP	4	18	(14)
MEP	4	11	(7)
White Cliffs	15	13	2
Other	21	19	2
Total distributions received from unconsolidated affiliates	$ 100	$ 110	$ (10)

(1) For the three months ended March 31, 2020, equity in earnings (losses) of unconsolidated affiliates includes the impact of non-cash impairments recorded by FEP, which reduced the Partnership's equity in earnings by $85 million.

(2) These amounts represent our proportionate share of the Adjusted EBITDA of our unconsolidated affiliates and are based on our equity in earnings or losses of our unconsolidated affiliates adjusted for our proportionate share of the unconsolidated affiliates' interest, depreciation, depletion, amortization, non-cash items and taxes.

Segment Operating Results

We evaluate segment performance based on Segment Adjusted EBITDA, which we believe is an important performance measure of the core profitability of our operations. This measure represents the basis of our internal financial reporting and is one of the performance measures used by senior management in deciding how to allocate capital resources among business segments.

The tables below identify the components of Segment Adjusted EBITDA, which is calculated as follows:

- *Segment margin*, *operating expenses*, and *selling, general and administrative expenses*. These amounts represent the amounts included in our consolidated financial statements that are attributable to each segment.
- *Unrealized gains or losses on commodity risk management activities and inventory valuation adjustments*. These are the unrealized amounts that are included in cost of products sold to calculate segment margin. These amounts are not included in Segment Adjusted EBITDA; therefore, the unrealized losses are added back and the unrealized gains are subtracted to calculate the segment measure.
- *Non-cash compensation expense*. These amounts represent the total non-cash compensation recorded in operating expenses and selling, general and administrative expenses. This expense is not included in Segment Adjusted EBITDA and therefore is added back to calculate the segment measure.

- *Adjusted EBITDA related to unconsolidated affiliates*. Adjusted EBITDA related to unconsolidated affiliates excludes the same items with respect to the unconsolidated affiliate as those excluded from the calculation of Segment Adjusted EBITDA, such as interest, taxes, depreciation, depletion, amortization and other non-cash items. Although these amounts are excluded from Adjusted EBITDA related to unconsolidated affiliates, such exclusion should not be understood to imply that we have control over the operations and resulting revenues and expenses of such affiliates. We do not control our unconsolidated affiliates; therefore, we do not control the earnings or cash flows of such affiliates.

In the following analysis of segment operating results, a measure of segment margin is reported for segments with sales revenues. Segment margin is a non-GAAP financial measure and is presented herein to assist in the analysis of segment operating results and particularly to facilitate an understanding of the impacts that changes in sales revenues have on the segment performance measure of Segment Adjusted EBITDA. Segment margin is similar to the GAAP measure of gross margin, except that segment margin excludes charges for depreciation, depletion and amortization. Among the GAAP measures reported by the Partnership, the most directly comparable measure to segment margin is Segment Adjusted EBITDA; a reconciliation of segment margin to Segment Adjusted EBITDA is included in the following tables for each segment where segment margin is presented.

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

Winter Storm Uri, which occurred in February 2021, resulted in one-time impacts to the Partnership's Adjusted EBITDA and also affected the results of operations in certain segments, as discussed in segment analysis below. The recognition of the impacts of Winter Storm Uri during the three months ended March 31, 2021 required management to make certain estimates and assumptions, including estimates of expected credit losses and assumptions related to the resolution of disputes with counterparties with respect to certain purchases and sales of natural gas. The ultimate realization of credit losses and the resolution of disputed purchases and sales of natural gas could materially impact the Partnership's financial condition and results of operations in future periods.

Intrastate Transportation and Storage

	Three Months Ended March 31,		
	2021	2020	Change
Natural gas transported (BBtu/d)	11,851	13,135	(1,284)
Withdrawals from storage natural gas inventory (BBtu)	19,045	6,975	12,070
Revenues	$ 4,900	$ 593	$ 4,307
Cost of products sold	1,994	303	1,691
Segment margin	2,906	290	2,616
Unrealized gains on commodity risk management activities	(12)	(6)	(6)
Operating expenses, excluding non-cash compensation expense	(80)	(41)	(39)
Selling, general and administrative expenses, excluding non-cash compensation expense	(8)	(9)	1
Adjusted EBITDA related to unconsolidated affiliates	6	6	—
Other	1	—	1
Segment Adjusted EBITDA	$ 2,813	$ 240	$ 2,573

Volumes. For the three months ended March 31, 2021 compared to the same period last year, transported volumes decreased primarily due to the bankruptcy filing of a transportation customer, a contract step-down, and impacts of Winter Storm Uri.

Segment Margin. The components of our intrastate transportation and storage segment margin were as follows:

	Three Months Ended March 31,		
	2021	2020	Change
Transportation fees	$ 180	$ 161	$ 19
Natural gas sales and other (excluding unrealized gains and losses)	1,071	88	983
Retained fuel revenues (excluding unrealized gains and losses)	93	9	84
Storage margin (excluding unrealized gains and losses and fair value inventory adjustments)	1,550	26	1,524
Unrealized gains on commodity risk management activities and fair value inventory adjustments	12	6	6
Total segment margin	$ 2,906	$ 290	$ 2,616

Segment Adjusted EBITDA. For the three months ended March 31, 2021 compared to the same period last year, Segment Adjusted EBITDA related to our intrastate transportation segment increased due to the net effects of the following:

- an increase of $1.52 billion in realized storage margin due to higher physical storage margin from withdrawals during Winter Storm Uri;
- an increase of $983 million in realized natural gas sales and other primarily due to natural gas sales at prevailing market prices during Winter Storm Uri;
- an increase of $84 million in retained fuel revenues primarily due to natural gas prices during Winter Storm Uri; and
- an increase of $19 million in transportation fees due to demand volume ramp-ups from the Permian and fees related to Winter Storm Uri, partially offset by the expiration of certain contracts on our Regency Intrastate Gas System; partially offset by
- an increase of $39 million in operating expenses primarily due to a $29 million increase in the cost of fuel consumption during Winter Storm Uri and a $9 million increase in electricity costs.

Interstate Transportation and Storage

	Three Months Ended March 31,		
	2021	2020	Change
Natural gas transported (BBtu/d)	9,654	10,630	(976)
Natural gas sold (BBtu/d)	21	15	6
Revenues	$ 525	$ 464	$ 61
Operating expenses, excluding non-cash compensation, amortization and accretion expenses	(134)	(143)	9
Selling, general and administrative expenses, excluding non-cash compensation, amortization and accretion expenses	(21)	(21)	—
Adjusted EBITDA related to unconsolidated affiliates	85	106	(21)
Other	(2)	(2)	—
Segment Adjusted EBITDA	$ 453	$ 404	$ 49

Volumes. For the three months ended March 31, 2021 compared to the same period last year, transported volumes decreased primarily due to foundation shipper contract expirations and a shipper bankruptcy on our ETC Tiger system, maintenance of third-party facilities, and lower crude production resulting in lower associated gas production.

Segment Adjusted EBITDA. For the three months ended March 31, 2021 compared to the same period last year, Segment Adjusted EBITDA related to our interstate transportation and storage segment increased due to the net impacts of the following:

- an increase of $61 million in revenues primarily due to an $88 million increase in operational gas sales and a $6 million increase in reservation revenues from higher contracted volumes and increased short-term firm contracts. These increases were partially offset by a $31 million decrease due to contract expirations and a shipper bankruptcy during 2020 on our ETC Tiger system; and

- a decrease of $9 million in operating expenses primarily due to a $5 million decrease in employee costs, a $2 million decrease in maintenance expenses and a $2 million decrease in ad valorem tax expense; partially offset by
- a decrease of $21 million in Adjusted EBITDA related to unconsolidated affiliates primarily due to a $19 million decrease from our Fayetteville Express Pipeline joint venture as a result of the expiration of foundation shipper contracts and a $3 million decrease from our Midcontinent Express Pipeline joint venture as a result of less capacity sold and lower rates received following the expiration of foundation shipper contracts, partially offset by a $1 million increase from our Citrus joint venture resulting from higher revenues.

Midstream

	Three Months Ended March 31,		
	2021	2020	Change
Gathered volumes (BBtu/d)	12,024	13,346	(1,322)
NGLs produced (MBbls/d)	534	610	(76)
Equity NGLs (MBbls/d)	30	36	(6)
Revenues	$ 2,672	$ 1,170	$ 1,502
Cost of products sold	2,202	575	1,627
Segment margin	470	595	(125)
Operating expenses, excluding non-cash compensation expense	(164)	(193)	29
Selling, general and administrative expenses, excluding non-cash compensation expense	(25)	(26)	1
Adjusted EBITDA related to unconsolidated affiliates	7	7	—
Segment Adjusted EBITDA	$ 288	$ 383	$ (95)

Volumes. Gathered volumes and NGL production decreased during the three months ended March 31, 2021 compared to the same period last year primarily due to basin declines and Winter Storm Uri in the South Texas, Mid-Continent/Panhandle, Permian and North Texas regions partially offset by volume growth in the Ark-La-Tex region.

Segment Margin. The components of our midstream segment gross margin were as follows:

	Three Months Ended March 31,		
	2021	2020	Change
Gathering and processing fee-based revenues	$ 498	$ 530	$ (32)
Non-fee-based contracts and processing	(28)	65	(93)
Total segment margin	$ 470	$ 595	$ (125)

Segment Adjusted EBITDA. For the three months ended March 31, 2021 compared to the same period last year, Segment Adjusted EBITDA related to our midstream segment decreased due to the net impacts of the following:

- a decrease of $145 million in non-fee-based margin due to the impacts of Winter Storm Uri; and
- a decrease of $32 million in fee-based margin due to lower volumes primarily in the South Texas Region as a result of basin declines and Winter Storm Uri; partially offset by
- an increase of $52 million in non-fee-based margin due to favorable natural gas prices of $26 million and NGL prices of $26 million;
- a decrease of $29 million in operating expenses due to cost-saving initiatives, including a decrease of $19 million in outside services, $7 million in materials and $3 million in ad valorem taxes; and
- a decrease of $1 million in selling, general and administrative expenses due to a decrease in overhead costs resulting from corporate cost reductions.

NGL and Refined Products Transportation and Services

	Three Months Ended March 31,		
	2021	2020	Change
NGL transportation volumes (MBbls/d)	1,502	1,398	104
Refined products transportation volumes (MBbls/d)	462	542	(80)
NGL and refined products terminal volumes (MBbls/d)	1,042	847	195
NGL fractionation volumes (MBbls/d)	726	804	(78)
Revenues	$ 3,990	$ 2,715	$ 1,275
Cost of products sold	3,141	1,836	1,305
Segment margin	849	879	(30)
Unrealized gains on commodity risk management activities	(23)	(55)	32
Operating expenses, excluding non-cash compensation expense	(172)	(159)	(13)
Selling, general and administrative expenses, excluding non-cash compensation expense	(28)	(25)	(3)
Adjusted EBITDA related to unconsolidated affiliates	21	23	(2)
Segment Adjusted EBITDA	$ 647	$ 663	$ (16)

Volumes. For the three months ended March 31, 2021 compared to the same period last year, NGL transportation volumes increased primarily due to the initiation of service on our propane and ethane export pipelines into our Nederland Terminal.

Refined products transportation volumes decreased for the three months ended March 31, 2021 compared to the same periods last year due to less domestic demand for jet fuel and other refined products, as well as COVID-19 related demand reductions.

NGL and refined products terminal volumes increased for the three months ended March 31, 2021 compared to the same periods last year primarily due to higher volumes from our Mariner East system. In addition, loaded vessels at our Nederland Terminal increased due to the additional supply from the initiation of service on our propane and ethane export pipelines in the fourth quarter of 2020. These increases were partially offset by lower domestic demand for jet fuel and other refined products at our refined product terminals due primarily to COVID-19 related demand reductions.

Average fractionated volumes at our Mont Belvieu, Texas fractionation facility decreased for the three months ended March 31, 2021 compared to the same period last year primarily due to lower NGL volumes feeding our Mont Belvieu fractionation facility as a result of production interruptions, primarily in the Permian region, due to Winter Storm Uri during the first quarter of 2021.

Segment Margin. The components of our NGL and refined products transportation and services segment margin were as follows:

	Three Months Ended March 31,		
	2021	2020	Change
Transportation margin	$ 492	$ 476	$ 16
Fractionators and refinery services margin	145	179	(34)
Terminal services margin	141	151	(10)
Storage margin	67	63	4
Marketing margin	(19)	(45)	26
Unrealized gains on commodity risk management activities	23	55	(32)
Total segment margin	$ 849	$ 879	$ (30)

Segment Adjusted EBITDA. For the three months ended March 31, 2021 compared to the same period last year, Segment Adjusted EBITDA related to our NGL and refined products transportation and services segment decreased due to the net impacts of the following:

- a decrease of $34 million in fractionators and refinery services margin primarily due to a $28 million decrease resulting from downtime on our various fractionators due to the previously mentioned weather-driven and COVID-19 related volume reductions in the first quarter of 2021 and a $17 million decrease relating to a cavern withdrawal in the first quarter

of 2021, the impact of which was partially offset in our transportation margin. These decreases were partially offset by an $8 million increase due to a more favorable pricing environment impacting our refinery services business;

- an increase of $13 million in operating expenses primarily due to a $14 million increase in power costs; and
- a decrease of $10 million in terminal services margin primarily due to a $32 million decrease resulting from an expiration of a third-party contract at our Nederland Terminal in the second quarter of 2020. This decrease was partially offset by increases of $13 million in loading fees due to higher LPG export volumes at our Nederland Terminal, $7 million due to the startup of our ethane export facilities at our Nederland Terminal in the first quarter of 2021, and $1 million due to higher throughput at our Marcus Hook Terminal; partially offset by
- an increase of $26 million in marketing margin primarily due to a $45 million increase resulting from higher optimization gains and from the sale of NGL component products at our Mont Belvieu facility, a $14 million increase from our optimization and blending operations from our northeast NGL and refined products marketing operations, and a $7 million increase due to inventory write-downs taken on various products during 2020 as a result of market price declines. These increases were partially offset by intrasegment charges of $24 million in the first quarter of 2021 which were fully offset within our transportation margin, as well as a $15 million decrease in butane blending margin due to less favorable prices; and
- an increase of $16 million in transportation margin primarily due to intrasegment revenues of $24 million in the first quarter of 2021, which are fully offset by a charge reflected in our marketing margin, a $20 million increase due to higher export volumes feeding into our Nederland Terminal resulting from the initiation of service on our propane and ethane export pipelines in the fourth quarter of 2020, a $19 million increase from higher throughput on our Mariner East pipeline system and an $11 million gain relating to a cavern withdrawal in the first quarter of 2021 that is partially offset on our fractionators margin. These increases were partially offset by a $58 million decrease resulting from lower throughput across the various regions in Texas due to Winter Storm Uri related production outages.

Crude Oil Transportation and Services

	Three Months Ended March 31,		
	2021	2020	Change
Crude transportation volumes (MBbls/d)	3,491	4,424	(933)
Crude terminals volumes (MBbls/d)	2,327	2,996	(669)
Revenues	$ 3,500	$ 4,213	$ (713)
Cost of products sold	2,838	3,458	(620)
Segment margin	662	755	(93)
Unrealized (gains) losses on commodity risk management activities	(5)	10	(15)
Operating expenses, excluding non-cash compensation expense	(122)	(158)	36
Selling, general and administrative expenses, excluding non-cash compensation expense	(30)	(28)	(2)
Adjusted EBITDA related to unconsolidated affiliates	5	12	(7)
Segment Adjusted EBITDA	$ 510	$ 591	$ (81)

Volumes. For the three months ended March 31, 2021 compared to the same period last year, crude transportation volumes were lower on our Texas pipeline system and Bakken pipeline, driven by COVID-19 related demand reductions impacting both regions, as well as lower crude oil production along our Texas systems due to Winter Storm Uri during the first quarter of 2021. These volume reductions also resulted in lower terminal volumes compared to the prior period.

Segment Adjusted EBITDA. For the three months ended March 31, 2021 compared to the same period last year, Segment Adjusted EBITDA related to our crude oil transportation and services segment decreased due to the net impacts of the following:

- a decrease of $108 million in segment margin (excluding unrealized gains and losses on commodity risk management activities) primarily due to a $111 million decrease from our Texas crude pipeline system due to lower volumes transported and lower average tariff rates realized, a $55 million decrease due to lower volumes on our Bakken Pipeline resulting from lower Bakken crude oil production, a $26 million decrease in crude terminal margin primarily driven by lower Permian and Bakken pipeline volumes, reduced Gulf Coast refinery utilization from adverse weather, and decreased export demand, a $5 million decrease due to lower volumes on our Bayou Bridge pipeline, and a $3 million decrease in Mid-Continent gathering volumes due to lower production. These decreases were partially offset by a $92 million increase (excluding a

net change of $15 million in unrealized gains and losses on commodity risk management activities) from our crude oil acquisition and marketing business primarily due to losses realized in the first quarter of 2020 on the write down of crude inventory due to significant market price declines;

- an increase of $2 million in selling, general and administrative expenses primarily due to higher insurance premiums and allocated overhead costs; and
- a decrease of $7 million in Adjusted EBITDA related to unconsolidated affiliates due to lower volumes on White Cliffs Pipeline due to lower crude oil production in the DJ basin, partly offset by higher margin from jet fuel sales by our joint ventures, partially offset by
- a decrease of $36 million in operating expenses primarily due to lower volume-driven expenses and corporate cost reduction initiatives.

Investment in Sunoco LP

	Three Months Ended March 31,		
	2021	2020	Change
Revenues	$ 3,471	$ 3,272	$ 199
Cost of products sold	3,120	3,164	(44)
Segment margin	351	108	243
Unrealized (gains) losses on commodity risk management activities	(5)	6	(11)
Operating expenses, excluding non-cash compensation expense	(76)	(109)	33
Selling, general and administrative expenses, excluding non-cash compensation expense	(20)	(30)	10
Adjusted EBITDA related to unconsolidated affiliates	2	2	—
Inventory valuation adjustments	(100)	227	(327)
Other	5	5	—
Segment Adjusted EBITDA	$ 157	$ 209	$ (52)

The Investment in Sunoco LP segment reflects the consolidated results of Sunoco LP.

Segment Adjusted EBITDA. For the three months ended March 31, 2021 compared to the same period last year, Segment Adjusted EBITDA related to our investment in Sunoco LP segment decreased due to the net impacts of the following:

- a decrease in the gross profit on motor fuel sales of $78 million primarily due to a 20.7% decrease in gross profit per gallon sold and a 7.5% decrease in gallons sold; and
- a decrease in non-motor fuel sales and lease gross profit of $17 million primarily due to reduced credit card transactions; partially offset by
- a decrease in operating expenses and selling, general and administrative expenses of $43 million primarily due to lower expected credit losses, employee costs, professional fees, credit card processing fees, insurance and maintenance.

Investment in USAC

	Three Months Ended March 31,		
	2021	2020	Change
Revenues	$ 158	$ 179	$ (21)
Cost of products sold	21	24	(3)
Segment margin	137	155	(18)
Operating expenses, excluding non-cash compensation expense	(28)	(35)	7
Selling, general and administrative expenses, excluding non-cash compensation expense	(9)	(14)	5
Segment Adjusted EBITDA	$ 100	$ 106	$ (6)

The Investment in USAC segment reflects the consolidated results of USAC.

Segment Adjusted EBITDA. For the three months ended March 31, 2021 compared to the same period last year, Segment Adjusted EBITDA related to our investment in USAC segment decreased due to the net impacts of the following:

- a decrease of $18 million in segment margin primarily due to a decrease in demand for compression services driven by decreased U.S. crude oil and natural gas activity compared to the prior period, partially offset by
- a decrease of $7 million in operating expenses is primarily driven by the decrease in average revenue generating horsepower and reduced headcount in the current period; and
- a decrease of $5 million in selling, general and administrative expenses primarily due to changes in the allowance for expected credit losses and lower employee-related expenses.

All Other

	Three Months Ended March 31,		
	2021	2020	Change
Revenues	$ 1,512	513	$ 999
Cost of products sold	1,342	415	927
Segment margin	170	98	72
Unrealized gains on commodity risk management activities	(1)	(5)	4
Operating expenses, excluding non-cash compensation expense	(51)	(38)	(13)
Selling, general and administrative expenses, excluding non-cash compensation expense	(39)	(35)	(4)
Adjusted EBITDA related to unconsolidated affiliates	(1)	—	(1)
Other and eliminations	(6)	19	(25)
Segment Adjusted EBITDA	$ 72	$ 39	$ 33

Amounts reflected in our all other segment primarily include:

- our natural gas marketing operations;
- our wholly-owned natural gas compression operations;
- our investment in coal handling facilities; and
- our Canadian operations, which include natural gas gathering and processing assets.

Segment Adjusted EBITDA. For the three months ended March 31, 2021 compared to the same period last year, Segment Adjusted EBITDA related to our all other segment increased due to the net impacts of the following:

- an increase of $52 million from power trading activities primarily due to short-term, favorable market conditions created by Winter Storm Uri in February 2021;
- an increase of $17 million primarily due to revenues earned under the Electric Reliability Council of Texas (“ERCOT”) responsive reserve program during the Winter Storm Uri, and
- an increase of $5 million primarily due to increased gains from sales of storage natural gas; partially offset by
- a decrease of $22 million primarily due to insurance proceeds received in the prior period on settled claims related to our MTBE litigation; and
- a decrease of $10 million due to higher utility expense related to freezing temperatures.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our ability to satisfy obligations and pay distributions to unitholders will depend on our future performance, which will be subject to prevailing economic, financial, business and weather conditions, and other factors, many of which are beyond management’s control.

We currently expect capital expenditures in 2021 to be within the following ranges (excluding capital expenditures related to our investments in Sunoco LP and USAC):

	Growth		Maintenance	
	Low	High	Low	High
Intrastate transportation and storage	$ 15	$ 20	$ 30	$ 35
Interstate transportation and storage [1]	50	75	120	125
Midstream	425	450	110	115
NGL and refined products transportation and services	650	750	110	120
Crude oil transportation and services [1]	325	350	90	100
All other (including eliminations)	75	100	55	60
Total capital expenditures	$ 1,540	$ 1,745	$ 515	$ 555

[1] Includes capital expenditures related to our proportionate ownership of the Bakken, Rover and Bayou Bridge pipeline projects and our proportionate ownership of the Orbit Gulf Coast NGL export project.

The assets used in our natural gas and liquids operations, including pipelines, gathering systems and related facilities, are generally long-lived assets and do not require significant maintenance capital expenditures. Accordingly, we do not have any significant financial commitments for maintenance capital expenditures in our businesses. From time to time we experience increases in pipe costs due to a number of reasons, including but not limited to, delays from steel mills, limited selection of mills capable of producing large diameter pipe timely, higher steel prices and other factors beyond our control. However, we have included these factors in our anticipated growth capital expenditures for each year.

We generally fund maintenance capital expenditures and distributions with cash flows from operating activities. We generally expect to fund growth capital expenditures with proceeds of borrowings under our credit facilities, along with cash from operations.

Sunoco LP currently expects to invest approximately $150 million in growth capital expenditures and approximately $45 million on maintenance capital expenditures for the full year 2021.

USAC currently plans to spend approximately $22 million in maintenance capital expenditures and currently has budgeted between $30 million and $40 million in expansion capital expenditures for the full year 2021.

Cash Flows

Our cash flows may change in the future due to a number of factors, some of which we cannot control. These include regulatory changes, the price for our and services, the demand for such products and services, margin requirements resulting from significant changes in commodity prices, operational risks, the successful integration of our acquisitions and other factors.

Operating Activities

Changes in cash flows from operating activities between periods primarily result from changes in earnings (as discussed in “Results of Operations” above), excluding the impacts of non-cash items and changes in operating assets and liabilities. Non-cash items include recurring non-cash expenses, such as depreciation, depletion and amortization expense and non-cash compensation expense. The increase in depreciation, depletion and amortization expense during the periods presented primarily resulted from construction and acquisition of assets, while changes in non-cash compensation expense resulted from changes in the number of units granted and changes in the grant date fair value estimated for such grants. Cash flows from operating activities also differ from earnings as a result of non-cash charges that may not be recurring, such as impairment charges and allowance for equity funds used during construction. The allowance for equity funds used during construction increases in periods when we have a significant amount of interstate pipeline construction in progress. Changes in operating assets and liabilities between periods result from factors such as the changes in the value of price risk management assets and liabilities, the timing of accounts receivable collection, the timing of payments on accounts payable, the timing of purchase and sales of inventories and the timing of advances and deposits received from customers.

Three months ended March 31, 2021 compared to three months ended March 31, 2020. Cash provided by operating activities during 2021 was $5.16 billion compared to $1.83 billion for 2020, and net income was $3.64 billion for 2021 and net loss was $964 million for 2020. The difference between net income and net cash provided by operating activities for the three months ended March 31, 2021 primarily consisted of net changes in operating assets and liabilities (net of effects of acquisitions) of $533 million and other non-cash items totaling $942 million.

The non-cash activity in 2021 and 2020 consisted primarily of depreciation, depletion and amortization of $954 million and $867 million, respectively, non-cash compensation expense of $28 million and $22 million, respectively, inventory valuation adjustments of $100 million and $227 million, respectively, and deferred income taxes of $66 million and $42 million, respectively. Non-cash activity also included losses on extinguishments of debt in 2021 and 2020 of $7 million and $62 million, respectively, and impairment losses of $3 million and $1.33 billion in 2021 and 2020, respectively.

Net income (loss) includes equity in earnings of unconsolidated affiliates of $55 million in 2021 and equity in losses of unconsolidated affiliates of $7 million in 2020, and cash provided by operating activities includes cash distributions received from unconsolidated affiliates that are deemed to be paid from cumulative earnings, which distributions were $45 million in 2021 and $58 million in 2020.

Cash paid for interest, net of interest capitalized, was $562 million and $535 million for the three months ended March 31, 2021 and 2020, respectively. Interest capitalized was $27 million and $38 million for the three months ended March 31, 2021 and 2020, respectively.

Investing Activities

Cash flows from investing activities primarily consist of cash amounts paid for acquisitions, capital expenditures, cash contributions to our joint ventures, and cash proceeds from sales or contributions of assets or businesses. In addition, distributions from equity investees are included in cash flows from investing activities if the distributions are deemed to be a return of the Partnership's investment. Changes in capital expenditures between periods primarily result from increases or decreases in our growth capital expenditures to fund our construction and expansion projects.

Three months ended March 31, 2021 compared to three months ended March 31, 2020. Cash used in investing activities during 2021 was $635 million compared to $1.56 billion for 2020. Total capital expenditures (excluding the allowance for equity funds used during construction and net of contributions in aid of construction costs) for 2021 were $695 million compared to $1.60 billion for 2020. Additional detail related to our capital expenditures is provided in the table below.

The following is a summary of capital expenditures (including only our proportionate share of the Bakken, Rover and Bayou Bridge pipeline projects and net of contributions in aid of construction costs) on an accrual basis for the three months ended March 31, 2021:

	Capital Expenditures Recorded During Period		
	Growth	Maintenance	Total
Intrastate transportation and storage	$ 9	$ 4	$ 13
Interstate transportation and storage	9	9	18
Midstream	69	14	83
NGL and refined products transportation and services	187	23	210
Crude oil transportation and services	71	8	79
Investment in Sunoco LP	13	5	18
Investment in USAC	4	5	9
All other (including eliminations)	16	8	24
Total capital expenditures	$ 378	$ 76	$ 454

Financing Activities

Changes in cash flows from financing activities between periods primarily result from changes in the levels of borrowings and equity issuances, which are primarily used to fund our acquisitions and growth capital expenditures. Distributions increase between the periods based on increases in the number of common units outstanding or increases in the distribution rate.

Three months ended March 31, 2021 compared to three months ended March 31, 2020. Cash used in financing activities during 2021 was $4.53 billion compared to $366 million for 2020. During 2021, we had a net decrease in our debt level of $3.73 billion compared to a net decrease of $764 million for 2020. In 2020, we paid debt issuance costs of $51 million. During 2020, our subsidiaries received $1.58 billion in net proceeds from offerings of preferred units.

In 2021 and 2020, we paid distributions of $406 million and $770 million, respectively, to our partners. In 2021 and 2020, we paid distributions of $406 million and $444 million, respectively, to noncontrolling interests. In 2021 and 2020, we paid distributions of $12 million to our redeemable noncontrolling interests. In addition, we received capital contributions of $20 million in cash from noncontrolling interests in 2021 compared to $95 million in cash from noncontrolling interests in 2020.

Description of Indebtedness

Our outstanding consolidated indebtedness was as follows:

	March 31, 2021	December 31, 2020
ET Indebtedness:		
Senior Notes [1]	$ 36,455	$ 37,855
Term Loan [2]	2,000	2,000
Five-Year Credit Facility [2]	800	3,103
Subsidiary Indebtedness:		
Transwestern Senior Notes	400	400
Panhandle Senior Notes	235	235
Bakken Senior Notes	2,500	2,500
Sunoco LP Senior Notes and lease-related obligations	2,711	3,139
USAC Senior Notes	1,475	1,475
HFOTCO Tax Exempt Notes	225	225
Revolving credit facilities:		
Sunoco LP Credit Facility	381	—
USAC Credit Facility	503	474
Energy Transfer Canada Revolver due February 2024	65	57
Energy Transfer Canada Revolver Term Loan A due February 2024	261	261
Other long-term debt	3	3
Net unamortized premiums, discounts, and fair value adjustments	(10)	(10)
Deferred debt issuance costs	(269)	(279)
Total debt	47,735	51,438
Less: current maturities of long-term debt	23	21
Long-term debt, less current maturities	$ 47,712	$ 51,417

[1] The balances presented above include senior notes that were formerly obligations of ETO prior to the Rollup Mergers discussed below and in "Recent Developments" above. As of March 31, 2021 and December 31, 2020, the outstanding principal amount of ETO senior notes was $36.4 billion and $37.8 billion, respectively. Beginning April 1, 2021, these senior notes are obligations of ET. A description of the ETO senior notes that were assumed by ET is included in the Partnership's Annual Report on Form 10-K for the year ended December 31, 2020.

[2] The Term Loan and Five-Year Credit Facility were previously obligations of ETO. Subsequent to the completion of the Rollup Mergers on April 1, 2021, these facilities are obligations of ET.

Recent Transactions

In connection with the Rollup Mergers on April 1, 2021, ET entered into various supplemental indentures and assumed all the obligations of ETO under the respective indentures and credit agreements.

During the first quarter of 2021, ETO redeemed its $600 million of 4.40% senior notes due April 1, 2021 and its $800 million of 4.65% senior notes due June 1, 2021, using proceeds from the Five-Year Credit Facility.

Credit Facilities and Commercial Paper

Term Loan

As a result of the Rollup Mergers, on April 1, 2021, ET assumed all of ETO's obligations in respect of its term loan credit agreement (the "Term Loan") and Sunoco Logistics Operations was released as a guarantor in respect of the Term Loan. The Partnership's Term Loan provides for a $2.00 billion three-year term loan credit facility. Borrowings under the Term Loan mature on October 17, 2022 and are available for working capital purposes and for general partnership purposes. As of March 31, 2021, the Term Loan had $2.00 billion outstanding and was fully drawn. The weighted average interest rate on the total amount outstanding as of March 31, 2021 was 1.11%.

Five-Year Credit Facility

As a result of the Rollup Mergers, on April 1, 2021, ET assumed all of ETO's obligations in respect of its revolving credit facility (the "Five-Year Credit Facility") and Sunoco Logistics Operations was released as a guarantor in respect of the Five-Year Credit Facility.The Partnership's Five-Year Credit Facility allows for unsecured borrowings up to $5.00 billion and matures on December 1, 2023. The Five-Year Credit Facility contains an accordion feature, under which the total aggregate commitment may be increased up to $6.00 billion under certain conditions.

As of March 31, 2021, the Five-Year Credit Facility had $800 million of outstanding borrowings, all of which consisted of commercial paper. The amount available for future borrowings was $4.08 billion, after accounting for outstanding letters of credit in the amount of $121 million. The weighted average interest rate on the total amount outstanding as of March 31, 2021 was 0.45%.

364-Day Facility

As a result of the Rollup Mergers, on April 1, 2021, ET assumed all of ETO's obligations in respect of its 364-day revolving credit facility (the "364-Day Facility") and Sunoco Logistics Operations was released as a guarantor in respect of the 364-Day Facility.The Partnership's 364-Day Facility allows for unsecured borrowings up to $1.00 billion and matures on November 26, 2021. As of March 31, 2021, the 364-Day Facility had no outstanding borrowings.

Sunoco LP Credit Facility

As of March 31, 2021, the Sunoco LP Credit Facility had $381 million of outstanding borrowings and $8 million in standby letters of credit and matures in July 2023. The amount available for future borrowings at March 31, 2021 was $1.1 billion. The weighted average interest rate on the total amount outstanding as of March 31, 2021 was 1.86%.

USAC Credit Facility

As of March 31, 2021, USAC had $503 million of outstanding borrowings and no outstanding letters of credit under the credit agreement. As of March 31, 2021, USAC had $1.10 billion of availability under its credit facility. The weighted average interest rate on the total amount outstanding as of March 31, 2021 as 3.20%.

Energy Transfer Canada Credit Facilities

Energy Transfer Canada is party to a credit agreement providing for a C$350 million (US$278 million at the March 31, 2021 exchange rate) senior secured term loan facility, a C$525 million (US$417 million at the March 31, 2021 exchange rate) senior secured revolving credit facility, and a C$300 million (US$239 million at the March 31, 2021 exchange rate) senior secured construction loan facility (the "KAPS Facility"). The term loan facility and the revolving credit facility mature on February 25, 2024. The KAPS Facility matures on June 13, 2024. Energy Transfer Canada may incur additional term loans and revolving commitments in an aggregate amount not to exceed C$250 million (US$199 million at the March 31, 2021 exchange rate), subject to receiving commitments for such additional term loans or revolving commitments from either new lenders or increased commitments from existing lenders.

Compliance with our Covenants

We and our subsidiaries were in compliance with all requirements, tests, limitations, and covenants related to our debt agreements as of March 31, 2021.

CASH DISTRIBUTIONS

Cash Distributions Paid by ET

Under its partnership agreement, ET will distribute all of its Available Cash, as defined in the partnership agreement, within 50 days following the end of each fiscal quarter. Available Cash generally means, with respect to any quarter, all cash on hand at the end of such quarter less the amount of cash reserves that are necessary or appropriate in the reasonable discretion of our general partner that is necessary or appropriate to provide for future cash requirements.

Cash Distributions on ET Common Units

Distributions declared and/or paid with respect to ET common units subsequent to December 31, 2020 were as follows:

Quarter Ended	Record Date	Payment Date	Rate
December 31, 2020	February 8, 2021	February 19, 2021	$ 0.1525
March 31, 2021	May 11, 2021	May 19, 2021	0.1525

Cash Distributions on ET Preferred Units

As discussed in "Recent Developments" above, in connection with the Rollup Mergers, ETO's outstanding preferred units were converted into ET Preferred Units.

Distributions declared on the ET Preferred Units were as follows:

Period Ended	Record Date	Payment Date	Series A [1]	Series B [1]	Series C	Series D	Series E	Series F [1]	Series G [1]
December 31, 2020 [2]	February 1, 2021	February 16, 2021	$ 31.25	$ 33.125	$ 0.4609	$ 0.4766	$ 0.4750	$ —	$ —
March 31, 2021	May 3, 2021	May 17, 2021	—	—	0.4609	0.4766	0.4750	33.75	35.63

[1] Series A, Series B, Series F and Series G distributions are paid on a semi-annual basis.

[2] Distributions for the period ended December 31, 2020 reflect distributions paid on the ETO preferred units prior to the conversion to ET preferred units, as discussed above.

A summary of the distribution and redemption rights associated with the ET Preferred Units is included in Note 9 in "Item 1. Financial Statements."

Cash Distributions Paid by Subsidiaries

The Partnership's consolidated financial statements include Sunoco LP and USAC, both of which are publicly traded master limited partnerships, as well as other less-than-wholly-owned, consolidated joint ventures. The following sections describe cash distributions made by our publicly traded subsidiaries, Sunoco LP and USAC, both of which are required by their respective partnership agreements to distribute all cash on hand (less appropriate reserves determined by the boards of directors of their respective general partners) subsequent to the end of each quarter.

Cash Distributions Paid by Sunoco LP

Distributions on Sunoco LP's units declared and/or paid by Sunoco LP subsequent to December 31, 2020 were as follows:

Quarter Ended	Record Date	Payment Date	Rate
December 31, 2020	February 8, 2021	February 19, 2021	$ 0.8255
March 31, 2021	May 11, 2021	May 19, 2021	0.8255

Cash Distributions Paid by USAC

Distributions on USAC's units declared and/or paid by USAC subsequent to December 31, 2020 were as follows:

Quarter Ended	Record Date	Payment Date	Rate
December 31, 2020	January 25, 2021	February 5, 2021	$ 0.5250
March 31, 2021	April 26, 2021	May 7, 2021	0.5250

ESTIMATES AND CRITICAL ACCOUNTING POLICIES

The selection and application of accounting policies is an important process that has developed as our business activities have evolved and as the accounting rules have developed. Accounting rules generally do not involve a selection among alternatives, but involve an implementation and interpretation of existing rules, and the use of judgment applied to the specific set of circumstances existing in our business. We make every effort to properly comply with all applicable rules, and we believe the proper implementation and consistent application of the accounting rules are critical. We describe our significant accounting policies in Note 2 to our consolidated financial statements in the Partnership's Annual Report on Form 10-K filed with the SEC on February 19, 2021.

RECENT ACCOUNTING PRONOUNCEMENTS

Currently, there are no accounting pronouncements that have been issued, but not yet adopted, that are expected to have a material impact on the Partnership's financial position or results of operations.

FORWARD-LOOKING STATEMENTS

This quarterly report contains various forward-looking statements and information that are based on our beliefs and those of our General Partner, as well as assumptions made by and information currently available to us. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. When used in this quarterly report, words such as "anticipate," "project," "expect," "plan," "goal," "forecast," "estimate," "intend," "could," "believe," "may," "will" and similar expressions and statements regarding our plans and objectives for future operations, are intended to identify forward-looking statements. Although we and our General Partner believe that the expectations on which such forward-looking statements are based are reasonable, neither we nor our General Partner can give assurances that such expectations will prove to be correct. Forward-looking statements are subject to a variety of risks, uncertainties and assumptions. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results may vary materially from those anticipated, estimated, projected or expected. Among the key risk factors that may have a direct bearing on our results of operations and financial condition are:

- the volumes transported on our pipelines and gathering systems;
- the level of throughput in our processing and treating facilities;
- the fees we charge and the margins they realize for their gathering, treating, processing, storage and transportation services;
- the prices and market demand for, and the relationship between, natural gas and NGLs;
- energy prices generally;
- impacts of world health events, including the COVID-19 pandemic;
- the prices of natural gas and NGLs compared to the price of alternative and competing fuels;
- the general level of petroleum product demand and the availability and price of NGL supplies;
- the level of domestic oil, natural gas, and NGL production;
- the availability of imported oil, natural gas and NGLs;
- actions taken by foreign oil and gas producing nations;
- the political and economic stability of petroleum producing nations;
- the effect of weather conditions on demand for oil, natural gas and NGLs;
- availability of local, intrastate and interstate transportation systems;
- the continued ability to find and contract for new sources of natural gas supply;
- availability and marketing of competitive fuels;
- the impact of energy conservation efforts;
- energy efficiencies and technological trends;
- governmental regulation and taxation;
- changes to, and the application of, regulation of tariff rates and operational requirements related to our interstate and intrastate pipelines;
- hazards or operating risks incidental to the gathering, treating, processing and transporting of natural gas and NGLs;
- competition from other midstream companies and interstate pipeline companies;
- loss of key personnel;
- loss of key natural gas producers or the providers of fractionation services;
- reductions in the capacity or allocations of third-party pipelines that connect with our pipelines and facilities;
- the effectiveness of risk-management policies and procedures and the ability of our liquids marketing counterparties to satisfy their financial commitments;

- the nonpayment or nonperformance by our customers;
- regulatory, environmental, political and legal uncertainties that may affect the timing and cost of our internal growth projects, such as our construction of additional pipeline systems;
- risks associated with the construction of new pipelines and treating and processing facilities or additions to our existing pipelines and facilities, including difficulties in obtaining permits and rights-of-way or other regulatory approvals and the performance by third-party contractors;
- the availability and cost of capital and our ability to access certain capital sources;
- a deterioration of the credit and capital markets;
- risks associated with the assets and operations of entities in which we own less than a controlling interests, including risks related to management actions at such entities that we may not be able to control or exert influence;
- the ability to successfully identify and consummate strategic acquisitions at purchase prices that are accretive to our financial results and to successfully integrate acquired businesses;
- changes in laws and regulations to which we are subject, including tax, environmental, transportation and employment regulations or new interpretations by regulatory agencies concerning such laws and regulations;
- the costs and effects of legal and administrative proceedings; and
- the risks associated with a potential failure to successfully combine our business with that of Enable.

You should not put undue reliance on any forward-looking statements. When considering forward-looking statements, please review the risks described under “Part I - Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020. Any forward-looking statement made by us in this Quarterly Report on Form 10-Q is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information contained in Item 3 updates, and should be read in conjunction with, information set forth in Part II - Item 7A included in the Partnership’s Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC on February 19, 2021, in addition to the accompanying notes and management’s discussion and analysis of financial condition and results of operations presented in Items 1 and 2 of this Quarterly Report on Form 10-Q. Our quantitative and qualitative disclosures about market risk are consistent with those discussed in our Annual Report on Form 10-K for the year ended December 31, 2020. Since December 31, 2020, there have been no material changes to our primary market risk exposures or how those exposures are managed.

Commodity Price Risk

The table below summarizes our commodity-related financial derivative instruments and fair values, including derivatives related to our consolidated subsidiaries, as well as the effect of an assumed hypothetical 10% change in the underlying price of the commodity. Dollar amounts are presented in millions.

	March 31, 2021			December 31, 2020		
	Notional Volume	Fair Value Asset (Liability)	Effect of Hypothetical 10% Change	Notional Volume	Fair Value Asset (Liability)	Effect of Hypothetical 10% Change
Mark-to-Market Derivatives						
(Trading)						
Natural Gas (BBtu):						
Basis Swaps IFERC/NYMEX [1]	21,125	$ —	$ 1	(44,225)	$ 2	$ 5
Fixed Swaps/Futures	1,493	—	—	1,603	—	—
Power (Megawatt):						
Forwards	408,800	5	—	1,392,400	4	—
Futures	(32,918)	(1)	—	18,706	(1)	—
Options – Puts	174,398	—	—	519,071	—	—
Options – Calls	(202,034)	—	—	2,343,293	1	—
(Non-Trading)						
Natural Gas (BBtu):						
Basis Swaps IFERC/NYMEX	(25,610)	4	—	(29,173)	—	1
Swing Swaps IFERC	(13,573)	1	1	11,208	(2)	—
Fixed Swaps/Futures	(18,425)	1	6	(53,575)	6	31
Forward Physical Contracts	(15,338)	4	5	(11,861)	4	5
NGLs (MBbls) – Forwards/Swaps	(2,759)	(71)	29	(5,840)	(100)	39
Refined Products (MBbls) – Futures	(1,724)	—	21	(2,765)	(8)	3
Crude (MBbls) – Forwards/Swaps	(3,592)	5	16	—	—	—
Fair Value Hedging Derivatives						
(Non-Trading)						
Natural Gas (BBtu):						
Basis Swaps IFERC/NYMEX	(14,068)	—	1	(30,113)	(1)	—
Fixed Swaps/Futures	(14,068)	(6)	27	(30,113)	(6)	8

[1] Includes aggregate amounts for open positions related to Houston Ship Channel, Waha Hub, NGPL TexOk, West Louisiana Zone and Henry Hub locations.

The fair values of the commodity-related financial positions have been determined using independent third-party prices, readily available market information and appropriate valuation techniques. Non-trading positions offset physical exposures to the cash market; none of these offsetting physical exposures are included in the above tables. Price-risk sensitivities were calculated by assuming a theoretical 10% change (increase or decrease) in price regardless of term or historical relationships between the contractual price of the instruments and the underlying commodity price. Results are presented in absolute terms and represent a potential gain or loss in net income or in other comprehensive income. In the event of an actual 10% change in prompt month natural gas prices, the fair value of our total derivative portfolio may not change by 10% due to factors such as when the financial instrument settles and the location to which the financial instrument is tied (i.e., basis swaps) and the relationship between prompt month and forward months.

Interest Rate Risk

As of March 31, 2021, we and our subsidiaries had $4.84 billion of floating rate debt outstanding. A hypothetical change of 100 basis points would result in a maximum potential change to interest expense of $48 million annually; however, our actual change in interest expense may be less in a given period due to interest rate floors included in our variable rate debt instruments. We manage a portion of our interest rate exposure by utilizing interest rate swaps, including forward-starting interest rate swaps to lock-in the rate on a portion of anticipated debt issuances.

The following table summarizes our interest rate swaps outstanding (dollars in millions), none of which are designated as hedges for accounting purposes:

Term	Type[1]	Notional Amount Outstanding	
		March 31, 2021	December 31, 2020
July 2021[2]	Forward-starting to pay a fixed rate of 3.55% and receive a floating rate	$ 400	$ 400
July 2022[2]	Forward-starting to pay a fixed rate of 3.80% and receive a floating rate	400	400

[1] Floating rates are based on 3-month LIBOR.

[2] Represents the effective date. These forward-starting swaps have terms of 30 years with a mandatory termination date the same as the effective date.

A hypothetical change of 100 basis points in interest rates for these interest rate swaps would result in a net change in the fair value of interest rate derivatives and earnings (recognized in gains and losses on interest rate derivatives) of $220 million as of March 31, 2021. For the forward-starting interest rate swaps, a hypothetical change of 100 basis points in interest rates would not affect cash flows until the swaps are settled.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures to ensure that information required to be disclosed by us, including our consolidated entities, in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

Under the supervision and with the participation of senior management, including the Co-Chief Executive Officers ("Co-Principal Executive Officer") and the Chief Financial Officer ("Principal Financial Officer") of our General Partner, we evaluated our disclosure controls and procedures, as such term is defined under Rule 13a–15(e) promulgated under the Exchange Act. Based on this evaluation, the Principal Executive Officers and the Principal Financial Officer of our General Partner concluded that our disclosure controls and procedures were effective as of March 31, 2021 to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act (1) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (2) is accumulated and communicated to management, including the Principal Executive Officers and Principal Financial Officer of our General Partner, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13(a)-15(f) or Rule 15d-15(f) of the Exchange Act) during the three months ended March 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For information regarding legal proceedings, see our Annual Report on Form 10-K filed with the SEC on February 19, 2021 and Note 11 – Regulatory Matters, Commitments, Contingencies and Environmental Liabilities of the Notes to Consolidated Financial Statements of Energy Transfer LP and Subsidiaries included in this Quarterly Report on Form 10-Q for the quarter ended March 31, 2021.

Stoneman House

In late 2016, FERC Enforcement Staff began a non-public investigation of Rover's removal of the Stoneman House, an old structure, at a time when Rover's application was pending for permission to construct a new interstate natural gas pipeline and related facilities. On March 18, 2021, FERC issued an Order to Show Cause and Notice of Proposed Penalty (Docket No. IN19-4-000), ordering Rover to show cause why it should not be found to have violated Section 157.5 of the Commission's regulations and assessed civil penalties. Rover must file an answer responding to this Order by June 18, 2021. The Partnership disagrees with the findings and intends to vigorously defend against any proposed penalties. Given the stage of the proceedings, the Partnership is unable at this time to provide an assessment of the potential outcome or range of potential liability, if any.

Tuscarawas River

In mid-2017, FERC Enforcement Staff began a non-public investigation regarding allegations that diesel fuel may have been included in the drilling mud at the Tuscarawas River horizontal directional drilling ("HDD") operations. Rover and the Partnership are cooperating with the investigation. Enforcement Staff has provided Rover with a notice pursuant to Section 1b.19 of the FERC's regulations that Enforcement Staff intends to recommend that the FERC pursue an enforcement action against Rover and the Partnership. The Partnership disagrees with Enforcement Staff's findings and intends to vigorously defend against any potential penalty. Given the stage of the proceedings, and the non-public nature of the investigation, the Partnership is unable at this time to provide an assessment of the potential outcome or range of potential liability, if any.

Revolution

On September 10, 2018, a pipeline release and fire (the "Incident") occurred on the Revolution pipeline, a natural gas gathering line located in Center Township, Beaver County, Pennsylvania. There were no injuries. On February 8, 2019, the Pennsylvania Department of Environmental Protection ("PADEP") issued a Permit Hold on any requests for approvals/permits or permit amendments for any project in Pennsylvania pursuant to the state's water laws. The Partnership filed an appeal of the Permit Hold with the Pennsylvania Environmental Hearing Board. On January 3, 2020, the Partnership entered into a Consent Order and Agreement with the PADEP in which, among other things, the Permit Hold was lifted, the Partnership agreed to pay a $28.6 million civil penalty and fund a $2 million community environmental project, and all related appeals were withdrawn. On November 11, 2020, the PADEP issued an Order, which requires additional approvals and work prior to placing the Revolution Pipeline back in service. The Partnership filed an appeal of this Order with the Environmental Hearing Board on December 8, 2020. On February 26, 2021, the Partnership entered into a Consent Order and Agreement with the PADEP in which, among other things, the Partnership was allowed to place the Revolution pipeline back in service, the Partnership agreed to pay a $125,000 penalty, and all related appeals were withdrawn.

The Pennsylvania Office of Attorney General has commenced an investigation regarding the Incident, and the United States Attorney for the Western District of Pennsylvania has issued a federal grand jury subpoena for documents relevant to the Incident. The scope of these investigations is not further known at this time.

Other

Additionally, we have received notices of violations and potential fines under various federal, state and local provisions relating to the discharge of materials into the environment or protection of the environment. While we believe that even if any one or more of the environmental proceedings listed below were decided against us, it would not be material to our financial position, results of operations or cash flows, we are required to report governmental proceedings if we reasonably believe that such proceedings will result in monetary sanctions in excess of $300,000.

Pursuant to the instructions to Form 10-Q, matters disclosed in this Part II - Item 1 include any reportable legal proceeding (i) that has been terminated during the period covered by this report, (ii) that became a reportable event during the period covered by this report, or (iii) for which there has been a material development during the period covered by this report.

For a description of other legal proceedings, see Note 11 to our consolidated financial statements included in "Item 1. Financial Statements."

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors described in Part I, Item 1A in the Partnership's Annual Report on Form10-K for the year ended December 31, 2020 filed with the SEC on February 19, 2021.

ITEM 6. EXHIBITS

The exhibits listed below are filed or furnished, as indicated, as part of this report:

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated as of February 16, 2021, by and among Energy Transfer LP, Elk Merger Sub LLC, Elk GP Merger Sub LLC, Enable Midstream Partners, LP, Enable GP, LLC, solely for purposes of Section 2.1(a)(i) therein, LE GP, LLC, and, solely for purposes of Section 1.1(b)(i), CenterPoint Energy, Inc. (incorporated by reference to Exhibit 2.1 of Form 8-K (File No. 1-32740) filed February 16, 2021)
2.2	Agreement and Plan of Merger, dated as of March 5, 2021, by and among Energy Transfer LP, ETO Merger Sub LLC and Energy Transfer Operating, L.P. (incorporated by reference to Exhibit 2.1 of Form 8-K (File No. 1-32740) filed March 5, 2021)
2.3	Agreement and Plan of Merger, dated as of April 1, 2021, by and among Energy Transfer Operating, L.P., Sunoco Logistics Partners Operations L.P. and Sunoco Logistics Partners GP LLC. (incorporated by reference to Exhibit 2.1 of Form 8-K (File No. 1-32740) filed April 1, 2021)
2.4	Agreement and Plan of Merger, dated as of April 1, 2021, by and among Energy Transfer LP and Energy Transfer Operating, L.P. (incorporated by reference to Exhibit 2.2 of Form 8-K (File No. 1-32740) filed April 1, 2021)
3.1	Certificate of Limited Partnership of Energy Transfer Equity, L.P. (incorporated by reference to Exhibit 3.2 of Form S-1, File No. 333-128097, filed September 2, 2005)
3.2	Certificate of Amendment of Certificate of Limited Partnership of Energy Transfer Equity, L.P., dated as of October 19, 2018 (incorporated by reference to Exhibit 3.1 of Form 8-K, File No. 1-32740, filed October 19, 2018)
3.3	Third Amended Restated Agreement of Limited Partnership of Energy Transfer Equity, L.P., dated February 8, 2006 (incorporated by reference to Exhibit 3.1 of Form 8-K, File No. 1-32740, filed February 14, 2006)
3.4	Amendment No. 1 to Third Amended and Restated Agreement of Limited Partnership of Energy Transfer Equity, L.P. dated November 1, 2006 (incorporated by reference to Exhibit 3.3.1 of Form 10-K, File No. 1-32740, filed November 29, 2006)
3.5	Amendment No. 2 to Third Amended and Restated Agreement of Limited Partnership of Energy Transfer Equity, L.P., dated November 9, 2007 (incorporated by reference to Exhibit 3.3.2 of Form 8-K, File No. 1-32740, filed November 13, 2007)
3.6	Amendment No. 3 to Third Amended and Restated Agreement of Limited Partnership of Energy Transfer Equity, L.P., dated May 26, 2010 (incorporated by reference to Exhibit 3.1 of Form 8-K, File No. 1-32740, filed June 2, 2010)
3.7	Amendment No. 4 to Third Amended and Restated Agreement of Limited Partnership of Energy Transfer Equity, L.P., dated December 23, 2013 (incorporated by reference to Exhibit 3.1 of Form 8-K, File No. 1-32740, filed December 27, 2013)
3.8	Amendment No. 5 to Third Amended and Restated Agreement of Limited Partnership of Energy Transfer Equity, L.P., dated March 8, 2016 (incorporated by reference to Exhibit 3.1 of Form 8-K, File No. 1-32740, filed March 9, 2016)
3.9	Amendment No. 6 to Third Amended and Restated Agreement of Limited Partnership of Energy Transfer Equity, L.P., dated as of October 19, 2018 (incorporated by reference to Exhibit 3.9 of Form 10-Q, File No. 1-32740, filed November 8, 2018)
3.10	Amendment No. 7 to Third Amended and Restated Agreement of Limited Partnership of Energy Transfer LP dated as of August 6, 2019 (incorporated by reference to Exhibit 3.10 of Form 10-Q, File No. 1-32740, filed August 8, 2019)
3.11	Amendment No. 8, dated as of April 1, 2021, to the Third Amended and Restated Agreement of Limited Partnership of Energy Transfer LP, dated as of February 8, 2006. (incorporated by reference to Exhibit 2.2 of Form 8-K, File No. 1-32740, filed April 1, 2021)
10.1	Support Agreement, dated as of February 16, 2021, by and among Energy Transfer LP, Elk Merger Sub LLC, Elk GP Merger Sub LLC, Enable Midstream Partners LP, Enable GP, LLC and CenterPoint Energy, Inc. (incorporated by reference to Exhibit 2.1 of Form 8-K (File No. 1-32740) filed February 16, 2021)

Exhibit Number	Description
10.2	Support Agreement, dated as of February 16, 2021, by and among Energy Transfer LP, Elk Merger Sub LLC, Elk GP Merger Sub LLC, Enable Midstream Partners LP, Enable GP, LLC and OGE Energy Corp. (incorporated by reference to Exhibit 2.1 of Form 8-K (File No. 1-32740) filed February 16, 2021)
10.3	Third Supplemental Indenture, dated as of April 1, 2021 by and between Energy Transfer LP and U.S. Bank National Association (incorporated by reference to Exhibit 10.1 of Form 8-K (File No. 1-32740) filed April 1, 2021)
10.4	Fourth Supplemental Indenture, dated as of April 1, 2021 by and between Energy Transfer LP and U.S. Bank National Association (incorporated by reference to Exhibit 10.2 of Form 8-K (File No. 1-32740) filed April 1, 2021)
10.5	Fifth Supplemental Indenture, dated as of April 1, 2021 by and between Energy Transfer LP and U.S. Bank National Association (incorporated by reference to Exhibit 10.3 of Form 8-K (File No. 1-32740) filed April 1, 2021)
10.6	Seventeenth Supplemental Indenture, dated as of April 1, 2021 by and between Energy Transfer LP and U.S. Bank National Association (incorporated by reference to Exhibit 10.4 of Form 8-K (File No. 1-32740) filed April 1, 2021)
10.7	Nineteenth Supplemental Indenture, dated as of April 1, 2021 by and between Energy Transfer LP and U.S. Bank National Association (incorporated by reference to Exhibit 10.5 of Form 8-K (File No. 1-32740) filed April 1, 2021)
10.8	Eleventh Supplemental Indenture, dated April 1, 2021 by and between Energy Transfer LP, Regency Energy Finance Corp., and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.6 of Form 8-K (File No. 1-32740) filed April 1, 2021)
10.9	Twelfth Supplemental Indenture, dated April 1, 2021 by and between Energy Transfer LP, Regency Energy Finance Corp., and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.7 of Form 8-K (File No. 1-32740) filed April 1, 2021)
10.10+	First Amendment to the Amended and Restated Energy Transfer LP Long-Term Incentive Plan (incorporated by reference to Exhibit 10.7 of Form 10-K (File No. 1-32740) filed February 19, 2021)
10.11+	Second Amendment to the Amended and Restated Energy Transfer LP Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to Form 8-K (File No. 1-32740) filed January 6, 2021)
10.12+	Energy Transfer LP Long-Term Cash Restricted Unit Plan (incorporated by reference to Exhibit 10.2 to Form 8-K (File No. 1-32740) filed January 6, 2021)
10.13+	Form of Cash Unit Award Agreement under the Energy Transfer LP Long-Term Cash Restricted Unit Plan (incorporated by reference to Exhibit 10.3 to Form 8-K (File No. 1-32740) filed January 6, 2021)
22.1*	Issuers and Guarantors of Registered Securities
31.1*	Certification of Co-Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Co-Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.3*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Co-Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Co-Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.3**	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101*	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) our Consolidated Balance Sheets as of March 31, 2021 and December 31, 2020; (ii) our Consolidated Statements of Operations for the three months ended March 31, 2021 and 2020; (iii) our Consolidated Statements of Comprehensive Income (Loss) for the three months ended March 31, 2021 and 2020; (iv) our Consolidated Statements of Partners' Capital for the three months ended March 31, 2021 and 2020; (v) our Consolidated Statements of Cash Flows for the three months ended March 31, 2021 and 2020; and (vi) the notes to our Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)
*	Filed herewith.
**	Furnished herewith.
+	Denotes a management contract or compensatory agreement

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ENERGY TRANSFER LP

By: LE GP, LLC, its general partner

Date: May 7, 2021

By: /s/ A. Troy Sturrock
A. Troy Sturrock
Senior Vice President, Controller and Principal Accounting Officer (duly authorized to sign on behalf of the registrant)

Exhibit 22.1

Subsidiary guarantors and issuers of guaranteed securities and affiliates whose securities collateralize securities of the registrant

Sunoco LP Senior Notes [(1)]:
Parent guarantor - Energy Transfer LP
Subsidiary issuer - Sunoco LP

(1) Energy Transfer LP assumed the guarantee of certain Sunoco LP Senior Notes in connection with the merger of Energy Transfer Operating, L.P. with and into Energy Transfer LP effective April 1, 2021.

Exhibit 31.1

CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Marshall S. McCrea, III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Energy Transfer LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 7, 2021

/s/ Marshall S. McCrea, III
Marshall S. McCrea, III
Co-Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas E. Long, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Energy Transfer LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 7, 2021

/s/ Thomas E. Long
Thomas E. Long
Co-Chief Executive Officer

Exhibit 31.3

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Bradford D. Whitehurst, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Energy Transfer LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 7, 2021

/s/ Bradford D. Whitehurst
Bradford D. Whitehurst
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Energy Transfer LP (the "Partnership") on Form 10-Q for the quarter ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Marshall S. McCrea, III, Co-Chief Executive Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: May 7, 2021

/s/ Marshall S. McCrea, III
Marshall S. McCrea, III
Co-Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to and will be retained by Energy Transfer LP and furnished to the Securities and Exchange Commission upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Energy Transfer LP (the "Partnership") on Form 10-Q for the quarter ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas E. Long, Co-Chief Executive Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: May 7, 2021

/s/ Thomas E. Long
Thomas E. Long
Co-Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to and will be retained by Energy Transfer LP and furnished to the Securities and Exchange Commission upon request.

Exhibit 32.3

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Energy Transfer LP (the "Partnership") on Form 10-Q for the quarter ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bradford D. Whitehurst, Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: May 7, 2021

/s/ Bradford D. Whitehurst
Bradford D. Whitehurst
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to and will be retained by Energy Transfer LP and furnished to the Securities and Exchange Commission upon request.

Exhibit A-78

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2020

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 1-32740

ENERGY TRANSFER LP

(Exact name of registrant as specified in its charter)

Delaware	**30-0108820**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

8111 Westchester Drive, Suite 600, Dallas, Texas 75225
(Address of principal executive offices) (zip code)

(214) 981-0700
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Units	**ET**	**New York Stock Exchange**

At May 7, 2020, the registrant had 2,694,308,251 Common Units outstanding.

CPSE Response in Opp to ET MSJ
Exhibit A-78
MDL-2022-CI-02879
exhibitsticker.com

FORM 10-Q

ENERGY TRANSFER LP AND SUBSIDIARIES

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Definitions

References to the "Partnership" or "ET" refer to Energy Transfer LP. In addition, the following is a list of certain acronyms and terms used throughout this document:

/d	per day
AOCI	accumulated other comprehensive income (loss)
BBtu	billion British thermal units
Btu	British thermal unit, an energy measurement used by gas companies to convert the volume of gas used to its heat equivalent, and thus calculate the actual energy content
CDM	CDM Resource Management LLC and CDM Environmental & Technical Services LLC, collectively
Citrus	Citrus, LLC
DOJ	U.S. Department of Justice
EPA	U.S. Environmental Protection Agency
ETC Sunoco	ETC Sunoco Holdings LLC (formerly Sunoco, Inc.), a wholly-owned subsidiary of ETO
ETO	Energy Transfer Operating, L.P..
ETP GP	Energy Transfer Partners GP, L.P., the general partner of ETO
ETO Series A Preferred Units	ETO's 6.250% Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units
ETO Series B Preferred Units	ETO's 6.625% Series B Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units
ETO Series C Preferred Units	ETO's 7.375% Series C Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units
ETO Series D Preferred Units	ETO's 7.625% Series D Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units
ETO Series E Preferred Units	ETO's 7.600% Series E Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units
ETO Series F Preferred Units	ETO's 6.750% Series F Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Units
ETO Series G Preferred Units	ETO's 7.125% Series G Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Units
Exchange Act	Securities Exchange Act of 1934
FEP	Fayetteville Express Pipeline LLC
FERC	Federal Energy Regulatory Commission
FGT	Florida Gas Transmission Company, LLC, a wholly-owned subsidiary of Citrus
GAAP	accounting principles generally accepted in the United States of America
IDRs	incentive distribution rights
Lake Charles LNG	Lake Charles LNG Company, LLC (previously named Trunkline LNG Company, LLC), a wholly-owned subsidiary of ETO
LIBOR	London Interbank Offered Rate
MBbls	thousand barrels
MEP	Midcontinent Express Pipeline LLC
MTBE	methyl tertiary butyl ether

NGL	natural gas liquid, such as propane, butane and natural gasoline
NYMEX	New York Mercantile Exchange
OSHA	Federal Occupational Safety and Health Act
OTC	over-the-counter
Panhandle	Panhandle Eastern Pipe Line Company, LP and its subsidiaries, wholly-owned by ETO
PES	Philadelphia Energy Solutions Refining and Marketing LLC
Regency	Regency Energy Partners LP
RIGS	Regency Interstate Gas LP
Rover	Rover Pipeline LLC
SEC	Securities and Exchange Commission
SemGroup	SemGroup Corporation
Series A Convertible Preferred Units	ET Series A convertible preferred units
Sunoco Logistics Operations	Sunoco Logistics Partners Operations L.P, a wholly-owned subsidiary of ETO
Sunoco LP Series A Preferred Units	Sunoco LP Series A Preferred Units previously held by ET
Sunoco R&M	Sunoco (R&M), LLC (formerly Sunoco, Inc. (R&M))
Southwest Gas	Pan Gas Storage LLC (d.b.a. Southwest Gas Storage Company)
Transwestern	Transwestern Pipeline Company, LLC, a wholly-owned subsidiary of ETO
Trunkline	Trunkline Gas Company, LLC, a wholly-owned subsidiary of Panhandle
USAC	USA Compression Partners, LP, a wholly-owned subsidiary of ETO
USAC Preferred Units	USAC Series A Preferred Units
White Cliffs	White Cliffs Pipeline

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS
ENERGY TRANSFER LP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Dollars in millions)
(unaudited)

	March 31, 2020	December 31, 2019*
ASSETS		
Current assets:		
Cash and cash equivalents	$ 196	$ 291
Accounts receivable, net	3,371	5,038
Accounts receivable from related companies	132	159
Inventories	1,024	1,532
Income taxes receivable	115	146
Derivative assets	25	23
Other current assets	256	275
Total current assets	5,119	7,464
Property, plant and equipment	90,959	89,790
Accumulated depreciation and depletion	(16,373)	(15,597)
	74,586	74,193
Advances to and investments in unconsolidated affiliates	3,337	3,460
Lease right-of-use assets, net	1,033	964
Other non-current assets, net	1,515	1,571
Intangible assets, net	6,116	6,154
Goodwill	3,835	5,167
Total assets	$ 95,541	$ 98,973

*As adjusted. See Note 1.

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY TRANSFER LP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Dollars in million)
(unaudited)

	March 31, 2020	December 31, 2019*
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 2,399	$ 4,118
Accounts payable to related companies	9	31
Derivative liabilities	9	147
Operating lease current liabilities	54	60
Accrued and other current liabilities	3,662	3,342
Current maturities of long-term debt	33	26
Total current liabilities	6,166	7,724
Long-term debt, less current maturities	50,299	51,028
Non-current derivative liabilities	573	273
Non-current operating lease liabilities	821	901
Deferred income taxes	3,214	3,208
Other non-current liabilities	1,193	1,162
Commitments and contingencies		
Redeemable noncontrolling interests	745	739
Equity:		
Limited Partners:		
Common Unitholders	19,512	21,935
General Partner	(6)	(4)
Accumulated other comprehensive loss	(59)	(11)
Total partners' capital	19,447	21,920
Noncontrolling interests	13,083	12,018
Total equity	32,530	33,938
Total liabilities and equity	$ 95,541	$ 98,973

*As adjusted. See Note 1.

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY TRANSFER LP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in millions, except per unit data)
(unaudited)

	Three Months Ended March 31,	
	2020	2019*
REVENUES:		
Refined product sales	$ 3,232	$ 3,726
Crude sales	3,543	3,525
NGL sales	1,689	2,402
Gathering, transportation and other fees	2,385	2,267
Natural gas sales	588	964
Other	190	237
Total revenues	11,627	13,121
COSTS AND EXPENSES:		
Cost of products sold	8,291	9,477
Operating expenses	879	808
Depreciation, depletion and amortization	867	774
Selling, general and administrative	204	147
Impairment losses	1,325	50
Total costs and expenses	11,566	11,256
OPERATING INCOME	61	1,865
OTHER INCOME (EXPENSE):		
Interest expense, net of interest capitalized	(602)	(590)
Equity in earnings (losses) of unconsolidated affiliates	(7)	65
Losses on extinguishments of debt	(62)	(18)
Losses on interest rate derivatives	(329)	(74)
Other, net	3	(4)
INCOME (LOSS) BEFORE INCOME TAX EXPENSE	(936)	1,244
Income tax expense	28	126
NET INCOME (LOSS)	(964)	1,118
Less: Net income (loss) attributable to noncontrolling interests	(121)	297
Less: Net income attributable to redeemable noncontrolling interests	12	13
NET INCOME (LOSS) ATTRIBUTABLE TO PARTNERS	(855)	808
General Partner’s interest in net income (loss)	(1)	1
Limited Partners’ interest in net income (loss)	$ (854)	$ 807
NET INCOME (LOSS) PER LIMITED PARTNER UNIT:		
Basic	$ (0.32)	$ 0.31
Diluted	$ (0.32)	$ 0.31

*As adjusted. See Note 1.

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY TRANSFER LP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Dollars in millions)
(unaudited)

	Three Months Ended March 31,	
	2020	2019*
Net income (loss)	$ (964)	$ 1,118
Other comprehensive income (loss), net of tax:		
Change in value of available-for-sale securities	(9)	5
Actuarial gain related to pension and other postretirement benefit plans	3	7
Foreign currency translation adjustments	(64)	—
Change in other comprehensive loss from unconsolidated affiliates	(16)	(4)
	(86)	8
Comprehensive income (loss)	(1,050)	1,126
Less: Comprehensive income (loss) attributable to noncontrolling interests	(121)	297
Less: Comprehensive income attributable to redeemable noncontrolling interests	12	13
Comprehensive income (loss) attributable to partners	$ (941)	$ 816

*As adjusted. See Note 1.

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY TRANSFER LP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019
(Dollars in millions)
(unaudited)

	Common Unitholders	General Partner	AOCI	Noncontrolling Interests	Total
Balance, December 31, 2019*	$ 21,935	$ (4)	$ (11)	$ 12,018	$ 33,938
Distributions to partners	(1,591)	(1)	—	—	(1,592)
Distributions to noncontrolling interests	—	—	—	(444)	(444)
Subsidiary units issued	—	—	—	1,580	1,580
Capital contributions from noncontrolling interests	—	—	—	95	95
Other comprehensive loss, net of tax	—	—	(48)	(38)	(86)
Other, net	22	—	—	(7)	15
Net loss, excluding amounts attributable to redeemable noncontrolling interests	(854)	(1)	—	(121)	(976)
Balance, March 31, 2020	$ 19,512	$ (6)	$ (59)	$ 13,083	$ 32,530

	Common Unitholders	General Partner	AOCI	Noncontrolling Interests	Total
Balance, December 31, 2018*	$ 20,773	$ (5)	$ (42)	$ 10,291	$ 31,017
Distributions to partners	(799)	(1)	—	—	(800)
Distributions to noncontrolling interests	—	—	—	(425)	(425)
Capital contributions from noncontrolling interests	—	—	—	140	140
Sale of noncontrolling interest in subsidiary	—	—	—	93	93
Other comprehensive income, net of tax	—	—	8	—	8
Other, net	17	—	—	12	29
Net income, excluding amounts attributable to redeemable noncontrolling interests	807	1	—	297	1,105
Balance, March 31, 2019*	$ 20,798	$ (5)	$ (34)	$ 10,408	$ 31,167

*As adjusted. See Note 1.

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY TRANSFER LP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in millions)
(unaudited)

	Three Months Ended March 31,	
	2020	2019*
OPERATING ACTIVITIES		
Net income (loss)	$ (964)	$ 1,118
Reconciliation of net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	867	774
Deferred income taxes	42	98
Inventory valuation adjustments	227	(93)
Non-cash compensation expense	22	29
Impairment losses	1,325	50
Losses on extinguishments of debt	62	18
Distributions on unvested awards	(11)	(8)
Equity in (earnings) losses of unconsolidated affiliates	7	(65)
Distributions from unconsolidated affiliates	58	66
Other non-cash	17	107
Net change in operating assets and liabilities, net of effects of acquisitions	164	(279)
Net cash provided by operating activities	1,816	1,815
INVESTING ACTIVITIES		
Cash proceeds from sale of noncontrolling interest in subsidiary	—	93
Cash paid for all other acquisitions, net of cash received	—	(5)
Capital expenditures, excluding allowance for equity funds used during construction	(1,621)	(1,150)
Contributions in aid of construction costs	25	15
Contributions to unconsolidated affiliates	(9)	(28)
Distributions from unconsolidated affiliates in excess of cumulative earnings	52	13
Proceeds from the sale of other assets	2	4
Other	(6)	(40)
Net cash used in investing activities	(1,557)	(1,098)
FINANCING ACTIVITIES		
Proceeds from borrowings	12,134	11,295
Repayments of debt	(12,898)	(10,733)
Subsidiary units issued for cash	1,580	—
Capital contributions from noncontrolling interests	95	140
Distributions to partners	(770)	(800)
Distributions to noncontrolling interests	(444)	(425)
Debt issuance costs	(51)	(84)
Net cash used in financing activities	(354)	(607)
Increase (decrease) in cash and cash equivalents	(95)	110
Cash and cash equivalents, beginning of period	291	419
Cash and cash equivalents, end of period	$ 196	$ 529

*As adjusted. See Note 1.

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY TRANSFER LP AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Tabular dollar and unit amounts, except per unit data, are in millions)
(unaudited)

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

The consolidated financial statements presented herein contain the results of Energy Transfer LP and its subsidiaries (the "Partnership," "we," "us," "our" or "ET"). References to the "Parent Company" mean Energy Transfer LP on a stand-alone basis.

In December 2019, we completed the acquisition of SemGroup. In connection with the transaction, a wholly owned subsidiary of ET merged with and into SemGroup, with SemGroup surviving the merger. During the first quarter of 2020, ET contributed certain former SemGroup subsidiaries to ETO through sale and contribution transactions (together, the "SemGroup Transaction").

Substantially all of the Partnership's cash flows are derived from distributions related to its investment in ETO, whose cash flows are derived from its subsidiaries, including ETO's investments in Sunoco LP and USAC. The Parent Company's primary cash requirements are for general and administrative expenses, debt service requirements and distributions to its partners. Parent Company-only assets are not available to satisfy the debts and other obligations of ET's subsidiaries.

Our financial statements reflect the following reportable segments:

- intrastate transportation and storage;
- interstate transportation and storage;
- midstream;
- NGL and refined products transportation and services;
- crude oil transportation and services;
- investment in Sunoco LP;
- investment in USAC; and
- corporate and other, including the following:
  - activities of the Parent Company; and
  - certain operations and investments that are not separately reflected as reportable segments.

Basis of Presentation

The unaudited financial information included in this Form 10-Q has been prepared on the same basis as the audited consolidated financial statements included in the Partnership's Annual Report on Form 10-K for the year ended December 31, 2019, filed with the SEC on February 21, 2020. In the opinion of the Partnership's management, such financial information reflects all adjustments necessary for a fair presentation of the financial position and the results of operations for such interim periods in accordance with GAAP. All intercompany items and transactions have been eliminated in consolidation. Certain information and footnote disclosures normally included in annual consolidated financial statements prepared in accordance with GAAP have been omitted pursuant to the rules and regulations of the SEC.

The consolidated financial statements of ET presented herein include the results of operations of:

- the Parent Company;
- our controlled subsidiary, ETO;
- ETP GP, the general partner of ETO, and Energy Transfer Partners, L.L.C. ("ETP LLC"), the general partner of ETP GP; and
- our subsidiary, SemCAMS.

Our subsidiaries also own varying undivided interests in certain pipelines. Ownership of these pipelines has been structured as an ownership of an undivided interest in assets, not as an ownership interest in a partnership, limited liability company,

joint venture or other forms of entities. Each owner controls marketing and invoices separately, and each owner is responsible for any loss, damage or injury that may occur to their own customers. As a result, we apply proportionate consolidation for our interests in these entities.

Certain prior period amounts have also been reclassified to conform to the current period presentation. These reclassifications had no impact on net income or total equity.

Change in Accounting Policy

Effective January 1, 2020, the Partnership elected to change its accounting policy related to certain barrels of crude oil that were previously accounted for as inventory. Under the revised accounting policy, certain amounts of crude oil that are not available for sale have been reclassified from inventory to non-current assets. These crude oil barrels, which are owned by the Partnership's crude oil acquisition and marketing business, include pipeline linefill and tank bottoms and are not considered to be available for sale because the volumes must be maintained in order to continue normal operation of the related pipelines or tanks and because there is no expectation of liquidation or sale of these volumes in the near term.

Under the previous accounting policy, all crude oil barrels were recorded as inventory under the weighted-average cost method. Under the revised accounting policy, barrels related to pipeline linefill and tank bottoms are accounted for as long-lived assets and reflected as non-current assets on the consolidated balance sheet. These crude oil barrels will be tested for impairment consistent with the Partnership's existing accounting policy for impairments of long-lived assets. The Partnership's management believes that the change in accounting policy is preferable as it more closely aligns the accounting policies across the consolidated entity, given that similar assets in the Partnership's natural gas, NGLs and refined products businesses are accounted for as non-current assets. In addition, management believes that reflecting these crude oil barrels as non-current assets better represents the economic results of the Partnership's crude oil acquisition and marketing business by reducing volatility resulting from market price adjustments to crude oil barrels that are not expected to be sold or liquidated in the near term.

The impact of this accounting policy change on the Partnership's net income for three months ended March 31, 2020, was approximately $265 million, or $0.10 per limited partner unit. As a result of this change in accounting policy, the Partnership's consolidated balance sheets for prior periods have been retrospectively adjusted as follows:

	December 31, 2019			December 31, 2018		
	As Originally Reported	Effect of Change	As Adjusted	As Originally Reported	Effect of Change	As Adjusted
Inventories	$ 1,935	$ (403)	$ 1,532	$ 1,677	$ (305)	$ 1,372
Total current assets	7,867	(403)	7,464	6,750	(305)	6,445
Other non-current assets, net	1,075	496	1,571	1,006	472	1,478
Total assets	98,880	93	98,973	88,246	167	88,413
Total partners' capital	21,827	93	21,920	20,559	167	20,726

In addition, the Partnership's consolidated statements of operations, comprehensive income and cash flows for prior periods have been retrospectively adjusted as follows:

	Year Ended December 31,		Three Months Ended March 31,
	2019	2018	2019
As originally reported:			
Consolidated Statements of Operations and Comprehensive Income			
Cost of products sold	$ 39,727	$ 41,658	$ 9,415
Operating income	7,277	5,348	1,927
Income from continuing operations before income tax expense (benefit)	5,094	3,634	1,306
Net income	4,899	3,365	1,180
Net income per limited partner unit	1.37	1.16	0.33
Comprehensive income	4,930	3,322	1,188
Comprehensive income attributable to partners	3,623	1,651	878
Consolidated Statements of Cash Flows			
Net income	4,899	3,365	1,180
Net change in operating assets and liabilities	(518)	289	(341)
Effect of change:			
Consolidated Statements of Operations and Comprehensive Income			
Cost of products sold	74	(55)	62
Operating income	(74)	55	(62)
Income from continuing operations before income tax expense (benefit)	(74)	55	(62)
Net income	(74)	55	(62)
Net income per limited partner unit	(0.03)	0.04	(0.02)
Comprehensive income	(74)	55	(62)
Comprehensive income attributable to partners	(74)	55	(62)
Consolidated Statements of Cash Flows			
Net income	(74)	55	(62)
Net change in operating assets and liabilities	74	(55)	62
As adjusted:			
Consolidated Statements of Operations and Comprehensive Income			
Cost of products sold	39,801	41,603	9,477
Operating income	7,203	5,403	1,865
Income from continuing operations before income tax expense (benefit)	5,020	3,689	1,244
Net income	4,825	3,420	1,118
Net income per limited partner unit	1.34	1.20	0.31
Comprehensive income	4,856	3,377	1,126
Comprehensive income attributable to partners	3,549	1,706	816
Consolidated Statements of Cash Flows			
Net income	4,825	3,420	1,118
Net change in operating assets and liabilities	(444)	234	(279)

Use of Estimates

The unaudited consolidated financial statements have been prepared in conformity with GAAP, which includes the use of estimates and assumptions made by management that affect the reported amounts of assets, liabilities, revenues, expenses

and disclosure of contingent assets and liabilities that exist at the date of the consolidated financial statements. Although these estimates are based on management's available knowledge of current and expected future events, actual results could be different from those estimates.

Recent Accounting Pronouncements

Effective January 1, 2020, the Partnership adopted Accounting Standards Update ("ASU") 2016-13 "Financial Instruments - Credit Losses (Topic 326) Measurement of Credit Losses on Financial Instruments." ASU 2016-13 requires an entity to utilize a new impairment model known as the current expected credit loss ("CECL") model to estimate its lifetime "expected credit loss" and record an allowance that, when deducted from the amortized cost basis of the financial asset, presents the net amount expected to be collected on the financial asset. The CECL model is expected to result in more timely recognition of credit losses. The impact of adoption was immaterial to the Partnership. However, due in large part to the global economic impacts of COVID-19, the Partnership and its subsidiaries recorded an aggregate $16 million of current expected credit losses for the three months ended March 31, 2020.

Goodwill

During the first quarter of 2020, due to the impacts of the COVID-19 pandemic, the decline in commodity prices and the decreases in the Partnership's market capitalization, we determined that interim impairment testing should be performed on certain reporting units. We performed the interim impairment tests consistent with our approach for annual impairment testing, including using similar models, inputs and assumptions. As a result of the interim impairment test, the Partnership recognized a goodwill impairment of $483 million related to our Arklatex and South Texas operations within the midstream segment, a goodwill impairment of $183 million related to our Lake Charles LNG regasification operations within the interstate transportation and storage segment due to a contractual reduction in payments for the remainder of the contract term, and a goodwill impairment of $40 million related to our all other operations primarily due to decreases in projected future revenues and cash flows as a result of the overall market demand decline. In addition, USAC recognized a goodwill impairment of $619 million during the three months ended March 31, 2020, which is included in the Partnership's consolidated results of operations. No other impairments of the Partnership's goodwill were identified.

In connection with aforementioned impairments, the Partnership determined the fair value of our reporting units using the income approach. The income approach is based on the present value of future cash flows, which are derived from our long-term financial forecasts, and requires significant assumptions including, among others, revenue growth rates, operating margins, weighted average costs of capital and future market conditions, among others. The Partnership believes the estimates and assumptions used in our impairment assessments are reasonable and based on available market information, but variations in any of the assumptions could result in materially different calculations of fair value and determinations of whether or not an impairment is indicated. Cash flow projections are derived from one-year budgeted amounts and three-year operating forecasts plus an estimate of later period cash flows, all of which are evaluated by management. Subsequent period cash flows are developed for each reporting unit using growth rates that management believes are reasonably likely to occur.

Of the $3.84 billion of goodwill on the Partnership's consolidated balance sheet as of March 31, 2020, approximately $1.2 billion is recorded in reporting units for which the estimated fair value exceeded the carrying value by less than 20% in the most recent quantitative test. Management believes that all of the $1.2 billion is at significant risk of impairment, if commodity prices and/or overall market demand remains low. In addition, as of March 31, 2020, the Partnership's goodwill balance includes approximately $265 million of goodwill related to the SemGroup assets that were acquired in December 2019; these goodwill balances are subject to change as the purchase price allocation has not been finalized. Any future adjustments to the SemGroup-related goodwill balances could also increase the likelihood of a future goodwill impairment.

Changes in the carrying amount of goodwill were as follows:

	Intrastate Transportation and Storage	Interstate Transportation and Storage	Midstream	NGL and Refined Products Transportation and Services	Crude Oil Transportation and Services	Investment in Sunoco LP	Investment in USAC	All Other	Total
Balance, December 31, 2019	$ 10	$ 226	$ 483	$ 693	$ 1,397	$ 1,555	$ 619	$ 184	$ 5,167
Impaired	—	(183)	(483)	—	—	—	(619)	(40)	(1,325)
Other	—	—	—	—	—	—	—	(7)	(7)
Balance, March 31, 2020	$ 10	$ 43	$ —	$ 693	$ 1,397	$ 1,555	$ —	$ 137	$ 3,835

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all cash on hand, demand deposits, and investments with original maturities of three months or less. We consider cash equivalents to include short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. The Partnership's balance sheets did not include any material amounts of restricted cash as of March 31, 2020 or December 31, 2019.

We place our cash deposits and temporary cash investments with high credit quality financial institutions. At times, our cash and cash equivalents may be uninsured or in deposit accounts that exceed the Federal Deposit Insurance Corporation insurance limit.

The net change in operating assets and liabilities (net of effects of acquisitions) included in cash flows from operating activities is comprised as follows:

	Three Months Ended March 31,	
	2020	2019
Accounts receivable	$ 1,667	$ (302)
Accounts receivable from related companies	(20)	(38)
Inventories	281	135
Other current assets	110	99
Other non-current assets, net	(101)	(34)
Accounts payable	(1,704)	321
Accounts payable to related companies	(21)	(10)
Accrued and other current liabilities	(233)	(406)
Other non-current liabilities	25	(31)
Derivative assets and liabilities, net	160	(13)
Net change in operating assets and liabilities, net of effects of acquisitions	$ 164	$ (279)

Non-cash activities are as follows:

	Three Months Ended March 31,	
	2020	2019
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Accrued capital expenditures	$ 1,015	$ 630
Accrued distributions to partners	822	—
Lease assets obtained in exchange for new lease liabilities	17	8

3. INVENTORIES

As further discussed in Note 1, the Partnership elected to change its accounting policy related to certain barrels of crude oil that were previously accounted for as inventory. As a result of this change in accounting policy, the Partnership's inventory balance for the prior period has been retrospectively adjusted. Inventories consisted of the following:

	March 31, 2020	December 31, 2019
Natural gas, NGLs and refined products	$ 463	$ 833
Crude oil	105	251
Spare parts and other	456	448
Total inventories	$ 1,024	$ 1,532

We utilize commodity derivatives to manage price volatility associated with its natural gas inventories. Changes in fair value of designated hedged inventory are recorded in inventory on our consolidated balance sheets and cost of products sold in our consolidated statements of operations.

4. FAIR VALUE MEASURES

Based on the estimated borrowing rates currently available to us and our subsidiaries for loans with similar terms and average maturities, the aggregate fair value and carrying amount of our consolidated debt obligations as of March 31, 2020 were $43.92 billion and $50.33 billion, respectively. As of December 31, 2019, the aggregate fair value and carrying amount of our consolidated debt obligations were $54.79 billion and $51.05 billion, respectively. The fair value of our consolidated debt obligations is a Level 2 valuation based on the respective debt obligations' observable inputs used for similar liabilities.

We have commodity derivatives and interest rate derivatives that are accounted for as assets and liabilities at fair value in our consolidated balance sheets. We determine the fair value of our assets and liabilities subject to fair value measurement by using the highest possible "level" of inputs. Level 1 inputs are observable quotes in an active market for identical assets and liabilities. We consider the valuation of marketable securities and commodity derivatives transacted through a clearing broker with a published price from the appropriate exchange as a Level 1 valuation. Level 2 inputs are inputs observable for similar assets and liabilities. We consider OTC commodity derivatives entered into directly with third parties as a Level 2 valuation since the values of these derivatives are quoted on an exchange for similar transactions. Additionally, we consider our options transacted through our clearing broker as having Level 2 inputs due to the level of activity of these contracts on the exchange in which they trade. We consider the valuation of our interest rate derivatives as Level 2 as the primary input, the LIBOR curve, is based on quotes from an active exchange of Eurodollar futures for the same period as the future interest swap settlements. Level 3 inputs are unobservable. During the three months ended March 31, 2020, no transfers were made between any levels within the fair value hierarchy.

The following tables summarize the gross fair value of our financial assets and liabilities measured and recorded at fair value on a recurring basis as of March 31, 2020 and December 31, 2019 based on inputs used to derive their fair values:

		Fair Value Measurements at March 31, 2020	
	Fair Value Total	Level 1	Level 2
Assets:			
Commodity derivatives:			
Natural Gas:			
Basis Swaps IFERC/NYMEX	$ 108	$ 108	$ —
Swing Swaps IFERC	2	—	2
Fixed Swaps/Futures	31	31	—
Forward Physical Contracts	6	—	6
Power:			
Forwards	15	—	15
Futures	5	5	—
Options – Puts	2	2	—
Options – Calls	1	1	—
NGLs – Forwards/Swaps	527	527	—
Crude – Forwards/Swaps	3	3	—
Total commodity derivatives	700	677	23
Other non-current assets	26	17	9
Total assets	$ 726	$ 694	$ 32
Liabilities:			
Interest rate derivatives	$ (573)	$ —	$ (573)
Commodity derivatives:			
Natural Gas:			
Basis Swaps IFERC/NYMEX	(85)	(85)	—
Swing Swaps IFERC	(2)	(1)	(1)
Fixed Swaps/Futures	(33)	(33)	—
Forward Physical Contracts	(1)	—	(1)
Power:			
Forwards	(9)	—	(9)
Futures	(5)	(5)	—
NGLs – Forwards/Swaps	(489)	(489)	—
Refined Products – Futures	(7)	(7)	—
Total commodity derivatives	(631)	(620)	(11)
Total liabilities	$ (1,204)	$ (620)	$ (584)

	Fair Value Measurements at December 31, 2019		
	Fair Value Total	Level 1	Level 2
Assets:			
Commodity derivatives:			
Natural Gas:			
Basis Swaps IFERC/NYMEX	$ 17	$ 17	$ —
Swing Swaps IFERC	1	—	1
Fixed Swaps/Futures	65	65	—
Forward Physical Contracts	3	—	3
Power:			
Forwards	11	—	11
Futures	4	4	—
Options – Puts	1	1	—
Options – Calls	1	1	—
NGLs – Forwards/Swaps	260	260	—
Refined Products – Futures	8	8	—
Crude – Forwards/Swaps	13	13	—
Total commodity derivatives	384	369	15
Other non-current assets	31	20	11
Total assets	$ 415	$ 389	$ 26
Liabilities:			
Interest rate derivatives	$ (399)	$ —	$ (399)
Commodity derivatives:			
Natural Gas:			
Basis Swaps IFERC/NYMEX	(49)	(49)	—
Swing Swaps IFERC	(1)	—	(1)
Fixed Swaps/Futures	(43)	(43)	—
Power:			
Forwards	(5)	—	(5)
Futures	(3)	(3)	—
NGLs – Forwards/Swaps	(278)	(278)	—
Refined Products – Futures	(10)	(10)	—
Total commodity derivatives	(389)	(383)	(6)
Total liabilities	$ (788)	$ (383)	$ (405)

5. NET INCOME (LOSS) PER LIMITED PARTNER UNIT

A reconciliation of income and weighted average units used in computing basic and diluted income (loss) per unit is as follows:

	Three Months Ended March 31,	
	2020	2019
Net income (loss)	$ (964)	$ 1,118
Less: Net income attributable to noncontrolling interests	(121)	297
Less: Net income attributable to redeemable noncontrolling interests	12	13
Net income (loss), net of noncontrolling interests	(855)	808
Less: General Partner's interest in income (loss)	(1)	1
Income (loss) available to Limited Partners	$ (854)	$ 807
Basic Income (Loss) per Limited Partner Unit:		
Weighted average limited partner units	2,691.7	2,619.5
Basic income (loss) per Limited Partner unit	$ (0.32)	$ 0.31
Diluted Income (Loss) per Limited Partner Unit:		
Income (loss) available to Limited Partners	$ (854)	$ 807
Dilutive effect of equity-based compensation of subsidiaries [1]	—	—
Diluted income (loss) available to Limited Partners	$ (854)	$ 807
Weighted average limited partner units	2,691.7	2,619.5
Dilutive effect of unvested unit awards [1]	—	8.4
Weighted average limited partner units, assuming dilutive effect of unvested unit awards	2,691.7	2,627.9
Diluted income (loss) from per Limited Partner unit	$ (0.32)	$ 0.31

[1] Dilutive effects are excluded from the calculation for periods where the impact would have been antidilutive.

6. DEBT OBLIGATIONS

Parent Company Indebtedness

ET Term Loan Facility

On January 15, 2019, ET paid in full all outstanding borrowings under its senior secured term loan agreement and thereafter terminated the term loan agreement. In connection with the termination of the term loan agreement, the collateral securing certain series of the Partnership's outstanding senior notes was released in accordance with the terms of the applicable indentures governing such senior notes.

Subsidiary Indebtedness

ETO January 2020 Senior Notes Offering and Redemption

On January 22, 2020, ETO completed a registered offering (the "January 2020 Senior Notes Offering") of $1.00 billion aggregate principal amount of the Partnership's 2.900% Senior Notes due 2025, $1.50 billion aggregate principal amount of the Partnership's 3.750% Senior Notes due 2030 and $2.00 billion aggregate principal amount of the Partnership's 5.000% Senior Notes due 2050 (collectively, the "Notes"). The Notes are fully and unconditionally guaranteed by the Partnership's wholly-owned subsidiary, Sunoco Logistics Operations, on a senior unsecured basis.

Using proceeds from the January 2020 Senior Notes Offering, ETO redeemed its $400 million aggregate principal amount of 5.75% Senior Notes due September 1, 2020, its $1.05 billion aggregate principal amount of 4.15% Senior Notes due October 1, 2020, its $1.14 billion aggregate principal amount of 7.50% Senior Notes due October 15, 2020, its $250 million aggregate principal amount of 5.50% Senior Notes due February 15, 2020, ET's $52 million aggregate principal amount of 7.50% Senior Notes due October 15, 2020 and Transwestern's $175 million aggregate principal amount of 5.36% Senior Notes due December 9, 2020.

HFOTCO Long-Term Debt

In connection with the contribution transactions discussed in Note 2, HFOTCO became a wholly-owned subsidiary of ETO. As of March 31, 2020, HFOTCO had $225 million outstanding of tax exempt notes due 2050 (the "IKE Bonds"). The IKE Bonds are fully and unconditionally guaranteed by the Partnership, on a senior unsecured basis. The indentures under which the IKE Bonds were issued are subject to customary representations and warranties and affirmative and negative covenants, the majority of which are substantially similar to those found in ETO's revolving credit facility, as further discussed below.

Credit Facilities and Commercial Paper

ETO Term Loan

ETO's term loan credit agreement provides for a $2 billion three-year term loan credit facility (the "ETO Term Loan"). Borrowings under the term loan agreement mature on October 17, 2022 and are available for working capital purposes and for general partnership purposes. The term loan agreement is unsecured and is guaranteed by our subsidiary, Sunoco Logistics Operations.

As of March 31, 2020, the ETO Term Loan had $2 billion outstanding and was fully drawn. The weighted average interest rate on the total amount outstanding as of March 31, 2020 was 1.92%.

ETO Five-Year Credit Facility

ETO's revolving credit facility (the "ETO Five-Year Credit Facility") allows for unsecured borrowings up to $5.00 billion and matures on December 1, 2023. The ETO Five-Year Credit Facility contains an accordion feature, under which the total aggregate commitment may be increased up to $6.00 billion under certain conditions.

As of March 31, 2020, the ETO Five-Year Credit Facility had $1.96 billion of outstanding borrowings, $113 million of which was commercial paper. The amount available for future borrowings was $2.97 billion after taking into account letters of credit of $72 million. The weighted average interest rate on the total amount outstanding as of March 31, 2020 was 2.24%.

ETO 364-Day Facility

ETO's 364-day revolving credit facility (the "ETO 364-Day Facility") allows for unsecured borrowings up to $1.00 billion and matures on November 27, 2020. As of March 31, 2020, the ETO 364-Day Facility had no outstanding borrowings.

Sunoco LP Credit Facility

Sunoco LP maintains a $1.50 billion revolving credit facility (the "Sunoco LP Credit Facility"), which matures in July 2023. As of March 31, 2020, the Sunoco LP Credit Facility had $265 million of outstanding borrowings and $8 million in standby letters of credit. As of March 31, 2020, Sunoco LP had $1.23 billion of availability under the Sunoco LP Credit Facility. The weighted average interest rate on the total amount outstanding as of March 31, 2020 was 2.63%.

USAC Credit Facility

USAC maintains a $1.60 billion revolving credit facility (the "USAC Credit Facility"), with a further potential increase of $400 million, which matures in April 2023. As of March 31, 2020, the USAC Credit Facility had $459 million of outstanding borrowings and no outstanding letters of credit. As of March 31, 2020, USAC had $1.14 billion of borrowing base availability and, subject to compliance with the applicable financial covenants, available borrowing capacity of $186 million under the USAC Credit Facility. The weighted average interest rate on the total amount outstanding as of March 31, 2020 was 3.67%.

Compliance with Our Covenants

We and our subsidiaries were in compliance with all requirements, tests, limitations, and covenants related to our debt agreements as of March 31, 2020.

7. REDEEMABLE NONCONTROLLING INTERESTS

Certain redeemable noncontrolling interests in the Partnership's subsidiaries are reflected as mezzanine equity on the consolidated balance sheet. Redeemable noncontrolling interests as of March 31, 2020 included a balance of $477 million related to the USAC Preferred Units described below and a balance of $15 million related to noncontrolling interest holders in one of the Partnership's consolidated subsidiaries that have the option to sell their interests to the Partnership. In addition, redeemable noncontrolling interests includes a balance of $253 million in SemCAMS preferred shares acquired as part of the merger with SemGroup (see Note 1 above).

USAC Preferred Units

As of March 31, 2020, USAC had 500,000 USAC Preferred Units issued and outstanding, which are entitled to receive cumulative quarterly distributions equal to $24.375 per USAC Preferred Unit, subject to increase in certain limited circumstances. The USAC Preferred Units will have a perpetual term, unless converted or redeemed. Certain portions of the USAC Preferred Units will be convertible into USAC common units at the election of the holders beginning in 2021. To the extent the holders of the USAC Preferred Units have not elected to convert their preferred units by April 2, 2023, USAC will have the option to redeem all or any portion of the USAC Preferred Units for cash. In addition, at any time on or after the tenth anniversary of the issue date, the holders of the USAC Preferred Units will have the right to require USAC to redeem all or any portion of the USAC Preferred Units, and the Partnership may elect to pay up to 50% of such redemption amount in USAC common units.

SemCAMS Redeemable Preferred Stock

As of March 31, 2020, SemCAMS had 300,000 shares of cumulative preferred stock issued and outstanding. The preferred stock is redeemable at SemCAMS's option subsequent to January 3, 2021 at a redemption price of C$1,100 (US$775 at the March 31, 2020 exchange rate) per share. The preferred stock is redeemable by the holder contingent upon a change of control or liquidation of SemCAMS. The preferred stock is convertible to SemCAMS common shares in the event of an initial public offering by SemCAMS.

The preferred stock was recorded at fair value in connection with the SemGroup purchase accounting. Dividends on the preferred stock are payable in-kind through the quarter ending June 30, 2020. The dividends paid-in-kind increased the liquidation preference such that as of March 31, 2020, the preferred stock was convertible into 315,859 shares.

8. EQUITY

The change in ET Common Units during the three months ended March 31, 2020 was as follows:

	Three Months Ended March 31, 2020
Number of Common Units, beginning of period	2,689.6
Common Units issued in connection with the distribution reinvestment plan	4.1
Common Units vested under equity incentive plans and other	0.5
Number of Common Units, end of period	2,694.2

ET Equity Distribution Program

In March 2017, the Partnership entered into an equity distribution agreement relating to at-the-market offerings of its common units with an aggregate offering price up to $1 billion. As of March 31, 2020, there have been no sales of common units under the equity distribution agreement.

ET Repurchase Program

During the three months ended March 31, 2020, ET did not repurchase any ET common units under its current buyback program. As of March 31, 2020, $911 million remained available to repurchase under the current program.

ET Distribution Reinvestment Program

During the three months ended March 31, 2020, distributions of $53 million were reinvested under the distribution reinvestment program. As of March 31, 2020, a total of $25 million common units remain available to be issued under the existing registration statement in connection with the distribution reinvestment program.

Subsidiary Equity Transactions

ETO Preferred Units

As of March 31, 2020 and December 31, 2019, ETO's outstanding preferred units included 950,000 ETO Series A Preferred Units, 550,000 ETO Series B Preferred Units, 18,000,000 ETO Series C Preferred Units, 17,800,000 ETO Series D Preferred Units and 32,000,000 ETO Series E Preferred Units. As of March 31, 2020, ETO's outstanding preferred units also included 500,000 ETO Series F Preferred Units and 1,100,000 ETO Series G Preferred Units.

ETO Series F Preferred Units

On January 22, 2020, ETO issued 500,000 of its 6.750% Series F Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Units representing limited partner interest in ETO, at a price to the public of $1,000 per unit. Distributions on the ETO Series F Preferred Units are cumulative from and including the original issue date and will be payable semi-annually in arrears on the 15th day of May and November of each year, commencing on May 15, 2020 to, but excluding, May 15, 2025, at a rate equal to 6.750% per annum of the $1,000 liquidation preference. On and after May 15, 2025, the distribution rate on the ETO Series F Preferred Units will equal a percentage of the $1,000 liquidation preference equal to the five-year U.S. treasury rate plus a spread of 5.134% per annum. The ETO Series F Preferred Units are redeemable at ETO's option on or after May 15, 2025 at a redemption price of $1,000 per ETO Series F Preferred Unit, plus an amount equal to all accumulated and unpaid distributions thereon to, but excluding, the date of redemption.

ETO Series G Preferred Units

On January 22, 2020, ETO issued 1,100,000 of its 7.125% Series G Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Units representing limited partner interest in ETO, at a price to the public of $1,000 per unit. Distributions on the ETO Series G Preferred Units are cumulative from and including the original issue date and will be payable semi-annually in arrears on the 15th day of May and November of each year, commencing on May 15, 2020 to, but excluding, May 15, 2030, at a rate equal to 7.125% per annum of the $1,000 liquidation preference. On and after May 15, 2030, the distribution rate on the ETO Series G Preferred Units will equal a percentage of the $1,000 liquidation preference equal to the five-year U.S. treasury rate plus a spread of 5.306% per annum. The ETO Series G Preferred Units are redeemable at ETO's option on or after May 15, 2030 at a redemption price of $1,000 per ETO Series G Preferred Unit, plus an amount equal to all accumulated and unpaid distributions thereon to, but excluding, the date of redemption.

Sunoco LP Equity Distribution Program

For the three months ended March 31, 2020, Sunoco LP issued no additional units under its at-the-market equity distribution program. As of March 31, 2020, $295 million of Sunoco LP common units remained available to be issued under the currently effective equity distribution agreement.

USAC Distribution Reinvestment Program

During the three months ended March 31, 2020, distributions of $0.3 million were reinvested under the USAC distribution reinvestment program resulting in the issuance of approximately 18,883 USAC common units.

Parent Company Cash Distributions

Distributions declared and/or paid subsequent to December 31, 2019 were as follows:

Quarter Ended	Record Date	Payment Date	Rate
December 31, 2019	February 7, 2020	February 19, 2020	$ 0.3050
March 31, 2020	May 7, 2020	May 19, 2020	0.3050

ETO Cash Distributions

Distributions declared and/or paid by ETO to its preferred unitholders subsequent to December 31, 2019 were as follows:

Period Ended	Record Date	Payment Date	Series A [1]	Series B [1]	Series C	Series D	Series E	Series F [2]	Series G [2]
December 31, 2019	February 3, 2020	February 18, 2020	$ 31.25	$ 33.125	$ 0.4609	$ 0.4766	$ 0.4750	$ —	$ —
March 31, 2020	May 1, 2020	May 15, 2020	—	—	0.4609	0.4766	0.4750	21.19	22.36

[1] ETO Series A Preferred Unit and ETO Series B Preferred Unit distributions are paid on a semi-annual basis.

[2] ETO Series F and G Preferred Unit distributions related to the period ended March 31, 2020 represent a prorated initial distribution. Distributions are paid on a semi-annual basis.

Sunoco LP Cash Distributions

Distributions declared and/or paid by Sunoco LP subsequent to its common unitholders December 31, 2019 were as follows:

Quarter Ended	Record Date	Payment Date	Rate
December 31, 2019	February 7, 2020	February 19, 2020	$ 0.8255
March 31, 2020	May 7, 2020	May 19, 2020	0.8255

USAC Cash Distributions

Distributions declared and/or paid by USAC to its common unitholders subsequent to December 31, 2019 were as follows:

Quarter Ended	Record Date	Payment Date	Rate
December 31, 2019	January 27, 2020	February 7, 2020	$ 0.5250
March 31, 2020	April 27, 2020	May 8, 2020	0.5250

Accumulated Other Comprehensive Income (Loss)

The following table presents the components of AOCI, net of tax:

	March 31, 2020	December 31, 2019
Available-for-sale securities	$ 4	$ 13
Foreign currency translation adjustment	(62)	2
Actuarial loss related to pensions and other postretirement benefits	(22)	(25)
Investments in unconsolidated affiliates, net	(17)	(1)
Total AOCI, net of tax	$ (97)	$ (11)
Amounts attributable to noncontrolling interest	38	—
Total AOCI included in partners' capital, net of tax	$ (59)	$ (11)

9. INCOME TAXES

The Partnership's effective tax rate differs from the statutory rate primarily due to partnership earnings that are not subject to United States federal and most state income taxes at the partnership level.

10. REGULATORY MATTERS, COMMITMENTS, CONTINGENCIES AND ENVIRONMENTAL LIABILITIES

FERC Proceedings

By Order issued January 16, 2019, the FERC initiated a review of Panhandle's existing rates pursuant to Section 5 of the Natural Gas Act to determine whether the rates currently charged by Panhandle are just and reasonable and set the matter for hearing. On August 30, 2019, Panhandle filed a general rate proceeding under Section 4 of the Natural Gas Act. The Natural Gas Act Section 5 and Section 4 proceedings were consolidated by the Order dated October 1, 2019. A hearing in the combined proceedings is scheduled for August, 2020, with an initial decision expected in early 2021.

Commitments

In the normal course of business, ETO purchases, processes and sells natural gas pursuant to long-term contracts and enters into long-term transportation and storage agreements. Such contracts contain terms that are customary in the industry. ETO believes that the terms of these agreements are commercially reasonable and will not have a material adverse effect on its financial position or results of operations.

ETO's joint venture agreements require that they fund their proportionate share of capital contributions to their unconsolidated affiliates. Such contributions will depend upon their unconsolidated affiliates' capital requirements, such as for funding capital projects or repayment of long-term obligations.

We have certain non-cancelable rights-of-way (“ROW”) commitments, which require fixed payments and either expire upon our chosen abandonment or at various dates in the future. The table below reflects ROW expense included in operating expenses in the accompanying statements of operations:

	Three Months Ended March 31,	
	2020	2019
ROW expense	$ 10	$ 6

PES Refinery Fire and Bankruptcy

We own an approximately 7.4% non-operating interest in PES, which owns a refinery in Philadelphia. In addition, the Partnership provides logistics services to PES under commercial contracts and Sunoco LP has historically purchased refined products from PES. In June 2019, an explosion and fire occurred at the refinery complex.

On July 21, 2019, PES Holdings, LLC and seven of its subsidiaries (collectively, the "Debtors") filed voluntary petitions in the United States Bankruptcy Court for the District of Delaware seeking relief under the provisions of Chapter 11 of the United States Bankruptcy Code, as a result of the explosion and fire at the Philadelphia refinery complex. The Debtors have also defaulted on a $75 million note payable to a subsidiary of the Partnership. The Partnership has not recorded a valuation allowance related to the note receivable as of March 31, 2020, because management is not yet able to determine the collectability of the note in bankruptcy.

In addition, the Partnership’s subsidiaries retained certain environmental remediation liabilities when the refinery was sold to PES. As of March 31, 2020, the Partnership has funded these environmental remediation liabilities through its wholly-owned captive insurance company, based upon actuarially determined estimates for such costs, and these liabilities are included in the total environmental liabilities discussed below under “Environmental Remediation.” In the event that PES property is sold in connection with the bankruptcy proceeding, it may be necessary for the Partnership to record additional environmental remediation liabilities in the future depending upon the proposed use of such property by the buyer of the property; however, management is not currently able to estimate such additional liabilities.

PES has rejected certain of the Partnership’s commercial contracts pursuant to Section 365 of the Bankruptcy Code; however, the impact of the bankruptcy on the Partnership’s commercial contracts and related revenue loss (temporary or permanent) is unknown at this time. In addition, Sunoco LP has been successful at acquiring alternative supplies to replace fuel volume lost from PES and does not anticipate any material impact to its business going forward.

Litigation and Contingencies

We may, from time to time, be involved in litigation and claims arising out of our operations in the normal course of business. Natural gas and crude oil are flammable and combustible. Serious personal injury and significant property damage can arise in connection with their transportation, storage or use. In the ordinary course of business, we are sometimes threatened with or named as a defendant in various lawsuits seeking actual and punitive damages for product liability, personal injury and property damage. We maintain liability insurance with insurers in amounts and with coverage and deductibles management believes are reasonable and prudent, and which are generally accepted in the industry. However, there can be no assurance that the levels of insurance protection currently in effect will continue to be available at reasonable prices or that such levels will remain adequate to protect us from material expenses related to product liability, personal injury or property damage in the future.

Dakota Access Pipeline

On July 27, 2016, the Standing Rock Sioux Tribe (“SRST”) filed a lawsuit in the United States District Court for the District of Columbia challenging permits issued by the United States Army Corps of Engineers (“USACE”) permitting Dakota Access, LLC (“Dakota Access”) to cross the Missouri River at Lake Oahe in North Dakota. The case was subsequently amended to challenge an easement issued by the USACE allowing the pipeline to cross land owned by the USACE adjacent to the Missouri River. Dakota Access and the Cheyenne River Sioux Tribe (“CRST”) intervened. Separate lawsuits filed by the Oglala Sioux Tribe (“OST”) and the Yankton Sioux Tribe (“YST”) were consolidated with this action and several individual tribal members intervened (collectively with SRST and CRST, the “Tribes”). Plaintiffs and Defendants filed cross motions for summary judgment. On March 25, 2020, the Court remanded the case back to the USACE for preparation of an Environment Impact Statement. The Court has requested briefing on whether to suspend operation of the pipeline during the time the USACE conducts any additional environmental analysis. Briefing will conclude on May 27, 2020.

Energy Transfer cannot determine when or how these lawsuits will be resolved or the impact they may have on the Dakota Access project.

Mont Belvieu Incident

On June 26, 2016, a hydrocarbon storage well located on another operator's facility adjacent to Lone Star NGL Mont Belvieu's ("Lone Star") facilities in Mont Belvieu, Texas experienced an over-pressurization resulting in a subsurface release. The subsurface release caused a fire at Lone Star's South Terminal and damage to Lone Star's storage well operations at its South and North Terminals. Normal operations have resumed at the facilities with the exception of one of Lone Star's storage wells, however, Lone Star is still quantifying the extent of its incurred and ongoing damages and has obtained, and will continue to seek, reimbursement for these losses.

MTBE Litigation

ETC Sunoco Holdings LLC and Sunoco (R&M), LLC (collectively, "Sunoco") are defendants in lawsuits alleging MTBE contamination of groundwater. The plaintiffs, state-level governmental entities, assert product liability, nuisance, trespass, negligence, violation of environmental laws, and/or deceptive business practices claims. The plaintiffs seek to recover compensatory damages, and in some cases also seek natural resource damages, injunctive relief, punitive damages, and attorneys' fees.

As of March 31, 2020, Sunoco is a defendant in five cases, including one case each initiated by the States of Maryland and Rhode Island, one by the Commonwealth of Pennsylvania and two by the Commonwealth of Puerto Rico. The more recent Puerto Rico action is a companion case alleging damages for additional sites beyond those at issue in the initial Puerto Rico action. The actions brought by the State of Maryland and Commonwealth of Pennsylvania have also named as defendants ETO, ETP Holdco Corporation, and Sunoco Partners Marketing & Terminals L.P. ("SPMT").

It is reasonably possible that a loss may be realized in the remaining cases; however, we are unable to estimate the possible loss or range of loss in excess of amounts accrued. An adverse determination with respect to one or more of the MTBE cases could have a significant impact on results of operations during the period in which any such adverse determination occurs, but such an adverse determination likely would not have a material adverse effect on the Partnership's consolidated financial position.

Regency Merger Litigation

On June 10, 2015, Adrian Dieckman ("Dieckman"), a purported Regency unitholder, filed a class action complaint related to the Regency-ETO merger (the "Regency Merger") in the Court of Chancery of the State of Delaware (the "Regency Merger Litigation"), on behalf of Regency's common unitholders against Regency GP LP, Regency GP LLC, ET, ETO, ETP GP, and the members of Regency's board of directors.

The Regency Merger Litigation alleges that the Regency Merger breached the Regency partnership agreement. On March 29, 2016, the Delaware Court of Chancery granted the defendants' motion to dismiss the lawsuit in its entirety. Plaintiff appealed, and the Delaware Supreme Court reversed the judgment of the Court of Chancery. Plaintiff then filed an Amended Verified Class Action Complaint, which defendants moved to dismiss. The Court of Chancery granted in part and denied in part the motions to dismiss, dismissing the claims against all defendants other than Regency GP, LP and Regency GP LLC (the "Regency Defendants"). The Court of Chancery later granted Plaintiff's unopposed motion for class certification. Trial was held on December 10-16, 2019, and a post-trial hearing was held on May 6, 2020.

The Regency Defendants cannot predict the outcome of the Regency Merger Litigation or any lawsuits that might be filed subsequent to the date of this filing; nor can the Regency Defendants predict the amount of time and expense that will be required to resolve the Regency Merger Litigation. The Regency Defendants believe the Regency Merger Litigation is without merit and intend to vigorously defend against it.

Litigation Filed By or Against Williams

In April and May, 2016, the Williams Companies, Inc. ("Williams") filed two lawsuits (the "Williams Litigation") against ET, LE GP, and, in one of the lawsuits, Energy Transfer Corp LP, ETE Corp GP, LLC, and Energy Transfer Equity GP, LLC (collectively, "Defendants"), alleging that Defendants breached their obligations under the ET-Williams merger agreement (the "Merger Agreement"). In general, Williams alleges that Defendants breached the Merger Agreement by (a) failing to use commercially reasonable efforts to obtain from Latham & Watkins LLP ("Latham") the delivery of a tax opinion concerning Section 721 of the Internal Revenue Code ("721 Opinion"), (b) issuing the Partnership's Series A Convertible Preferred Units (the "Issuance"), and (c) making allegedly untrue representations and warranties in the Merger Agreement.

After a two-day trial on June 20 and 21, 2016, the Court ruled in favor of Defendants and issued a declaratory judgment that ET could terminate the merger after June 28, 2016 because of Latham's inability to provide the required 721 Opinion. The Court did not reach a decision regarding Williams' claims related to the Issuance nor the alleged untrue representations and warranties. On March 23, 2017, the Delaware Supreme Court affirmed the Court's ruling on the June 2016 trial.

In September 2016, the parties filed amended pleadings. Williams filed an amended complaint seeking a $410 million termination fee based on the alleged breaches of the Merger Agreement listed above. Defendants filed amended counterclaims and affirmative defenses, asserting that Williams materially breached the Merger Agreement by, among other things, (a) failing to use its reasonable best efforts to consummate the merger, (b) failing to provide material information to ET for inclusion in the Form S-4 related to the merger, (c) failing to facilitate the financing of the merger, and (d) breaching the Merger Agreement's forum-selection clause.

In March 2020, the Court held argument on Defendant's Motion for Summary Judgment and William's Motion for Partial Summary Judgment. Those motions remain pending before the Court. Trial is currently set for August 2020. Defendants cannot predict the outcome of the Williams Litigation or any lawsuits that might be filed subsequent to the date of this filing; nor can Defendants predict the amount of time and expense that will be required to resolve these lawsuits. Defendants believe that Williams' claims are without merit and intend to defend vigorously against them.

Rover

On November 3, 2017, the State of Ohio and the Ohio Environmental Protection Agency ("Ohio EPA") filed suit against Rover and other defendants (collectively, the Defendants") seeking to recover civil penalties allegedly owed and certain injunctive relief related to permit compliance. The Defendants filed several motions to dismiss, which were granted on all counts. The Ohio EPA appealed, and on December 9, 2019, the Fifth District Court of Appeals entered a unanimous judgment affirming the trial court. The Ohio EPA sought review from the Ohio Supreme Court, which Defendants opposed in briefs filed in February 2020. On April 22, 2020, the Ohio Supreme Court granted the Ohio EPA's request for review. The briefing schedule for the Ohio Supreme Court's review has not yet been set.

Bayou Bridge

On January 11, 2018, environmental groups and a trade association filed suit against the USACE in the United States District Court for the Middle District of Louisiana. Plaintiffs allege that the USACE's issuance of permits authorizing the construction of the Bayou Bridge Pipeline through the Atchafalaya Basin ("Basin") violated the National Environmental Policy Act, the Clean Water Act, and the Rivers and Harbors Act. They asked the district court to vacate these permits and to enjoin construction of the project through the Basin until the USACE corrects alleged deficiencies in its decision-making process. ETO, through its subsidiary Bayou Bridge Pipeline, LLC ("Bayou Bridge"), intervened on January 26, 2018.

In February 2018, the District Court initially granted Plaintiffs' motion for a preliminary injunction, but the Fifth Circuit Court of Appeals subsequently vacated that decision. The Fifth Circuit's ruling allowed construction to continue and be completed during the pendency of the case. Plaintiffs filed a second motion for preliminary injunction in January 2019, which was denied. Plaintiffs and Defendants filed cross motions for summary judgment. On March 25, 2020, the Court granted summary judgment in favor of the USACE. Plaintiffs have until May 26, 2020 to file a notice of appeal.

Revolution

On September 10, 2018, a pipeline release and fire (the "Incident") occurred on the Revolution pipeline, a natural gas gathering line located in Center Township, Beaver County, Pennsylvania. There were no injuries. On February 8, 2019, the Pennsylvania Department of Environmental Protection ("PADEP") issued a Permit Hold on any requests for approvals/permits or permit amendments for any project in Pennsylvania pursuant to the state's water laws. The Partnership filed an appeal of the Permit Hold with the Pennsylvania Environmental Hearing Board. On January 3, 2020, the Partnership entered into a Consent Order and Agreement with the Department in which, among other things, the Permit Hold was lifted, the Partnership agreed to pay a $28.6 million civil penalty and fund a $2 million community environmental project, and all related appeals were withdrawn.

The Pennsylvania Office of Attorney General has commenced an investigation regarding the Incident, and the United States Attorney for the Western District of Pennsylvania has issued a federal grand jury subpoena for documents relevant to the Incident. The scope of these investigations is not further known at this time.

Chester County, Pennsylvania Investigation

In December 2018, the former Chester County District Attorney ("DA") sent a letter to the Partnership stating that his office was investigating the Partnership and related entities for "potential crimes" related to the Mariner East pipelines.

Subsequently, the matter was submitted to an Investigating Grand Jury in Chester County, Pennsylvania, which has issued subpoenas seeking documents and testimony. On September 24, 2019, the former DA sent a Notice of Intent to the Partnership of its intent to pursue an abatement action if certain conditions were not remediated. The Partnership responded to the Notice of Intent within the proscribed time period. To date, the Partnership is not aware of any further action with regard to this Notice.

In December 2019, the former DA announced charges against a current employee related to the provision of security services. The Partnership has secured independent counsel for the employee. While the Partnership will continue to cooperate with the investigation, it intends to vigorously defend itself.

Delaware County, Pennsylvania Investigation

On March 11, 2019, the Delaware County District Attorney's Office ("DA") announced that the DA and the Pennsylvania Attorney General's Office, at the request of the DA, are conducting an investigation of alleged criminal misconduct involving the construction and related activities of the Mariner East pipelines in Delaware County. The Partnership has not been appraised of the specific conduct under investigation. While the Partnership will cooperate with the investigation, it intends to vigorously defend itself.

Recently Filed Litigation Involving Energy Transfer LP

Four purported unitholders of ET filed derivative actions against various past and current members of ET's Board of Directors, LE GP, and ET, as a nominal defendant that assert claims for breach of fiduciary duties, unjust enrichment, waste of corporate assets, breach of ET's LPA, tortious interference, abuse of control, and gross mismanagement related primarily to matters involving the construction of pipelines in Pennsylvania. They also seek damages and changes to ET's corporate governance structure. See Bettiol v. LP GP, Case No. 3:19-cv-02890-X (N.D. Tex.); Davidson v. Kelcy L. Warren, Cause No. DC-20-02322 (44th Judicial District of Dallas County, Texas); and Harris v. Kelcy L. Warren, Case No. 2:20-cv-00364-GAM (E.D. Pa.); King v. LE GP, Case No. 3:20-cv-00719-X (N.D. Tex.). Another purported unitholder of ET, Allegheny County Employees' Retirement System , individually and on behalf of all others similarly situated, filed a federal securities class action suit against ET and three of ET's directors Kelcy L. Warren, John W. McReynolds, and Thomas E. Long. See Allegheny County Emps.' Ret. Sys. v. Energy Transfer LP, Case No. 2:20-00200-GAM (E.D. Pa.). The complaint asserts claims for violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder related primarily to matters involving the construction of pipelines in Pennsylvania. The defendants cannot predict the outcome of these lawsuits or any lawsuits that might be filed subsequent to the date of this filing; nor can the defendants predict the amount of time and expense that will be required to resolve these lawsuits. However, the defendants believe that the claims are without merit and intend to vigorously contest them.

Other Litigation and Contingencies

We or our subsidiaries are a party to various legal proceedings and/or regulatory proceedings incidental to our businesses. For each of these matters, we evaluate the merits of the case, our exposure to the matter, possible legal or settlement strategies, the likelihood of an unfavorable outcome and the availability of insurance coverage. If we determine that an unfavorable outcome of a particular matter is probable and can be estimated, we accrue the contingent obligation, as well as any expected insurance recoverable amounts related to the contingency. As of March 31, 2020 and December 31, 2019, accruals of approximately $116 million and $120 million, respectively, were reflected on our consolidated balance sheets related to these contingent obligations. As new information becomes available, our estimates may change. The impact of these changes may have a significant effect on our results of operations in a single period.

The outcome of these matters cannot be predicted with certainty and there can be no assurance that the outcome of a particular matter will not result in the payment of amounts that have not been accrued for the matter. Furthermore, we may revise accrual amounts prior to resolution of a particular contingency based on changes in facts and circumstances or changes in the expected outcome. Currently, we are not able to estimate possible losses or a range of possible losses in excess of amounts accrued.

In addition, other legal proceedings exist that are considered reasonably possible to result in unfavorable outcomes. For those where possible losses can be estimated, the range of possible losses related to these contingent obligations is estimated to be up to $80 million; however, no accruals have been recorded as of March 31, 2020 or December 31, 2019.

Environmental Matters

Our operations are subject to extensive federal, tribal, state and local environmental and safety laws and regulations that require expenditures to ensure compliance, including related to air emissions and wastewater discharges, at operating facilities and for remediation at current and former facilities as well as waste disposal sites. Historically, our environmental compliance

costs have not had a material adverse effect on our results of operations but there can be no assurance that such costs will not be material in the future or that such future compliance with existing, amended or new legal requirements will not have a material adverse effect on our business and operating results. Costs of planning, designing, constructing and operating pipelines, plants and other facilities must incorporate compliance with environmental laws and regulations and safety standards. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal penalties, the imposition of investigatory, remedial and corrective action obligations, natural resource damages, the issuance of injunctions in affected areas and the filing of federally authorized citizen suits. Contingent losses related to all significant known environmental matters have been accrued and/or separately disclosed. However, we may revise accrual amounts prior to resolution of a particular contingency based on changes in facts and circumstances or changes in the expected outcome.

Environmental exposures and liabilities are difficult to assess and estimate due to unknown factors such as the magnitude of possible contamination, the timing and extent of remediation, the determination of our liability in proportion to other parties, improvements in cleanup technologies and the extent to which environmental laws and regulations may change in the future. Although environmental costs may have a significant impact on the results of operations for any single period, we believe that such costs will not have a material adverse effect on our financial position.

Based on information available at this time and reviews undertaken to identify potential exposure, we believe the amount reserved for environmental matters is adequate to cover the potential exposure for cleanup costs.

In February 2017, we received letters from the DOJ on behalf of EPA and Louisiana Department of Environmental Quality (“LDEQ”) notifying SPLP and Mid-Valley Pipeline Company (“Mid-Valley”) that enforcement actions were being pursued for three separate crude oil releases: (a) an estimated 550 barrels released from the Colmesneil-to-Chester pipeline in Tyler County, Texas (“Colmesneil”) which allegedly occurred in February 2013; (b) an estimated 4,509 barrels released from the Longview-to-Mayersville pipeline in Caddo Parish, Louisiana (a/k/a Milepost 51.5) which allegedly occurred in October 2014; and (c) an estimated 40 barrels released from the Wakita 4-inch gathering line in Oklahoma which allegedly occurred in January 2015. In January 2019, a Consent Decree approved by all parties as well as an accompanying Complaint was filed in the United States District Court for the Western District of Louisiana seeking public comment and final court approval to resolve all penalties with DOJ and LDEQ for the three releases. Subsequently, the court approved the Consent Decree and the penalty payment of $5.4 million was satisfied. The Consent Decree requires certain injunctive relief to be completed on the Longview-to-Mayersville pipeline within three years but the injunctive relief is not expected to have any material impact on operations. In addition to resolution of the civil penalty and injunctive relief, we continue to discuss natural resource damages with the Louisiana trustees related to the Caddo Parish, Louisiana release.

In October 2018, Pipeline Hazardous Materials Safety Administration (“PHMSA”) issued a notice of proposed safety order (the “Notice”) to SPMT, a wholly-owned subsidiary of ETO. The Notice alleged that conditions exist on certain pipeline facilities owned and operated by SPMT in Nederland, Texas that pose a pipeline integrity risk to public safety, property or the environment. The Notice also made preliminary findings of fact and proposed corrective measures. SPMT responded to the Notice by submitting a timely written response on November 2, 2018, attended an informal consultation held on January 30, 2019 and entered into a consent agreement with PHMSA resolving the issues in the Notice as of March 2019. SPMT is currently awaiting response from PHMSA regarding the approval status of the submitted Remedial Work Plan.

On June 4, 2019, the Oklahoma Corporation Commission’s (“OCC”) Transportation Division filed a complaint against SPLP seeking a penalty of up to $1 million related to a May 2018 rupture near Edmond, Oklahoma. The release occurred on the Noble to Douglas 8” pipeline in an area of external corrosion and caused the release of approximately fifteen barrels of crude oil. SPLP responded immediately to the release and remediated the surrounding environment and pipeline in cooperation with the OCC. The OCC filed the complaint alleging that SPLP failed to provide adequate cathodic protection to the pipeline causing the failure. SPLP is negotiating a settlement agreement with the OCC for a lesser penalty. The OCC has accepted our counter offer in conjunction with a proposed consent order. The Consent Order will be presented to the OCC at a final hearing, the date of which is to be determined.

Environmental Remediation

Our subsidiaries are responsible for environmental remediation at certain sites, including the following:

- certain of our interstate pipelines conduct soil and groundwater remediation related to contamination from past uses of polychlorinated biphenyls (“PCBs”). PCB assessments are ongoing and, in some cases, our subsidiaries could be contractually responsible for contamination caused by other parties.
- certain gathering and processing systems are responsible for soil and groundwater remediation related to releases of hydrocarbons.

- legacy sites related to Sunoco that are subject to environmental assessments, including formerly owned terminals and other logistics assets, retail sites that Sunoco no longer operates, closed and/or sold refineries and other formerly owned sites.
- Sunoco is potentially subject to joint and several liability for the costs of remediation at sites at which it has been identified as a potentially responsible party ("PRP"). As of March 31, 2020, Sunoco had been named as a PRP at approximately 29 identified or potentially identifiable "Superfund" sites under federal and/or comparable state law. Sunoco is usually one of a number of companies identified as a PRP at a site. Sunoco has reviewed the nature and extent of its involvement at each site and other relevant circumstances and, based upon Sunoco's purported nexus to the sites, believes that its potential liability associated with such sites will not be significant.

To the extent estimable, expected remediation costs are included in the amounts recorded for environmental matters in our consolidated balance sheets. In some circumstances, future costs cannot be reasonably estimated because remediation activities are undertaken as claims are made by customers and former customers. To the extent that an environmental remediation obligation is recorded by a subsidiary that applies regulatory accounting policies, amounts that are expected to be recoverable through tariffs or rates are recorded as regulatory assets on our consolidated balance sheets.

The table below reflects the amounts of accrued liabilities recorded in our consolidated balance sheets related to environmental matters that are considered to be probable and reasonably estimable. Currently, we are not able to estimate possible losses or a range of possible losses in excess of amounts accrued. Except for matters discussed above, we do not have any material environmental matters assessed as reasonably possible that would require disclosure in our consolidated financial statements.

	March 31, 2020	December 31, 2019
Current	$ 42	$ 46
Non-current	271	274
Total environmental liabilities	$ 313	$ 320

We have established a wholly-owned captive insurance company to bear certain risks associated with environmental obligations related to certain sites that are no longer operating. The premiums paid to the captive insurance company include estimates for environmental claims that have been incurred but not reported, based on an actuarially determined fully developed claims expense estimate. In such cases, we accrue losses attributable to unasserted claims based on the discounted estimates that are used to develop the premiums paid to the captive insurance company.

During the three months ended March 31, 2020 and 2019, the Partnership recorded $9 million and $6 million, respectively, of expenditures related to environmental cleanup programs.

Our pipeline operations are subject to regulation by the United States Department of Transportation under PHMSA, pursuant to which PHMSA has established requirements relating to the design, installation, testing, construction, operation, replacement and management of pipeline facilities. Moreover, PHMSA, through the Office of Pipeline Safety, has promulgated a rule requiring pipeline operators to develop integrity management programs to comprehensively evaluate their pipelines, and take measures to protect pipeline segments located in what the rule refers to as "high consequence areas." Activities under these integrity management programs involve the performance of internal pipeline inspections, pressure testing or other effective means to assess the integrity of these regulated pipeline segments, and the regulations require prompt action to address integrity issues raised by the assessment and analysis. Integrity testing and assessment of all of these assets will continue, and the potential exists that results of such testing and assessment could cause us to incur future capital and operating expenditures for repairs or upgrades deemed necessary to ensure the continued safe and reliable operation of our pipelines; however, no estimate can be made at this time of the likely range of such expenditures.

Our operations are also subject to the requirements of OSHA, and comparable state laws that regulate the protection of the health and safety of employees. In addition, the Occupational Safety and Health Administration's hazardous communication standard requires that information be maintained about hazardous materials used or produced in our operations and that this information be provided to employees, state and local government authorities and citizens. We believe that our past costs for OSHA required activities, including general industry standards, record keeping requirements, and monitoring of occupational exposure to regulated substances have not had a material adverse effect on our results of operations but there is no assurance that such costs will not be material in the future.

11. REVENUE

Disaggregation of Revenue

The Partnership's consolidated financial statements reflect eight reportable segments, which also represent the level at which the Partnership aggregates revenue for disclosure purposes. Note 14 depicts the disaggregation of revenue by segment.

Contract Balances with Customers

The Partnership satisfies its obligations by transferring goods or services in exchange for consideration from customers. The timing of performance may differ from the timing the associated consideration is paid to or received from the customer, thus resulting in the recognition of a contract asset or a contract liability.

The Partnership recognizes a contract asset when making upfront consideration payments to certain customers or when providing services to customers prior to the time at which the Partnership is contractually allowed to bill for such services.

The Partnership recognizes a contract liability if the customer's payment of consideration precedes the Partnership's fulfillment of the performance obligations. Certain contracts contain provisions requiring customers to pay a fixed fee for a right to use our assets, but allows customers to apply such fees against services to be provided at a future point in time. These amounts are reflected as deferred revenue until the customer applies the deficiency fees to services provided or becomes unable to use the fees as payment for future services due to expiration of the contractual period the fees can be applied or physical inability of the customer to utilize the fees due to capacity constraints. Additionally, Sunoco LP maintains some franchise agreements requiring dealers to make one-time upfront payments for long term license agreements. Sunoco LP recognizes a contract liability when the upfront payment is received and recognizes revenue over the term of the license.

The following table summarizes the consolidated activity of our contract liabilities:

	Contract Liabilities
Balance, December 31, 2019	$ 377
Additions	182
Revenue recognized	(206)
Balance, March 31, 2020	$ 353

Balance, December 31, 2018	$ 394
Additions	148
Revenue recognized	(162)
Balance, March 31, 2019	$ 380

The balances of receivables from contracts with customers listed in the table below include both current trade receivables and long-term receivables, net of allowance for doubtful accounts. The allowance for receivables represents Sunoco LP's best estimate of the probable losses associated with potential customer defaults. Sunoco LP determines the allowance based on historical experience and on a specific identification basis.

The balances of Sunoco LP's contract assets as of March 31, 2020 and December 31, 2019 were as follows:

	March 31, 2020	December 31, 2019
Contract balances:		
Contract asset	$ 128	$ 117
Accounts receivable from contracts with customers	140	366

Costs to Obtain or Fulfill a Contract

Sunoco LP recognizes an asset from the costs incurred to obtain a contract (e.g. sales commissions) only if it expects to recover those costs. On the other hand, the costs to fulfill a contract are capitalized if the costs are specifically identifiable to a contract, would result in enhancing resources that will be used in satisfying performance obligations in the future, and are expected to

be recovered. These capitalized costs are recorded as a part of other current assets and other non-current assets and are amortized on a systematic basis consistent with the pattern of transfer of the goods or services to which such costs relate. The amount of amortization expense that Sunoco LP recognized for the three months ended March 31, 2020 and 2019 was $5 million and $4 million, respectively. Sunoco LP has also made a policy election of expensing the costs to obtain a contract, as and when they are incurred, in cases where the expected amortization period is one year or less.

12. DERIVATIVE ASSETS AND LIABILITIES

Commodity Price Risk

We are exposed to market risks related to the volatility of commodity prices. To manage the impact of volatility from these prices, we utilize various exchange-traded and OTC commodity financial instrument contracts. These contracts consist primarily of futures, swaps and options and are recorded at fair value in our consolidated balance sheets.

We use futures and basis swaps, designated as fair value hedges, to hedge our natural gas inventory stored in our Bammel storage facility. At hedge inception, we lock in a margin by purchasing gas in the spot market or off peak season and entering into a financial contract. Changes in the spreads between the forward natural gas prices and the physical inventory spot price result in unrealized gains or losses until the underlying physical gas is withdrawn and the related designated derivatives are settled. Once the gas is withdrawn and the designated derivatives are settled, the previously unrealized gains or losses associated with these positions are realized.

We use futures, swaps and options to hedge the sales price of natural gas we retain for fees in our intrastate transportation and storage segment and operational gas sales in our interstate transportation and storage segment. These contracts are not designated as hedges for accounting purposes.

We use NGL and crude derivative swap contracts to hedge forecasted sales of NGL and condensate equity volumes we retain for fees in our midstream segment whereby our subsidiaries generally gather and process natural gas on behalf of producers, sell the resulting residue gas and NGL volumes at market prices and remit to producers an agreed upon percentage of the proceeds based on an index price for the residue gas and NGL. These contracts are not designated as hedges for accounting purposes.

We utilize swaps, futures and other derivative instruments to mitigate the risk associated with market movements in the price of refined products and NGLs to manage our storage facilities and the purchase and sale of purity NGL. These contracts are not designated as hedges for accounting purposes.

We use futures and swaps to achieve ratable pricing of crude oil purchases, to convert certain expected refined product sales to fixed or floating prices, to lock in margins for certain refined products and to lock in the price of a portion of natural gas purchases or sales. These contracts are not designated as hedges for accounting purposes.

We use financial commodity derivatives to take advantage of market opportunities in our trading activities which complement our transportation and storage segment’s operations and are netted in cost of products sold in our consolidated statements of operations. We also have trading and marketing activities related to power and natural gas in our all other segment which are also netted in cost of products sold. As a result of our trading activities and the use of derivative financial instruments in our transportation and storage segment, the degree of earnings volatility that can occur may be significant, favorably or unfavorably, from period to period. We attempt to manage this volatility through the use of daily position and profit and loss reports provided to our risk oversight committee, which includes members of senior management, and the limits and authorizations set forth in our commodity risk management policy.

The following table details our outstanding commodity-related derivatives:

	March 31, 2020		December 31, 2019	
	Notional Volume	Maturity	Notional Volume	Maturity
Mark-to-Market Derivatives				
(Trading)				
Natural Gas (BBtu):				
Basis Swaps IFERC/NYMEX [(1)]	(19,673)	2020-2024	(35,208)	2020-2024
Fixed Swaps/Futures	1,688	2020-2021	1,483	2020
Options – Puts	—	—	—	0
Power (Megawatt):				
Forwards	2,125,200	2020-2029	3,213,450	2020-2029
Futures	329,896	2020-2021	(353,527)	2020
Options – Puts	621,860	2020	51,615	2020
Options – Calls	4,035,972	2020-2021	(2,704,330)	2020-2021
(Non-Trading)				
Natural Gas (BBtu):				
Basis Swaps IFERC/NYMEX	(15,860)	2020-2022	(18,923)	2020-2022
Swing Swaps IFERC	31,505	2020-2021	(9,265)	2020
Fixed Swaps/Futures	(1,425)	2020-2022	(3,085)	2020-2021
Forward Physical Contracts	(36,691)	2020-2021	(13,364)	2020-2021
NGLs (MBbls) – Forwards/Swaps	(2,235)	2020-2022	(1,300)	2020-2021
Refined Products (MBbls) – Futures	(1,779)	2020-2022	(2,473)	2020-2021
Crude (MBbls) – Forwards/Swaps	5,260	2020	4,465	2020
Corn (thousand bushels)	(140)	2020	(1,210)	2020
Fair Value Hedging Derivatives				
(Non-Trading)				
Natural Gas (BBtu):				
Basis Swaps IFERC/NYMEX	(32,695)	2020-2021	(31,780)	2020
Fixed Swaps/Futures	(32,695)	2020-2021	(31,780)	2020
Hedged Item – Inventory	32,695	2020-2021	31,780	2020

(1) Includes aggregate amounts for open positions related to Houston Ship Channel, Waha Hub, NGPL TexOk, West Louisiana Zone and Henry Hub locations.

Interest Rate Risk

We are exposed to market risk for changes in interest rates. To maintain a cost effective capital structure, we borrow funds using a mix of fixed rate debt and variable rate debt. We also manage our interest rate exposure by utilizing interest rate swaps to achieve a desired mix of fixed and variable rate debt. We also utilize forward starting interest rate swaps to lock in the rate on a portion of our anticipated debt issuances.

The following table summarizes our interest rate swaps outstanding, none of which were designated as hedges for accounting purposes:

		Notional Amount Outstanding	
Term	Type[1]	March 31, 2020	December 31, 2019
July 2020[2][3]	Forward-starting to pay a fixed rate of 3.52% and receive a floating rate	$ —	$ 400
July 2021[2]	Forward-starting to pay a fixed rate of 3.55% and receive a floating rate	400	400
July 2022[2]	Forward-starting to pay a fixed rate of 3.80% and receive a floating rate	400	400

[1] Floating rates are based on 3-month LIBOR.

[2] Represents the effective date. These forward-starting swaps have terms of 30 years with a mandatory termination date the same as the effective date.

[3] The July 2020 interest rate swaps were terminated in January 2020.

Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a loss to the Partnership. Credit policies have been approved and implemented to govern our portfolio of counterparties with the objective of mitigating credit losses. These policies establish guidelines, controls and limits to manage credit risk within approved tolerances by mandating an appropriate evaluation of the financial condition of existing and potential counterparties, monitoring agency credit ratings, and by implementing credit practices that limit exposure according to the risk profiles of the counterparties. Furthermore, we may at times require collateral under certain circumstances to mitigate credit risk as necessary. We also implements the use of industry standard commercial agreements which allow for the netting of positive and negative exposures associated with transactions executed under a single commercial agreement. Additionally, we utilize master netting agreements to offset credit exposure across multiple commercial agreements with a single counterparty or affiliated group of counterparties.

Our counterparties consist of a diverse portfolio of customers across the energy industry, including petrochemical companies, commercial and industrials, oil and gas producers, motor fuel distributors, municipalities, utilities and midstream companies. Our overall exposure may be affected positively or negatively by macroeconomic factors or regulatory changes that could impact its counterparties to one extent or another. Currently, management does not anticipate a material adverse effect in our financial position or results of operations as a consequence of counterparty non-performance.

We have maintenance margin deposits with certain counterparties in the OTC market, primarily independent system operators, and with clearing brokers. Payments on margin deposits are required when the value of a derivative exceeds our pre-established credit limit with the counterparty. Margin deposits are returned to us on or about the settlement date for non-exchange traded derivatives, and we exchange margin calls on a daily basis for exchange traded transactions. Since the margin calls are made daily with the exchange brokers, the fair value of the financial derivative instruments are deemed current and netted in deposits paid to vendors within other current assets in the consolidated balance sheets.

For financial instruments, failure of a counterparty to perform on a contract could result in our inability to realize amounts that have been recorded on our consolidated balance sheets and recognized in net income or other comprehensive income.

Derivative Summary

The following table provides a summary of our derivative assets and liabilities:

	Fair Value of Derivative Instruments			
	Asset Derivatives		Liability Derivatives	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Derivatives designated as hedging instruments:				
Commodity derivatives (margin deposits)	$ 11	$ 24	$ (12)	$ —
Derivatives not designated as hedging instruments:				
Commodity derivatives (margin deposits)	615	319	(561)	(350)
Commodity derivatives	74	41	(58)	(39)
Interest rate derivatives	—	—	(573)	(399)
	689	360	(1,192)	(788)
Total derivatives	$ 700	$ 384	$ (1,204)	$ (788)

The following table presents the fair value of our recognized derivative assets and liabilities on a gross basis and amounts offset on the consolidated balance sheets that are subject to enforceable master netting arrangements or similar arrangements:

		Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Derivatives without offsetting agreements	Derivative liabilities	$ —	$ —	$ (573)	$ (399)
Derivatives in offsetting agreements:					
OTC contracts	Derivative assets (liabilities)	74	41	(58)	(39)
Broker cleared derivative contracts	Other current assets (liabilities)	626	343	(573)	(350)
Total gross derivatives		700	384	(1,204)	(788)
Offsetting agreements:					
Counterparty netting	Derivative assets (liabilities)	(49)	(18)	49	18
Counterparty netting	Other current assets (liabilities)	(551)	(318)	551	318
Total net derivatives		$ 100	$ 48	$ (604)	$ (452)

We disclose the non-exchange traded financial derivative instruments as derivative assets and liabilities on our consolidated balance sheets at fair value with amounts classified as either current or non-current depending on the anticipated settlement date.

The following tables summarize the amounts recognized in income with respect to our derivative financial instruments:

	Location of Gain (Loss) Recognized in Income on Derivatives	Amount of Gain (Loss) Recognized in Income on Derivatives	
		Three Months Ended March 31,	
		2020	2019
Derivatives not designated as hedging instruments:			
Commodity derivatives – Trading	Cost of products sold	$ 5	$ 5
Commodity derivatives – Non-trading	Cost of products sold	112	(12)
Interest rate derivatives	Losses on interest rate derivatives	(329)	(74)
Total		$ (212)	$ (81)

13. RELATED PARTY TRANSACTIONS

The Partnership has related party transactions with several of its unconsolidated affiliates. In addition to commercial transactions, these transactions include the provision of certain management services and leases of certain assets.

The following table summarizes the revenues from related companies on our consolidated statements of operations:

	Three Months Ended March 31,	
	2020	2019
Revenues from related companies	$ 133	$ 109

The following table summarizes the accounts receivable from related companies on our consolidated balance sheets:

	March 31, 2020	December 31, 2019
Accounts receivable from related companies:		
FGT	$ 20	$ 50
Phillips 66	11	36
Traverse	54	42
Other	47	31
Total accounts receivable from related companies	$ 132	$ 159

As of March 31, 2020 and December 31, 2019, accounts payable with unconsolidated affiliates in the Partnership’s consolidated balance sheets totaled $9 million and $31 million, respectively.

14. REPORTABLE SEGMENTS

Our reportable segments were reevaluated and currently reflect the following segments, which conduct their business primarily in the United States:

- intrastate transportation and storage;
- interstate transportation and storage;
- midstream;
- NGL and refined products transportation and services;
- crude oil transportation and services;
- investment in Sunoco LP;

- investment in USAC; and
- all other.

Consolidated revenues and expenses reflect the elimination of all material intercompany transactions.

Revenues from our intrastate transportation and storage segment are primarily reflected in natural gas sales and gathering, transportation and other fees. Revenues from our interstate transportation and storage segment are primarily reflected in gathering, transportation and other fees. Revenues from our midstream segment are primarily reflected in natural gas sales, NGL sales and gathering, transportation and other fees. Revenues from our NGL and refined products transportation and services segment are primarily reflected in NGL sales and gathering, transportation and other fees. Revenues from our crude oil transportation and services segment are primarily reflected in crude sales. Revenues from our investment in Sunoco LP segment are primarily reflected in refined product sales. Revenues from our investment in USAC segment are primarily reflected in gathering, transportation and other fees. Revenues from our all other segment are primarily reflected in natural gas sales.

We report Segment Adjusted EBITDA and consolidated Adjusted EBITDA as measures of segment performance. We define Segment Adjusted EBITDA and consolidated Adjusted EBITDA as total partnership earnings before interest, taxes, depreciation, depletion, amortization and other non-cash items, such as non-cash compensation expense, gains and losses on disposals of assets, the allowance for equity funds used during construction, unrealized gains and losses on commodity risk management activities, inventory valuation adjustments, non-cash impairment charges, losses on extinguishments of debt and other non-operating income or expense items. Segment Adjusted EBITDA and consolidated Adjusted EBITDA reflect amounts for unconsolidated affiliates based on the same recognition and measurement methods used to record equity in earnings of unconsolidated affiliates. Adjusted EBITDA related to unconsolidated affiliates excludes the same items with respect to the unconsolidated affiliate as those excluded from the calculation of Segment Adjusted EBITDA and consolidated Adjusted EBITDA, such as interest, taxes, depreciation, depletion, amortization and other non-cash items. Although these amounts are excluded from Adjusted EBITDA related to unconsolidated affiliates, such exclusion should not be understood to imply that we have control over the operations and resulting revenues and expenses of such affiliates. We do not control our unconsolidated affiliates; therefore, we do not control the earnings or cash flows of such affiliates. The use of Segment Adjusted EBITDA or Adjusted EBITDA related to unconsolidated affiliates as an analytical tool should be limited accordingly.

The following tables present financial information by segment:

	Three Months Ended March 31,	
	2020	2019
Revenues:		
Intrastate transportation and storage:		
Revenues from external customers	$ 536	$ 769
Intersegment revenues	57	87
	593	856
Interstate transportation and storage:		
Revenues from external customers	459	492
Intersegment revenues	5	6
	464	498
Midstream:		
Revenues from external customers	501	663
Intersegment revenues	669	1,055
	1,170	1,718
NGL and refined products transportation and services:		
Revenues from external customers	2,118	2,713
Intersegment revenues	597	318
	2,715	3,031
Crude oil transportation and services:		
Revenues from external customers	4,213	4,167
Intersegment revenues	—	19
	4,213	4,186
Investment in Sunoco LP:		
Revenues from external customers	3,260	3,692
Intersegment revenues	12	—
	3,272	3,692
Investment in USAC:		
Revenues from external customers	176	167
Intersegment revenues	3	4
	179	171
All other:		
Revenues from external customers	364	458
Intersegment revenues	149	39
	513	497
Eliminations	(1,492)	(1,528)
Total revenues	$ 11,627	$ 13,121

	Three Months Ended March 31,	
	2020	2019*
Segment Adjusted EBITDA:		
Intrastate transportation and storage	$ 240	$ 252
Interstate transportation and storage	404	456
Midstream	383	382
NGL and refined products transportation and services	663	612
Crude oil transportation and services	591	744
Investment in Sunoco LP	209	153
Investment in USAC	106	101
All other	39	35
Adjusted EBITDA (consolidated)	2,635	2,735
Depreciation, depletion and amortization	(867)	(774)
Interest expense, net of interest capitalized	(602)	(590)
Impairment losses	(1,325)	(50)
Losses on interest rate derivatives	(329)	(74)
Non-cash compensation expense	(22)	(29)
Unrealized gains on commodity risk management activities	51	49
Losses on extinguishments of debt	(62)	(18)
Inventory valuation adjustments	(227)	93
Adjusted EBITDA related to unconsolidated affiliates	(154)	(146)
Equity in earnings (losses) of unconsolidated affiliates	(7)	65
Other, net	(27)	(17)
Income (loss) before income tax expense	(936)	1,244
Income tax expense	(28)	(126)
Net income (loss)	$ (964)	$ 1,118

	March 31, 2020	December 31, 2019*
Segment assets:		
Intrastate transportation and storage	$ 6,851	$ 6,648
Interstate transportation and storage	17,263	18,111
Midstream	18,969	20,332
NGL and refined products transportation and services	17,082	19,145
Crude oil transportation and services	24,832	22,933
Investment in Sunoco LP	4,895	5,438
Investment in USAC	3,103	3,730
All other	2,546	2,636
Total segment assets	$ 95,541	$ 98,973

*As adjusted. See Note 1.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Tabular dollar and unit amounts, except per unit data, are in millions)

The following is a discussion of our historical consolidated financial condition and results of operations, and should be read in conjunction with (i) our historical consolidated financial statements and accompanying notes thereto included elsewhere in this Quarterly Report on Form 10-Q; and (ii) the consolidated financial statements and management's discussion and analysis of financial condition and results of operations included in the Partnership's Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC on February 21, 2020. This discussion includes forward-looking statements that are subject to risk and uncertainties. Actual results may differ substantially from the statements we make in this section due to a number of factors that are discussed in "Part I – Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC on February 21, 2020 and "Part II – Item 1A. Risk Factors" in this Quarterly Report on Form 10-Q. Additional information on forward-looking statements is discussed below in "Forward-Looking Statements."

Unless the context requires otherwise, references to "we," "us," "our," the "Partnership" and "ET" mean Energy Transfer LP (formerly Energy Transfer Equity, L.P.) and its consolidated subsidiaries, which include ETO. References to the "Parent Company" mean Energy Transfer LP on a stand-alone basis.

RECENT DEVELOPMENTS

COVID-19

In the first quarter of 2020, the COVID-19 pandemic prompted several states and municipalities in which we operate to take extraordinary and wide-ranging actions to contain and combat the outbreak and spread of the virus, including mandates for many individuals to substantially restrict daily activities and for many businesses to curtail or cease normal operations. To the extent COVID-19 continues or worsens, governments may impose additional similar restrictions. As a provider of critical energy infrastructure, our business has been designated as a "critical infrastructure sector" and our employees as "essential critical infrastructure workers" pursuant to the Department of Homeland Security Guidance on Essential Critical Infrastructure Workforce(s). To date, our field operations have continued largely uninterrupted, and remote work and other COVID-19 related conditions have not significantly impacted our ability to maintain operations or caused us to incur significant additional expenses; however, we are unable to predict the magnitude or duration of current and potential future COVID-19 mitigation measures. As an essential business providing critical energy infrastructure, the safety of our employees and the continued operation of our assets are our top priorities and we will continue to operate in accordance with federal and state health guidelines and safety protocols. We have implemented several new policies and provided employee training to help maintain the health and safety of our workforce.

ET Contribution of SemGroup Assets to ETO

On December 5, 2019, ET completed the acquisition of SemGroup. During the first quarter of 2020, ET contributed certain SemGroup assets to ETO through sale and contribution transactions.

ETO Series F and Series G Preferred Units Issuance

On January 22, 2020, ETO issued 500,000 of its Series F Preferred Units at a price of $1,000 per unit and 1,100,000 of its Series G Preferred Units at a price of $1,000 per unit. The net proceeds were used to repay amounts outstanding under ETO's revolving credit facility and for general partnership purposes.

ETO January 2020 Senior Notes Offering and Redemption

On January 22, 2020, ETO completed a registered offering (the "January 2020 Senior Notes Offering") of $1.00 billion aggregate principal amount of the Partnership's 2.900% Senior Notes due 2025, $1.50 billion aggregate principal amount of the Partnership's 3.750% Senior Notes due 2030 and $2.00 billion aggregate principal amount of the Partnership's 5.000% Senior Notes due 2050 (collectively, the "Notes"). The Notes are fully and unconditionally guaranteed by the Partnership's wholly-owned subsidiary, Sunoco Logistics Operations, on a senior unsecured basis.

Using proceeds from the January 2020 Senior Notes Offering, ETO redeemed its $400 million aggregate principal amount of 5.75% Senior Notes due September 1, 2020, its $1.05 billion aggregate principal amount of 4.15% Senior Notes due October 1, 2020, its $1.14 billion aggregate principal amount of 7.50% Senior Notes due October 15, 2020, its $250 million aggregate principal amount of 5.50% Senior Notes due February 15, 2020, ET's $52 million aggregate principal amount of 7.50% Senior Notes due October 15, 2020 and Transwestern's $175 million aggregate principal amount of 5.36% Senior Notes due December 9, 2020.

Lake Charles LNG

On March 30, 2020, Shell Royal Dutch Plc announced that it would not proceed with a proposed equity interest in the Lake Charles LNG liquefaction project due to adverse market factors affecting Shell's business and its desire to preserve cash in light of the current environment. We intend to continue to develop the project, possibly in conjunction with one or more equity partners, and we plan to evaluate a variety of alternatives to advance the project, including the possibility of reducing the size of the project from three trains (16.45 million tonnes per annum of LNG capacity) to two trains (11.0 million tonnes per annum). The project is fully permitted by federal, state and local authorities, has all necessary export licenses and benefits from the infrastructure related to the existing regasification facility at the same site, including four LNG storage tanks, two deep water docks and other assets. In light of the existing brownfield infrastructure and the advanced state of the development of the project, we plan to continue to pursue the project on a disciplined, cost effective basis, and ultimately we will determine whether to make a final investment decision to proceed with the project based on market conditions, capital expenditure considerations and our success in securing equity participation by third parties as well as long-term LNG offtake commitments on satisfactory terms.

Quarterly Cash Distribution

In March 2020, ET announced its quarterly distribution of $0.3050 per unit ($1.22 annualized) on ET common units for the quarter ended March 31, 2020.

Regulatory Update

Interstate Natural Gas Transportation Regulation

Rate Regulation

Effective January 2018, the 2017 Tax and Jobs Act (the “Tax Act”) changed several provisions of the federal tax code, including a reduction in the maximum corporate tax rate. On March 15, 2018, in a set of related proposals, the FERC addressed treatment of federal income tax allowances in regulated entity rates. The FERC issued a Revised Policy Statement on Treatment of Income Taxes (“Revised Policy Statement”) stating that it will no longer permit master limited partnerships to recover an income tax allowance in their cost of service rates. The FERC issued the Revised Policy Statement in response to a remand from the United States Court of Appeals for the District of Columbia Circuit in United Airlines v. FERC, in which the court determined that the FERC had not justified its conclusion that a pipeline organized as a master limited partnership would not “double recover” its taxes under the current policy by both including an income-tax allowance in its cost of service and earning a return on equity calculated using the discounted cash flow methodology. On July 18, 2018, the FERC issued an order denying requests for rehearing and clarification of its Revised Policy Statement. In the rehearing order, the FERC clarified that a pipeline organized as a master limited partnership will not be not be precluded in a future proceeding from arguing and providing evidentiary support that it is entitled to an income tax allowance and demonstrating that its recovery of an income tax allowance does not result in a double-recovery of investors’ income tax costs. In light of the rehearing order, the impacts of the FERC’s policy on the treatment of income taxes may have on the rates ETO can charge for the FERC regulated transportation services are unknown at this time.

The FERC also issued a Notice of Inquiry (“2017 Tax Law NOI”) on March 15, 2018, requesting comments on the effect of the Tax Act on FERC jurisdictional rates. The 2017 Tax Law NOI states that of particular interest to the FERC is whether, and if so how, the FERC should address changes relating to accumulated deferred income taxes and bonus depreciation. Comments in response to the 2017 Tax Law NOI were due on or before May 21, 2018.

In March 2019, following the decision of the D.C. Circuit in Emera Maine v. Federal Energy Regulatory Commission, the FERC issued a Notice of Inquiry regarding its policy for determining return on equity (“ROE”). The FERC specifically sought information and stakeholder views to help the FERC explore whether, and if so how, it should modify its policies concerning the determination of ROE to be used in designing jurisdictional rates charged by public utilities. The FERC also expressly sought comment on whether any changes to its policies concerning public utility ROEs should be applied to interstate natural gas and oil pipelines. Initial comments were due in June 2019, and reply comments were due in July 2019. The FERC has not taken any further action with respect to the Notice of Inquiry as of this time, and therefore we cannot predict what effect, if any, such development could have on our cost-of-service rates in the future.

By order issued January 16, 2019, the FERC initiated a review of Panhandle’s existing rates pursuant to Section 5 of the Natural Gas Act to determine whether the rates currently charged by Panhandle are just and reasonable and set the matter for hearing. Panhandle filed a cost and revenue study on April 1, 2019. Panhandle filed a NGA Section 4 rate case on August 30, 2019.

Even without action on the 2017 Tax Law NOI or as contemplated in the Final Rule, the FERC or our shippers may challenge the cost of service rates we charge. The FERC’s establishment of a just and reasonable rate is based on many components, and tax-related changes will affect two such components, the allowance for income taxes and the amount for accumulated deferred income

taxes, while other pipeline costs also will continue to affect the FERC's determination of just and reasonable cost of service rates. Although changes in these two tax related components may decrease, other components in the cost of service rate calculation may increase and result in a newly calculated cost of service rate that is the same as or greater than the prior cost of service rate. Moreover, we receive revenues from our pipelines based on a variety of rate structures, including cost of service rates, negotiated rates, discounted rates and market-based rates. Many of our interstate pipelines, such as ETC Tiger Pipeline, LLC, MEP and FEP, have negotiated market rates that were agreed to by customers in connection with long-term contracts entered into to support the construction of the pipelines. Other systems, such as FGT, Transwestern and Panhandle, have a mix of tariff rate, discount rate, and negotiated rate agreements. We do not expect market-based rates, negotiated rates or discounted rates that are not tied to the cost of service rates to be affected by the Revised Policy Statement or any final regulations that may result from the March 15, 2018 proposals. The revenues we receive from natural gas transportation services we provide pursuant to cost of service based rates may decrease in the future as a result of the ultimate outcome of the NOI, the Final Rule, and the Revised Policy Statement, combined with the reduced corporate federal income tax rate established in the Tax Act. The extent of any revenue reduction related to our cost of service rates, if any, will depend on a detailed review of all of ETO's cost of service components and the outcomes of any challenges to our rates by the FERC or our shippers.

Pipeline Certification

The FERC issued a Notice of Inquiry on April 19, 2018 ("Pipeline Certification NOI"), thereby initiating a review of its policies on certification of natural gas pipelines, including an examination of its long-standing Policy Statement on Certification of New Interstate Natural Gas Pipeline Facilities, issued in 1999, that is used to determine whether to grant certificates for new pipeline projects. We are unable to predict what, if any, changes may be proposed as a result of the Pipeline Certification NOI that will affect our natural gas pipeline business or when such proposals, if any, might become effective. Comments in response to the Pipeline Certification NOI were due on or before July 25, 2018. We do not expect that any change in this policy would affect us in a materially different manner than any other natural gas pipeline company operating in the United States.

Interstate Common Carrier Regulation

The FERC utilizes an indexing rate methodology which, as currently in effect, allows common carriers to change their rates within prescribed ceiling levels that are tied to changes in the Producer Price Index, or PPI. The indexing methodology is applicable to existing rates, with the exclusion of market-based rates. The FERC's indexing methodology is subject to review every five years. During the five-year period commencing July 1, 2016 and ending June 30, 2021, common carriers charging indexed rates are permitted to adjust their indexed ceilings annually by PPI plus 1.23 percent. Many existing pipelines utilize the FERC liquids index to change transportation rates annually every July 1. With respect to liquids and refined products pipelines subject to FERC jurisdiction, the Revised Policy Statement requires the pipeline to reflect the impacts to its cost of service from the Revised Policy Statement and the Tax Act on Page 700 of FERC Form No. 6. This information will be used by the FERC in its next five year review of the liquids pipeline index to generate the index level to be effective July 1, 2021, thereby including the effect of the Revised Policy Statement and the Tax Act in the determination of indexed rates prospectively, effective July 1, 2021. The FERC's establishment of a just and reasonable rate, including the determination of the appropriate liquids pipeline index, is based on many components, and tax related changes will affect two such components, the allowance for income taxes and the amount for accumulated deferred income taxes, while other pipeline costs also will continue to affect the FERC's determination of the appropriate pipeline index. Accordingly, depending on the FERC's application of its indexing rate methodology for the next five year term of index rates, the Revised Policy Statement and tax effects related to the Tax Act may impact our revenues associated with any transportation services we may provide pursuant to cost of service based rates in the future, including indexed rates.

Trends and Outlook

Recent crude oil market disruptions involving foreign oil-producing nations and the COVID-19 pandemic may have a negative impact on our earnings and cash flows from operations. Reduced demand for natural gas, NGLs, refined products and/or crude oil caused by the COVID-19 pandemic and a continuation of low WTI crude oil prices caused by the actions of foreign oil-producing nations may result in the shut-in of production from U.S. oil and gas wells, which in turn may result in decreased volumes transported on our pipeline systems and decreased overall utilization of our midstream services.

With respect to commodity prices, natural gas prices have remained comparatively low in recent months as associated gas from shale oil resources has provided additional supply to the market. Meanwhile, crude oil prices have seen sharp declines as a result of actions by foreign oil-producing nations and a decrease in global demand as result of the COVID-19 pandemic. Global oil and natural gas demand growth is likely to remain flat or decline in the near term and will likely result in lower U.S. production levels.

The outlook for commodity prices is mixed and could have a varying impact on our business. Reduced demand and increased supply of crude oil has resulted in an increase in worldwide crude oil storage inventories, which is expected to keep crude oil prices suppressed for the foreseeable future. With respect to natural gas markets, a relatively more moderate decrease in demand, coupled with anticipated decreases in gas production associated with wells drilled to produce crude oil, have counterbalanced

softness in pricing. The overall outlook for our midstream services will depend, in part, on the timing and extent of recovery in the commodity markets.

While we anticipate that current and projected commodity prices and the related impact to activity levels in both the upstream and midstream sectors will impact our business, we cannot predict the ultimate magnitude of that impact and expect it to be varied across our operations, depending on the region, customer, type of service, contract term and other factors.

As a result of the current commodity price environment, a small number of counterparties to our commercial contracts have made force majeure claims in an effort to terminate or modify existing agreements with us, and in the future we expect more counterparties to do the same. To the extent our counterparties are successful in those claims, we may not receive the full payments or other benefits of those contracts during the pendency of the force majeure event. While the vast majority of our counterparties are investment grade rated companies, some of our counterparties may be forced to file for bankruptcy protection, in which case our existing contracts with those counterparties may be rejected by the bankruptcy court. In this case, we expect that we would attempt to negotiate replacement contracts with those counterparties and, depending on the availability of alternatives to our services, these contracts may have terms that are less favorable to us than the contracts rejected in bankruptcy court.

Ultimately, the extent to which our business will be impacted by recent market developments depends on the factors described above as well as future developments beyond our control, which are highly uncertain and cannot be predicted. In response to these market events and uncertainties, we have cut our already reduced 2020 growth capital spending budget by $400 million and reduced planned operating expenses by $200 million to $250 million; and we are prepared to cut spending further should the need arise. While current market volatility makes the near-term unpredictable, we believe that overall the long-term demand for our services will continue given the essential nature of the midstream natural gas, NGLs, refined products and crude oil business, although we cannot predict any possible changes in such demand with reasonable certainty.

We currently have ample liquidity to fund our business and we do not anticipate any liquidity concerns in the immediate future (see “Liquidity and Capital Resources” below). In addition, while the trading price of ET common units declined significantly during the first quarter of 2020, thereby making equity capital market transactions less attractive in the near term, we continue to have access to the debt capital markets on generally favorable terms. In the event we seek additional equity or debt capital, our blended cost of capital for equity and debt is expected to be modestly higher in the near term; however, we will continue to evaluate growth projects and acquisitions as such opportunities may be identified in the future in light of this higher cost of capital.

Results of Operations

We report Segment Adjusted EBITDA and consolidated Adjusted EBITDA as measures of segment performance. We define Segment Adjusted EBITDA and consolidated Adjusted EBITDA as total partnership earnings before interest, taxes, depreciation, depletion, amortization and other non-cash items, such as non-cash compensation expense, gains and losses on disposals of assets, the allowance for equity funds used during construction, unrealized gains and losses on commodity risk management activities, inventory valuation adjustments, non-cash impairment charges, losses on extinguishments of debt and other non-operating income or expense items. Segment Adjusted EBITDA and consolidated Adjusted EBITDA reflect amounts for unconsolidated affiliates based on the same recognition and measurement methods used to record equity in earnings of unconsolidated affiliates. Adjusted EBITDA related to unconsolidated affiliates excludes the same items with respect to the unconsolidated affiliate as those excluded from the calculation of Segment Adjusted EBITDA and consolidated Adjusted EBITDA, such as interest, taxes, depreciation, depletion, amortization and other non-cash items. Although these amounts are excluded from Adjusted EBITDA related to unconsolidated affiliates, such exclusion should not be understood to imply that we have control over the operations and resulting revenues and expenses of such affiliates. We do not control our unconsolidated affiliates; therefore, we do not control the earnings or cash flows of such affiliates. The use of Segment Adjusted EBITDA or Adjusted EBITDA related to unconsolidated affiliates as an analytical tool should be limited accordingly.

Segment Adjusted EBITDA, as reported for each segment in the table below, is analyzed for each segment in the section titled “Segment Operating Results.” Adjusted EBITDA is a non-GAAP measure used by industry analysts, investors, lenders and rating agencies to assess the financial performance and the operating results of the Partnership’s fundamental business activities and should not be considered in isolation or as a substitution for net income, income from operations, cash flows from operating activities or other GAAP measures.

As discussed in Note 1 of the Partnership’s consolidated financial statements included in “Item 1. Financial Statements,” during the first quarter of 2020, the Partnership elected to change its inventory accounting policy related to certain barrels of crude oil that were previously accounting for as inventory. These changes have been applied retrospectively to all prior periods, and the prior period amounts reflected below have been adjusted from those amounts previously reported.

Consolidated Results

	Three Months Ended March 31,		
	2020	2019*	Change
Segment Adjusted EBITDA:			
Intrastate transportation and storage	$ 240	$ 252	$ (12)
Interstate transportation and storage	404	456	(52)
Midstream	383	382	1
NGL and refined products transportation and services	663	612	51
Crude oil transportation and services	591	744	(153)
Investment in Sunoco LP	209	153	56
Investment in USAC	106	101	5
All other	39	35	4
Adjusted EBITDA (consolidated)	2,635	2,735	(100)
Depreciation, depletion and amortization	(867)	(774)	(93)
Interest expense, net of interest capitalized	(602)	(590)	(12)
Impairment losses	(1,325)	(50)	(1,275)
Losses on interest rate derivatives	(329)	(74)	(255)
Non-cash compensation expense	(22)	(29)	7
Unrealized gains on commodity risk management activities	51	49	2
Losses on extinguishments of debt	(62)	(18)	(44)
Inventory valuation adjustments	(227)	93	(320)
Adjusted EBITDA related to unconsolidated affiliates	(154)	(146)	(8)
Equity in earnings (losses) of unconsolidated affiliates	(7)	65	(72)
Other, net	(27)	(17)	(10)
Income (loss) before income tax expense	(936)	1,244	(2,180)
Income tax expense	(28)	(126)	98
Net income (loss)	$ (964)	$ 1,118	$ (2,082)

*As adjusted.

Adjusted EBITDA (consolidated). For the three months ended March 31, 2020 compared to the same period last year, Adjusted EBITDA decreased $100 million, or 4%. The decrease was primarily due to a net impact of $240 million from crude oil, NGL and refined products inventory valuation adjustments ($213 million of negative adjustments in the current period compared to $27 million of favorable adjustments in the prior period). This decrease was partially offset by a net increase of approximately $138 million in Adjusted EBITDA from recent acquisitions and assets placed in service.

Additional discussion of these and other factors affecting Adjusted EBITDA is included in the analysis of Segment Adjusted EBITDA in the “Segment Operating Results” section below.

Depreciation, Depletion and Amortization. Depreciation, depletion and amortization increased for the three months ended March 31, 2020 compared to the same period last year due to the acquisition of SemGroup on December 5, 2019, as well as incremental depreciation related to assets recently placed in service.

Interest Expense, Net of Interest Capitalized. Interest expense, net of interest capitalized, increased for the three months ended March 31, 2020 compared to the same period last year primarily due to the following:

- an increase of $7 million recognized by the Partnership primarily attributable to the higher consolidated debt balance following the SemGroup acquisition and related debt refinancing, the impact of which was partially offset by lower borrowing costs from floating rate debt;

- an increase of $4 million for USAC primarily attributable to a full quarter of interest expense incurred in the current period on its senior notes 2027 issued in March 2019, which were used to reduce borrowings under its credit agreement, partially offset by the reduced borrowings and lower weighted average interest rates under the credit agreement; and
- an increase of $2 million for Sunoco LP primarily related to an increase in Sunoco LP's total long-term debt.

Impairment Losses. During the three months ended March 31, 2020, the Partnership performed an interim impairment test on certain reporting units within midstream, interstate, crude, NGL and all other operations. As a result of the interim impairment test, the Partnership recognized a goodwill impairment of $483 million related to our Arklatex and South Texas operations within the midstream segment, a goodwill impairment of $183 million related to our Lake Charles LNG regasification operations with the interstate transportation and storage segment, and a goodwill impairment of $40 million related to our all other operations primarily due to decreases in projected future revenues and cash flows as a result of the overall market demand decline. In addition, USAC recognized a goodwill impairment of $619 million, during the three months ended March 31, 2020, which is included in the Partnership's consolidated results of operations. During the three months ended March 31, 2019, USAC recorded $3 million impairment of compression equipment as a result of its evaluations of the future deployment of USAC's idle fleet under then-current market conditions.

Gains (Losses) on Interest Rate Derivatives. Losses on interest rate derivatives during the three months ended March 31, 2020 resulted from decreases in forward interest rates, which caused our forward-starting swaps to decrease in value.

Unrealized Gains (Losses) on Commodity Risk Management Activities. See additional information on the unrealized gains (losses) on commodity risk management activities included in "Segment Operating Results" below.

Losses on Extinguishments of Debt. During the three months ended March 31, 2020, amounts were related to ETO senior notes redemption in January 2020.

Inventory Valuation Adjustments. Inventory valuation adjustments were recorded for the inventory associated with Sunoco LP due to changes in fuel prices between periods.

Adjusted EBITDA Related to Unconsolidated Affiliates and Equity in Earnings of Unconsolidated Affiliates. See additional information in "Supplemental Information on Unconsolidated Affiliates" and "Segment Operating Results" below.

Other, net. Other, net primarily includes the amortization of regulatory assets and other income and expense amounts.

Income Tax (Expense) Benefit. For the three months ended March 31, 2020 compared to the same period in the prior year, income tax expense decreased due to the recognition of a taxable gain on the sale of assets at our corporate subsidiaries in the prior period.

Supplemental Information on Unconsolidated Affiliates

The following table presents financial information related to unconsolidated affiliates:

	Three Months Ended March 31,		
	2020	2019	Change
Equity in earnings (losses) of unconsolidated affiliates:			
Citrus	$ 35	$ 32	$ 3
FEP	(70)	14	(84)
MEP	—	7	(7)
White Cliffs	8	—	8
Other	20	12	8
Total equity in earnings (losses) of unconsolidated affiliates	$ (7)	$ 65	$ (72)
Adjusted EBITDA related to unconsolidated affiliates[(1)]:			
Citrus	$ 79	$ 81	$ (2)
FEP	19	19	—
MEP	8	19	(11)
White Cliffs	14	—	14
Other	34	27	7
Total Adjusted EBITDA related to unconsolidated affiliates	$ 154	$ 146	$ 8
Distributions received from unconsolidated affiliates:			
Citrus	$ 49	$ 35	$ 14
FEP	18	17	1
MEP	11	11	—
White Cliffs	13	—	13
Other	19	16	3
Total distributions received from unconsolidated affiliates	$ 110	$ 79	$ 31

(1) These amounts represent our proportionate share of the Adjusted EBITDA of our unconsolidated affiliates and are based on our equity in earnings or losses of our unconsolidated affiliates adjusted for our proportionate share of the unconsolidated affiliates' interest, depreciation, depletion, amortization, non-cash items and taxes.

Segment Operating Results

We evaluate segment performance based on Segment Adjusted EBITDA, which we believe is an important performance measure of the core profitability of our operations. This measure represents the basis of our internal financial reporting and is one of the performance measures used by senior management in deciding how to allocate capital resources among business segments.

The tables below identify the components of Segment Adjusted EBITDA, which is calculated as follows:

- *Segment margin*, *operating expenses*, and *selling, general and administrative expenses*. These amounts represent the amounts included in our consolidated financial statements that are attributable to each segment.
- *Unrealized gains or losses on commodity risk management activities and inventory valuation adjustments*. These are the unrealized amounts that are included in cost of products sold to calculate segment margin. These amounts are not included in Segment Adjusted EBITDA; therefore, the unrealized losses are added back and the unrealized gains are subtracted to calculate the segment measure.
- *Non-cash compensation expense*. These amounts represent the total non-cash compensation recorded in operating expenses and selling, general and administrative expenses. This expense is not included in Segment Adjusted EBITDA and therefore is added back to calculate the segment measure.

- *Adjusted EBITDA related to unconsolidated affiliates*. Adjusted EBITDA related to unconsolidated affiliates excludes the same items with respect to the unconsolidated affiliate as those excluded from the calculation of Segment Adjusted EBITDA, such as interest, taxes, depreciation, depletion, amortization and other non-cash items. Although these amounts are excluded from Adjusted EBITDA related to unconsolidated affiliates, such exclusion should not be understood to imply that we have control over the operations and resulting revenues and expenses of such affiliates. We do not control our unconsolidated affiliates; therefore, we do not control the earnings or cash flows of such affiliates.

In the following analysis of segment operating results, a measure of segment margin is reported for segments with sales revenues. Segment margin is a non-GAAP financial measure and is presented herein to assist in the analysis of segment operating results and particularly to facilitate an understanding of the impacts that changes in sales revenues have on the segment performance measure of Segment Adjusted EBITDA. Segment margin is similar to the GAAP measure of gross margin, except that segment margin excludes charges for depreciation, depletion and amortization. Among the GAAP measures reported by the Partnership, the most directly comparable measure to segment margin is Segment Adjusted EBITDA; a reconciliation of segment margin to Segment Adjusted EBITDA is included in the following tables for each segment where segment margin is presented.

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

Intrastate Transportation and Storage

	Three Months Ended March 31,		
	2020	2019	Change
Natural gas transported (BBtu/d)	13,135	11,982	1,153
Withdrawals from storage natural gas inventory (BBtu)	6,975	—	6,975
Revenues	$ 593	$ 856	$ (263)
Cost of products sold	303	572	(269)
Segment margin	290	284	6
Unrealized (gains) losses on commodity risk management activities	(6)	10	(16)
Operating expenses, excluding non-cash compensation expense	(41)	(42)	1
Selling, general and administrative expenses, excluding non-cash compensation expense	(9)	(6)	(3)
Adjusted EBITDA related to unconsolidated affiliates	6	6	—
Segment Adjusted EBITDA	$ 240	$ 252	$ (12)

Volumes. For the three months ended March 31, 2020 compared to the same period last year, transported volumes increased primarily due to increased utilization of our Texas pipelines.

Segment Margin. The components of our intrastate transportation and storage segment margin were as follows:

	Three Months Ended March 31,		
	2020	2019	Change
Transportation fees	$ 161	$ 154	$ 7
Natural gas sales and other (excluding unrealized gains and losses)	88	120	(32)
Retained fuel revenues (excluding unrealized gains and losses)	9	11	(2)
Storage margin (excluding unrealized gains and losses)	26	9	17
Unrealized gains (losses) on commodity risk management activities	6	(10)	16
Total segment margin	$ 290	$ 284	$ 6

Segment Adjusted EBITDA. For the three months ended March 31, 2020 compared to the same period last year, Segment Adjusted EBITDA related to our intrastate transportation segment decreased due to the net effects of the following:

- a decrease of $32 million in realized natural gas sales and other primarily due to lower realized gains from pipeline optimization activity;
- a decrease of $4 million in retention revenue due to lower natural gas prices; and
- an increase of $3 million in selling, general and administrative expenses primarily due to higher allocated corporate costs; partially offset by
- an increase of $17 million in realized storage margin primarily due to higher storage optimization;
- an increase of $7 million in transportation fees primarily due to volume ramp-ups on the Red Bluff Express pipeline and new contracts; and
- a decrease of $1 million in operating expenses primarily related to lower cost of fuel consumption resulting from lower natural gas prices.

Interstate Transportation and Storage

	Three Months Ended March 31,		
	2020	2019	Change
Natural gas transported (BBtu/d)	10,630	11,532	(902)
Natural gas sold (BBtu/d)	15	19	(4)
Revenues	$ 464	$ 498	$ (34)
Operating expenses, excluding non-cash compensation, amortization and accretion expenses	(143)	(146)	3
Selling, general and administrative expenses, excluding non-cash compensation, amortization and accretion expenses	(21)	(14)	(7)
Adjusted EBITDA related to unconsolidated affiliates	106	119	(13)
Other	(2)	(1)	(1)
Segment Adjusted EBITDA	$ 404	$ 456	$ (52)

Volumes. For the three months ended March 31, 2020 compared to the same period last year, transported volumes decreased primarily due to lower utilization of contracted capacity on our Panhandle and Trunkline pipelines.

Segment Adjusted EBITDA. For the three months ended March 31, 2020 compared to the same period last year, Segment Adjusted EBITDA related to our interstate transportation and storage segment decreased due to the net impacts of the following:

- a decrease of $34 million in revenues primarily due to a $16 million decrease resulting from a contractual rate adjustment on commitments at our Lake Charles LNG facility and a $20 million decrease primarily due to lower rates and volumes as a result of less favorable market conditions on our Rover, Panhandle, Transwestern and Trunkline pipelines;
- an increase of $7 million in selling, general and administrative expenses primarily due to higher overhead costs; and
- a decrease of $13 million in Adjusted EBITDA related to unconsolidated affiliates primarily due to an $11 million net decrease from our Midcontinent Express Pipeline joint venture as a result of less capacity sold and lower rates received following the expiration of certain contracts and a $2 million net decrease from our Citrus joint venture resulting from higher allocated expenses; partially offset by
- a decrease of $3 million in operating expenses primarily due to lower ad valorem taxes.

Midstream

	Three Months Ended March 31,		
	2020	2019	Change
Gathered volumes (BBtu/d)	13,346	12,718	628
NGLs produced (MBbls/d)	610	563	47
Equity NGLs (MBbls/d)	36	35	1
Revenues	$ 1,170	$ 1,718	$ (548)
Cost of products sold	575	1,141	(566)
Segment margin	595	577	18
Operating expenses, excluding non-cash compensation expense	(193)	(183)	(10)
Selling, general and administrative expenses, excluding non-cash compensation expense	(26)	(19)	(7)
Adjusted EBITDA related to unconsolidated affiliates	7	6	1
Other	—	1	(1)
Segment Adjusted EBITDA	$ 383	$ 382	$ 1

Volumes. Gathered volumes increased during the three months ended March 31, 2020 compared to the same period last year primarily due to increases in the Mid-Continent/Panhandle, Ark-La-Tex, Permian, South Texas and Northeast regions. NGL production increased due to increases in the Permian and Mid-Continent/Panhandle region, partially offset by ethane rejection in the South Texas region.

Segment Margin. The table below presents the components of our midstream segment margin. For the prior period included in the table below, the amounts previously reported for fee-based and non-fee-based margin have been adjusted to reflect reclassification of certain contractual minimum fees in order to conform to the current period classification:

	Three Months Ended March 31,		
	2020	2019	Change
Gathering and processing fee-based revenues	$ 530	$ 502	$ 28
Non-fee-based contracts and processing	65	75	(10)
Total segment margin	$ 595	$ 577	$ 18

Segment Adjusted EBITDA. For the three months ended March 31, 2020 compared to the same period last year, Segment Adjusted EBITDA related to our midstream segment increased due to the net impacts of the following:

- an increase of $28 million in fee-based margin due to volume growth in the Permian, Mid-Continent/Panhandle and Northeast regions; and
- an increase of $13 million in non fee-based margin due to increased throughput volume in the Permian region; partially offset by
- a decrease of $22 million in non fee-based margin due to lower NGL prices of $17 million and lower natural gas prices of $5 million;
- an increase of $10 million in operating expenses due to an increase of $6 million in maintenance project costs and $4 million in employee costs; and
- an increase of $7 million in selling, general and administrative expenses due to an increase in overhead costs allocated to the segment.

NGL and Refined Products Transportation and Services

	Three Months Ended March 31,		
	2020	2019	Change
NGL transportation volumes (MBbls/d)	1,398	1,178	220
Refined products transportation volumes (MBbls/d)	533	617	(84)
NGL and refined products terminal volumes (MBbls/d)	847	777	70
NGL fractionation volumes (MBbls/d)	804	678	126
Revenues	$ 2,715	$ 3,031	$ (316)
Cost of products sold	1,836	2,326	(490)
Segment margin	879	705	174
Unrealized (gains) losses on commodity risk management activities	(55)	57	(112)
Operating expenses, excluding non-cash compensation expense	(159)	(149)	(10)
Selling, general and administrative expenses, excluding non-cash compensation expense	(25)	(19)	(6)
Adjusted EBITDA related to unconsolidated affiliates	23	18	5
Segment Adjusted EBITDA	$ 663	$ 612	$ 51

Volumes. For the three months ended March 31, 2020 compared to the same period last year, throughput barrels on our Texas NGL pipeline system increased due to higher receipt of liquids production from both wholly-owned and third-party gas plants primarily in the Permian and North Texas regions. In addition, NGL transportation volumes increased on our Mariner East pipeline system.

Refined products transportation volumes decreased for the three months ended March 31, 2020 compared to the same period last year due to the closure of a third-party refinery during the third quarter of 2019 and various turnarounds performed at third party refineries, which negatively impacted supply to our refined products transportation system. These decreases in volumes were partially offset by the initiation of service on our JC Nolan diesel fuel pipeline in the third quarter of 2019.

NGL and refined products terminal volumes increased for the three months ended March 31, 2020 compared to the same period last year primarily due to higher volumes from our Mariner East system, the initiation of service on our JC Nolan diesel fuel pipeline in the third quarter of 2019, additional cargoes shipped out of our Nederland terminal, and the initiation of natural gasoline exports in July of 2019. These increases were partially offset by the closure of a third-party refinery during the third quarter of 2019 and various turnarounds performed at third-party refineries. For the three months ended March 31, 2019, NGL and refined products terminal volumes have been adjusted from amounts previously reported to be consistent with the current period presentation; specifically, those volumes were adjusted to exclude terminal volumes for which fees are attributable to storage capacity rather than terminal throughput.

Average fractionated volumes at our Mont Belvieu, Texas fractionation facility increased 19% for the three months ended March 31, 2020 compared to the same period last year primarily due to the commissioning of our sixth and seventh fractionators in February 2019 and February 2020, respectively.

Segment Margin. The components of our NGL and refined products transportation and services segment margin were as follows:

	Three Months Ended March 31,		
	2020	2019	Change
Transportation margin	$ 476	$ 363	$ 113
Fractionators and refinery services margin	179	168	11
Terminal services margin	151	135	16
Storage margin	63	56	7
Marketing margin	(45)	40	(85)
Unrealized gains (losses) on commodity risk management activities	55	(57)	112
Total segment margin	$ 879	$ 705	$ 174

Segment Adjusted EBITDA. For the three months ended March 31, 2020 compared to the same period last year, Segment Adjusted EBITDA related to our NGL and refined products transportation and services segment increased due to the net impacts of the following:

- an increase of $113 million in transportation margin primarily due to a $74 million increase from higher throughput volumes on our Mariner East pipeline system, a $35 million increase from higher throughput volumes received from the Permian region on our Texas NGL pipelines, a $7 million increase due to the initiation of service on our JC Nolan diesel fuel pipeline in the third quarter of 2019, and a $5 million increase due to higher throughput volumes from the Barnett region. These increases were partially offset by a $6 million decrease resulting from the closure of a third-party refinery during the third quarter of 2019;
- an increase of $16 million in terminal services margin primarily due to an $18 million increase from higher throughput on our Mariner East system partially offset by a $2 million decrease due to the closure of a third-party refinery;
- an increase of $11 million in fractionators and refinery services margin primarily due to a $10 million increase from the commissioning of our sixth and seventh fractionators in February 2019 and February 2020, respectively, and higher NGL volumes from the Permian region feeding our Mont Belvieu fractionation facility; and
- an increase of $7 million in storage margin primarily due to a $3 million increase in fees generated from exported volumes and a $3 million increase from higher throughput; partially offset by
- a decrease of $85 million in marketing margin primarily due to a $50 million decrease from inventory valuation adjustments and a $34 million decrease from capacity lease fees incurred by our marketing affiliate on our Mariner East pipeline system;
- an increase of $10 million in operating expenses primarily due to increases totaling $16 million for costs associated with operating additional assets as well as an increase in throughput volumes, partially offset by a $6 million decrease in power costs; and
- an increase of $6 million in selling, general and administrative expenses primarily due to a $6 million increase in overhead costs allocated to the segment.

Crude Oil Transportation and Services

	Three Months Ended March 31,		
	2020	2019	Change
Crude transportation volumes (MBbls/d)	4,454	4,048	406
Crude terminals volumes (MBbls/d)	2,996	2,560	436
Revenues	$ 4,213	$ 4,186	$ 27
Cost of products sold	3,458	3,162	296
Segment margin	755	1,024	(269)
Unrealized (gains) losses on commodity risk management activities	10	(109)	119
Operating expenses, excluding non-cash compensation expense	(158)	(150)	(8)
Selling, general and administrative expenses, excluding non-cash compensation expense	(28)	(20)	(8)
Adjusted EBITDA related to unconsolidated affiliates	12	(2)	14
Other	—	1	(1)
Segment Adjusted EBITDA	$ 591	$ 744	$ (153)

Volumes. For the three and nine months ended March 31, 2020 compared to the same periods last year, crude transportation and terminal volumes benefited from an increase in barrels through our existing Texas pipelines, our Bakken pipeline, the initiation of service on phase 2 of our Bayou Bridge pipeline in the second quarter of 2019, as well as the acquisition of pipeline assets during the fourth quarter of 2019. For the three months ended March 31, 2019, certain volumes have been reclassified from crude transportation volumes to crude terminal volumes to be consistent with the current period presentation.

Segment Adjusted EBITDA. For the three months ended March 31, 2020 compared to the same period last year, Segment Adjusted EBITDA related to our crude oil transportation and services segment decreased due to the net impacts of the following:

- a decrease of $150 million in segment margin (excluding unrealized gains and losses on commodity risk management activities) primarily due to a $206 million decrease (excluding a net change of $119 million in unrealized gains and losses on commodity risk management activities) from our crude oil acquisition and marketing business that was primarily from inventory valuation adjustments (a loss of $154 million for the current period compared to a gain of $36 million for the prior period) and a $58 million decrease on our Texas crude pipeline system due to lower average rates realized, partially offset by a $73 million increase in margin from terminal operations primarily due to assets acquired in 2019, a $20 million increase due to higher volumes on our Bakken Pipeline, and an $18 million increase due to higher volumes on our Bayou Bridge Pipeline;
- an increase of $8 million in operating expenses primarily due to costs related to assets acquired in 2019, partly offset by lower crude trucking expenses; and
- an increase of $8 million in selling, general and administrative expenses primarily due to a $3 million increase in allocated overhead, a $4 million increase in costs related to assets acquired in 2019, and a $1 million increase in legal expenses; partially offset by
- an increase of $14 million in Adjusted EBITDA related to unconsolidated affiliates due to assets acquired in 2019 and improved jet fuels sales by our joint ventures.

Investment in Sunoco LP

	Three Months Ended March 31,		
	2020	2019	Change
Revenues	$ 3,272	$ 3,692	$ (420)
Cost of products sold	3,164	3,322	(158)
Segment margin	108	370	(262)
Unrealized (gains) losses on commodity risk management activities	6	(6)	12
Operating expenses, excluding non-cash compensation expense	(109)	(98)	(11)
Selling, general and administrative expenses, excluding non-cash compensation expense	(30)	(24)	(6)
Adjusted EBITDA related to unconsolidated affiliates	2	—	2
Inventory valuation adjustments	227	(93)	320
Other	5	4	1
Segment Adjusted EBITDA	$ 209	$ 153	$ 56

The Investment in Sunoco LP segment reflects the consolidated results of Sunoco LP.

Segment Adjusted EBITDA. For the three months ended March 31, 2020 compared to the same period last year, Segment Adjusted EBITDA related to our investment in Sunoco LP segment increased due to the net impacts of the following:

- an increase of $70 million in gross profit on motor fuel sales, primarily due to a 32.6% increase in gross profit per gallon sold and the receipt of a $13 million make-up payment under a fuel supply agreement; partially offset by a 2.2% decrease in gallons sold;
- an increase in non-motor fuel sales gross profit of $2 million; and
- an increase in unconsolidated affiliate adjusted EBITDA of $2 million; partially offset by
- an increase of $17 million in operating expenses and selling, general and administrative expenses, excluding non-cash compensation, primarily attributable to a $16 million charge for current expected credit losses of Sunoco LP's accounts receivable in connection with the financial impact from COVID-19.

Investment in USAC

	Three Months Ended March 31,		
	2020	2019	Change
Revenues	$ 179	$ 171	$ 8
Cost of products sold	24	22	2
Segment margin	155	149	6
Operating expenses, excluding non-cash compensation expense	(35)	(35)	—
Selling, general and administrative expenses, excluding non-cash compensation expense	(14)	(13)	(1)
Segment Adjusted EBITDA	$ 106	$ 101	$ 5

The Investment in USAC segment reflects the consolidated results of USAC.

Segment Adjusted EBITDA. For the three months ended March 31, 2020 compared to the same period last year, Segment Adjusted EBITDA related to our investment in USAC segment increased due to the net impacts of the following:

- an increase of $6 million in segment margin primarily due to an increase revenues as a result of the increase in average revenue generating horsepower; partially offset by
- an increase of $1 million in selling, general and administrative expenses primarily due to an increase in the provision for expected credit losses.

All Other

	Three Months Ended March 31,		
	2020	2019	Change
Revenues	$ 513	$ 497	$ 16
Cost of products sold	415	455	(40)
Segment margin	98	42	56
Unrealized gains on commodity risk management activities	(5)	(1)	(4)
Operating expenses, excluding non-cash compensation expense	(38)	(7)	(31)
Selling, general and administrative expenses, excluding non-cash compensation expense	(35)	(11)	(24)
Adjusted EBITDA related to unconsolidated affiliates	—	(1)	1
Other and eliminations	19	13	6
Segment Adjusted EBITDA	$ 39	$ 35	$ 4

Amounts reflected in our all other segment primarily include:

- our natural gas marketing operations;
- our wholly-owned natural gas compression operations;
- a noncontrolling interest in PES. Prior to PES's reorganization in August 2018, ETO's 33% interest in PES was reflected as an unconsolidated affiliate; subsequent to the August 2018 reorganization, ETO holds an approximately 7.4% interest in PES and no longer reflects PES as an affiliate; and
- our investment in coal handling facilities; and
- our Canadian operations, which were acquired in the SemGroup acquisition in December 2019 and include natural gas gathering and processing assets.

Segment Adjusted EBITDA. For the three months ended March 31, 2020 compared to the same period last year, Segment Adjusted EBITDA related to our all other segment increased due to the net impacts of the following:

- an increase of $25 million from the acquisition of SemCAMS;
- an increase of $16 million from settlement payments received from our ownership of PES; and
- an increase of $5 million due to storage gains; partially offset by
- a decrease of $2 million due to lower sales of residue gas;
- a decrease of $3 million due to lower gas prices and increased power costs at our compression services business;
- a decrease of $4 million due to lower revenues from our compression equipment business;
- a decrease of $3 million due to higher expenses in our compression business resulting from lower cost recoveries and higher allocated costs;
- a decrease of $2 million due to power trading activities;
- a decrease of $10 million due to changes in eliminations of intersegment amounts, the net impacts of which are reflected in the all other segment; and
- a decrease of $20 million due to higher merger and acquisition expense.

LIQUIDITY AND CAPITAL RESOURCES

Overview

The Parent Company's principal sources of cash flow are derived from distributions related to its investment in ETO, which derives its cash flows from its subsidiaries, including ETO's investments in Sunoco LP and USAC.

The Parent Company's primary cash requirements are for general and administrative expenses, debt service requirements and distributions to its partners. The Parent Company currently expects to fund its short-term needs for such items with cash flows

from its direct and indirect investments in ETO. The Parent Company distributes its available cash remaining after satisfaction of the aforementioned cash requirements to its Unitholders on a quarterly basis.

The Parent Company expects ETO and its respective subsidiaries and investments in Sunoco LP and USAC to utilize their resources, along with cash from their operations, to fund their announced growth capital expenditures and working capital needs; however, the Parent Company may issue debt or equity securities from time to time, as it deems prudent to provide liquidity for new capital projects of its subsidiaries or for other partnership purposes.

Our ability to satisfy obligations and pay distributions to unitholders will depend on our future performance, which will be subject to prevailing economic, financial, business and weather conditions, and other factors, many of which are beyond management's control.

We currently expect capital expenditures in 2020 to be within the following ranges (excluding capital expenditures related to our investments in Sunoco LP and USAC):

	Growth		Maintenance	
	Low	High	Low	High
Intrastate transportation and storage	$ 10	$ 20	$ 40	$ 45
Interstate transportation and storage [1]	75	100	125	130
Midstream	400	425	105	110
NGL and refined products transportation and services	2,550	2,700	85	95
Crude oil transportation and services [1]	275	300	140	150
All other (including eliminations)	75	100	55	60
Total capital expenditures	$ 3,385	$ 3,645	$ 550	$ 590

[1] Includes capital expenditures related to our proportionate ownership of the Bakken, Rover and Bayou Bridge pipeline projects.

The assets used in our natural gas and liquids operations, including pipelines, gathering systems and related facilities, are generally long-lived assets and do not require significant maintenance capital expenditures. Accordingly, we do not have any significant financial commitments for maintenance capital expenditures in our businesses. From time to time we experience increases in pipe costs due to a number of factors, including but not limited to, delays from steel mills, limited selection of mills capable of producing large diameter pipe timely, higher steel prices and other factors beyond our control; however, we have included these factors in our anticipated growth capital expenditures for each year.

We generally fund maintenance capital expenditures and distributions with cash flows from operating activities. We generally fund growth capital expenditures with borrowings under credit facilities, long-term debt, the issuance of additional preferred units or a combination thereof.

Sunoco LP

Sunoco LP currently expects to spend approximately $30 million on growth capital and $75 million on maintenance capital for the full year 2020.

USAC

USAC currently plans to spend approximately $30 million in maintenance capital expenditures during 2020, including parts consumed from inventory.

Without giving effect to any equipment USAC may acquire pursuant to any future acquisitions, it currently has budgeted between $80 million and $90 million in expansion capital expenditures during 2020. As of March 31, 2020, USAC has binding commitments to purchase $34 million of additional compression units and serialized parts, all of which USAC expects to be delivered throughout 2020.

Cash Flows

Our cash flows may change in the future due to a number of factors, some of which we cannot control. These factors include regulatory changes, the price of our subsidiaries' products and services, the demand for such products and services, margin requirements resulting from significant changes in commodity prices, operational risks, the successful integration of our acquisitions and other factors.

Operating Activities

Changes in cash flows from operating activities between periods primarily result from changes in earnings (as discussed in “Results of Operations” above), excluding the impacts of non-cash items and changes in operating assets and liabilities (net of effects of acquisitions). Non-cash items include recurring non-cash expenses, such as depreciation, depletion and amortization expense and non-cash compensation expense. The increase in depreciation, depletion and amortization expense during the periods presented primarily resulted from construction and acquisition of assets, while changes in non-cash compensation expense resulted from changes in the number of units granted and changes in the grant date fair value estimated for such grants. Cash flows from operating activities also differ from earnings as a result of non-cash charges that may not be recurring, such as impairment charges and allowance for equity funds used during construction. The allowance for equity funds used during construction increases in periods when ETO has a significant amount of interstate pipeline construction in progress. Changes in operating assets and liabilities between periods result from factors such as the changes in the value of price risk management assets and liabilities, timing of accounts receivable collection, the timing of payments on accounts payable, the timing of purchases and sales of inventories and the timing of advances and deposits received from customers.

Three months ended March 31, 2020 compared to three months ended March 31, 2019. Cash provided by operating activities during 2020 was $1.82 billion as compared to $1.82 billion for 2019, and net loss was $964 million for 2020 and net income was $1.12 billion for 2019. The difference between net loss and net cash provided by operating activities for the three months ended March 31, 2020 primarily consisted of net changes in operating assets and liabilities (net of effects of acquisitions) of $164 million and other non-cash items totaling $2.56 billion.

The non-cash activity in 2020 and 2019 consisted primarily of depreciation, depletion and amortization of $867 million and $774 million, respectively, non-cash compensation expense of $22 million and $29 million, respectively, inventory valuation adjustments of $227 million and $93 million, respectively, and deferred income taxes of $42 million and $98 million, respectively. Non-cash activity also included losses on extinguishments of debt in 2020 and 2019 of $62 million and $18 million, respectively, impairment losses of $1,325 million and $50 million in 2020 and 2019, respectively.

Unconsolidated affiliate activity in 2020 consisted of equity in losses of $7 million and equity in earnings of $65 million in 2019. Cash distributions were received in 2020 and 2019 of $58 million and $66 million, respectively.

Cash paid for interest, net of interest capitalized, was $535 million and $638 million for the three months ended March 31, 2020 and 2019, respectively. Interest capitalized was $38 million and $43 million for the three months ended March 31, 2020 and 2019, respectively.

Investing Activities

Cash flows from investing activities primarily consist of cash amounts paid for acquisitions, capital expenditures, cash contributions to our joint ventures, and cash proceeds from sales or contributions of assets or businesses. In addition, distributions from equity investees are included in cash flows from investing activities if the distributions are deemed to be a return of the Partnership’s investment. Changes in capital expenditures between periods primarily result from increases or decreases in our growth capital expenditures to fund our construction and expansion projects.

Three months ended March 31, 2020 compared to three months ended March 31, 2019. Cash used in investing activities during 2020 was $1.56 billion as compared to $1.10 billion for 2019. Total capital expenditures (excluding the allowance for equity funds used during construction and net of contributions in aid of construction costs) for 2020 were $1.60 billion compared to $1.14 billion for 2019. Additional detail related to our capital expenditures is provided in the table below. During 2019, we received $93 million of cash proceeds from the sale of a noncontrolling interest in a subsidiary and paid $5 million in cash for all other acquisitions.

The following is a summary of capital expenditures (including only our proportionate share of the Bakken, Rover and Bayou Bridge pipeline projects and net of contributions in aid of construction costs) for the three months ended March 31, 2020:

	Capital Expenditures Recorded During Period		
	Growth	Maintenance	Total
Intrastate transportation and storage	$ 2	$ 24	$ 26
Interstate transportation and storage	8	7	15
Midstream	128	23	151
NGL and refined products transportation and services	774	16	790
Crude oil transportation and services	83	12	95
Investment in Sunoco LP	36	5	41
Investment in USAC	47	9	56
All other (including eliminations)	24	7	31
Total capital expenditures	$ 1,102	$ 103	$ 1,205

Financing Activities

Changes in cash flows from financing activities between periods primarily result from changes in the levels of borrowings and equity issuances, which are primarily used to fund our acquisitions and growth capital expenditures. Distributions increase between the periods based on increases in the number of common units outstanding or increases in the distribution rate.

Three months ended March 31, 2020 compared to three months ended March 31, 2019. Cash used in financing activities during 2020 was $354 million as compared to $607 million for 2019. During 2020, our subsidiaries received $1.58 billion in net proceeds from offerings of preferred units. During 2020, we had a net decrease in our debt level of $764 million compared to a net increase of $562 million for 2019. In 2020 and 2019, we paid debt issuance costs of $51 million and $84 million, respectively.

In 2020 and 2019, we paid distributions of $770 million and $800 million, respectively, to our partners. In 2020 and 2019, we paid distributions of $444 million and $425 million, respectively, to noncontrolling interests. In addition, we received capital contributions of $95 million in cash from noncontrolling interests in 2020 compared to $140 million in cash from noncontrolling interests in 2019.

Description of Indebtedness

Our outstanding consolidated indebtedness was as follows:

	March 31, 2020	December 31, 2019
Parent Company Indebtedness:		
ET Senior Notes due October 2020	$ —	$ 52
ET Senior Notes due March 2023	5	5
ET Senior Notes due January 2024	23	23
ET Senior Notes due June 2027	44	44
Subsidiary Indebtedness:		
ETO Senior Notes	37,782	36,118
Transwestern Senior Notes	400	575
Panhandle Senior Notes	235	235
Bakken Senior Notes	2,500	2,500
Sunoco LP Senior Notes and lease-related obligations	2,932	2,935
USAC Senior Notes	1,475	1,475
Credit facilities and commercial paper:		
ETO $2.00 billion Term Loan facility due October 2022	2,000	2,000
ETO $5.00 billion Revolving Credit Facility due December 2023 [(1)]	1,955	4,214
Sunoco LP $1.50 billion Revolving Credit Facility due July 2023	265	162
USAC $1.60 billion Revolving Credit Facility due April 2023	459	403
HFOTCO Tax Exempt Notes due 2050	225	225
SemCAMS Revolver due February 2024	88	92
SemCAMS Term Loan A due February 2024	244	269
Other long-term debt	13	2
Net unamortized premiums, discounts, and fair value adjustments	(10)	4
Deferred debt issuance costs	(303)	(279)
Total debt	50,332	51,054
Less: current maturities of long-term debt	33	26
Long-term debt, less current maturities	$ 50,299	$ 51,028

[(1)] Includes $113 million and $1.64 billion of commercial paper outstanding at March 31, 2020 and December 31, 2019, respectively.

Recent Transactions

ETO January 2020 Senior Notes Offering and Redemption

On January 22, 2020, ETO completed a registered offering (the "January 2020 Senior Notes Offering") of $1.00 billion aggregate principal amount of the Partnership's 2.900% Senior Notes due 2025, $1.50 billion aggregate principal amount of the Partnership's 3.750% Senior Notes due 2030 and $2.00 billion aggregate principal amount of the Partnership's 5.000% Senior Notes due 2050 (collectively, the "Notes"). The Notes are fully and unconditionally guaranteed by the Partnership's wholly-owned subsidiary, Sunoco Logistics Partners Operations L.P., on a senior unsecured basis.

Utilizing proceeds from the January 2020 Senior Notes Offering, ETO redeemed its $400 million aggregate principal amount of 5.75% Senior Notes due September 1, 2020, its $1.05 billion aggregate principal amount of 4.15% Senior Notes due October 1, 2020, its $1.14 billion aggregate principal amount of 7.50% Senior Notes due October 15, 2020, its $250 million aggregate principal amount of 5.50% Senior Notes due February 15, 2020, ET's $52 million aggregate principal amount of 7.50% Senior Notes due October 15, 2020 and Transwestern's $175 million aggregate principal amount of 5.36% Senior Notes due December 9, 2020.

Credit Facilities and Commercial Paper

ETO Term Loan

ETO's term loan credit agreement provides for a $2 billion three-year term loan credit facility (the "ETO Term Loan"). Borrowings under the term loan agreement mature on October 17, 2022 and are available for working capital purposes and for general partnership purposes. The term loan agreement is unsecured and is guaranteed by our subsidiary, Sunoco Logistics Operations.

As of March 31, 2020, the ETO Term Loan had $2 billion outstanding and was fully drawn. The weighted average interest rate on the total amount outstanding as of March 31, 2020 was 1.92%.

ETO Five-Year Credit Facility

ETO's revolving credit facility (the "ETO Five-Year Credit Facility") allows for unsecured borrowings up to $5.00 billion and matures on December 1, 2023. The ETO Five-Year Credit Facility contains an accordion feature, under which the total aggregate commitment may be increased up to $6.00 billion under certain conditions.

As of March 31, 2020, the ETO Five-Year Credit Facility had $1.96 billion of outstanding borrowings, $113 million of which was commercial paper. The amount available for future borrowings was $2.97 billion after taking into account letters of credit of $72 million. The weighted average interest rate on the total amount outstanding as of March 31, 2020 was 2.24%.

ETO 364-Day Facility

ETO's 364-day revolving credit facility (the "ETO 364-Day Facility") allows for unsecured borrowings up to $1.00 billion and matures on November 27, 2020. As of March 31, 2020, the ETO 364-Day Facility had no outstanding borrowings.

Sunoco LP Credit Facility

Sunoco LP maintains a $1.50 billion revolving credit facility (the "Sunoco LP Credit Facility"), which matures in July 2023. As of March 31, 2020, the Sunoco LP Credit Facility had $265 million of outstanding borrowings and $8 million in standby letters of credit. As of March 31, 2020 Sunoco LP had $1.23 billion of availability under the Sunoco LP Credit Facility. The weighted average interest rate on the total amount outstanding as of March 31, 2020 was 2.63%.

USAC Credit Facility

USAC maintains a $1.60 billion revolving credit facility (the "USAC Credit Facility"), with a further potential increase of $400 million, which matures in April 2023. As of March 31, 2020, the USAC Credit Facility had $459 million of outstanding borrowings and no outstanding letters of credit. As of March 31, 2020, USAC had $1.14 billion of borrowing base availability and, subject to compliance with the applicable financial covenants, available borrowing capacity of $186 million under the USAC Credit Facility. The weighted average interest rate on the total amount outstanding as of March 31, 2020 was 3.67%.

Covenants Related to Our Credit Agreements

We and our subsidiaries were in compliance with all requirements, tests, limitations, and covenants related to our debt agreements as of March 31, 2020.

CASH DISTRIBUTIONS

Cash Distributions Paid by the Parent Company

Under the Parent Company partnership agreement, the Parent Company will distribute all of its Available Cash, as defined in the partnership agreement, within 50 days following the end of each fiscal quarter. Available Cash generally means, with respect to any quarter, all cash on hand at the end of such quarter less the amount of cash reserves that are necessary or appropriate in the reasonable discretion of our general partner that is necessary or appropriate to provide for future cash requirements.

Distributions declared and/or paid subsequent to December 31, 2019 were as follows:

Quarter Ended	Record Date	Payment Date	Rate
December 31, 2019	February 7, 2020	February 19, 2020	$ 0.3050
March 31, 2020	May 7, 2020	May 19, 2020	0.3050

Cash Distributions Paid by Subsidiaries

ETO, Sunoco LP and USAC are required by their respective partnership agreements to distribute all cash on hand at the end of each quarter, less appropriate reserves determined by the board of directors of their respective general partners.

Cash Distributions Paid by ETO

Distributions on ETO preferred units declared and/or paid by ETO subsequent to December 31, 2019 were as follows:

Period Ended	Record Date	Payment Date	Series A [1]	Series B [1]	Series C	Series D	Series E	Series F [2]	Series G [2]
December 31, 2019	February 3, 2020	February 18, 2020	$ 31.25	$ 33.125	$ 0.4609	$ 0.4766	$ 0.4750	$ —	$ —
March 31, 2020	May 1, 2020	May 15, 2020	—	—	0.4609	0.4766	0.4750	21.19	22.36

(1) ETO Series A Preferred Unit and ETO Series B Preferred Unit distributions are paid on a semi-annual basis.

(2) ETO Series F and G Preferred Unit distributions related to the period ended March 31, 2020 represent a prorated initial distribution. Distributions are paid on a semi-annual basis.

Cash Distributions Paid by Sunoco LP

Distributions declared and/or paid by Sunoco LP subsequent to its common unitholders December 31, 2019 were as follows:

Quarter Ended	Record Date	Payment Date	Rate
December 31, 2019	February 7, 2020	February 19, 2020	$ 0.8255
March 31, 2020	May 7, 2020	May 19, 2020	0.8255

Cash Distributions Paid by USAC

Distributions declared and/or paid by USAC to its common unitholders subsequent to December 31, 2019 were as follows:

Quarter Ended	Record Date	Payment Date	Rate
December 31, 2019	January 27, 2020	February 7, 2020	$ 0.5250
March 31, 2020	April 27, 2020	May 8, 2020	0.5250

ESTIMATES AND CRITICAL ACCOUNTING POLICIES

The selection and application of accounting policies is an important process that has developed as our business activities have evolved and as the accounting rules have developed. Accounting rules generally do not involve a selection among alternatives, but involve an implementation and interpretation of existing rules, and the use of judgment applied to the specific set of circumstances existing in our business. We make every effort to properly comply with all applicable rules, and we believe the proper implementation and consistent application of the accounting rules are critical. We describe our significant accounting policies in Note 2 to our consolidated financial statements in the Partnership's Annual Report on Form 10-K filed with the SEC on February 21, 2020. See Note 1 in "Item 1. Financial Statements" for information regarding recent changes to the Partnership's critical accounting policies related to inventory.

RECENT ACCOUNTING PRONOUNCEMENTS

Currently, there are no accounting pronouncements that have been issued, but not yet adopted, that are expected to have a material impact on the Partnership's financial position or results of operations.

FORWARD-LOOKING STATEMENTS

This quarterly report contains various forward-looking statements and information that are based on our beliefs and those of our General Partner, as well as assumptions made by and information currently available to us. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. When used in this annual report, words such as "anticipate," "project," "expect," "plan," "goal," "forecast," "estimate," "intend," "could," "believe," "may," "will" and similar expressions and statements regarding our plans and objectives for future operations, are intended to identify forward-looking statements. Although we and our General Partner believe that the expectations on which such forward-looking statements are

based are reasonable, neither we nor our General Partner can give assurances that such expectations will prove to be correct. Forward-looking statements are subject to a variety of risks, uncertainties and assumptions. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results may vary materially from those anticipated, estimated, projected or expected. Among the key risk factors that may have a direct bearing on our results of operations and financial condition are:

- changes in the long-term supply of and demand for natural gas, NGLs, refined products and/or crude oil, including as a result of uncertainty regarding the length of time it will take for the United States and the rest of the world to slow the spread of the COVID-19 virus to the point where applicable authorities are comfortable easing current restrictions on various commercial and economic activities; such restrictions are designed to protect public health but also have the effect of reducing demand for natural gas, NGLs, refined products and crude oil;
- the severity and duration of world health events, including the recent COVID-19 pandemic, related economic repercussions, actions taken by governmental authorities and other third parties in response to the pandemic and the resulting severe disruption in the oil and gas industry and negative impact on demand for natural gas, NGLs, refined products and crude oil, which may negatively impact our business;
- changes in general economic conditions and changes in economic conditions of the crude oil and natural gas industries specifically, including the current significant surplus in the supply of oil and actions by foreign oil-producing nations with respect to oil production levels and announcements of potential changes in such levels, including the ability of those countries to agree on and comply with supply limitation;
- uncertainty regarding the timing, pace and extent of an economic recovery in the United States and elsewhere, which in turn will likely affect demand for natural gas, NGLs, refined products and crude oil and therefore the demand for midstream services we provide and the commercial opportunities available to us;
- the deterioration of the financial condition of our customers and the potential renegotiation or termination of customer contracts as a result of such deterioration;
- operational challenges relating to the COVID-19 pandemic and efforts to mitigate the spread of the virus, including logistical challenges, protecting the health and well-being of our employees, remote work arrangements, performance of contracts and supply chain disruptions;
- actions taken by federal, state or local governments to require producers of natural gas, NGL, refined products and crude oil to proration or cut their production levels as a way to address any excess market supply situations;
- the ability of our subsidiaries to make cash distributions to us, which is dependent on their results of operations, cash flows and financial condition;
- the actual amount of cash distributions by our subsidiaries to us;
- the volumes transported on our subsidiaries' pipelines and gathering systems;
- the level of throughput in our subsidiaries' processing and treating facilities;
- the fees our subsidiaries charge and the margins they realize for their gathering, treating, processing, storage and transportation services;
- the prices and market demand for, and the relationship between, natural gas and NGLs;
- energy prices generally;
- the prices of natural gas and NGLs compared to the price of alternative and competing fuels;
- the general level of petroleum product demand and the availability and price of NGL supplies;
- the level of domestic natural gas, NGL, refined products and crude oil production;
- the availability of imported natural gas, NGLs, refined products and crude oil;
- actions taken by foreign oil and gas producing nations;
- the political and economic stability of petroleum producing nations;
- the effect of weather conditions on demand for natural gas, NGLs, refined products and crude oil;
- availability of local, intrastate and interstate transportation systems;
- the continued ability to find and contract for new sources of natural gas supply;
- availability and marketing of competitive fuels;

- the impact of energy conservation efforts;
- energy efficiencies and technological trends;
- governmental regulation and taxation;
- changes to, and the application of, regulation of tariff rates and operational requirements related to our subsidiaries' interstate and intrastate pipelines;
- hazards or operating risks incidental to the gathering, treating, processing and transporting of natural gas and NGLs;
- competition from other midstream companies and interstate pipeline companies;
- loss of key personnel;
- loss of key natural gas producers or the providers of fractionation services;
- reductions in the capacity or allocations of third-party pipelines that connect with our subsidiaries pipelines and facilities;
- the effectiveness of risk-management policies and procedures and the ability of our subsidiaries liquids marketing counterparties to satisfy their financial commitments;
- the nonpayment or nonperformance by our subsidiaries' customers;
- regulatory, environmental, political and legal uncertainties that may affect the timing and cost of our subsidiaries' internal growth projects, such as our subsidiaries' construction of additional pipeline systems;
- risks associated with the construction of new pipelines and treating and processing facilities or additions to our subsidiaries' existing pipelines and facilities, including difficulties in obtaining permits and rights-of-way or other regulatory approvals and the performance by third-party contractors;
- the availability and cost of capital and our subsidiaries' ability to access certain capital sources;
- a deterioration of the credit and capital markets;
- risks associated with the assets and operations of entities in which our subsidiaries own less than a controlling interests, including risks related to management actions at such entities that our subsidiaries may not be able to control or exert influence;
- the ability to successfully identify and consummate strategic acquisitions at purchase prices that are accretive to our financial results and to successfully integrate acquired businesses;
- changes in laws and regulations to which we are subject, including tax, environmental, transportation and employment regulations or new interpretations by regulatory agencies concerning such laws and regulations; and
- the costs and effects of legal and administrative proceedings.

Many of the foregoing risks and uncertainties are, and will be, heightened by the COVID-19 pandemic and any further worsening of the global business and economic environment. New factors emerge from time to time, and it is not possible for us to predict all such factors. Should one or more of the risks or uncertainties described in this Quarterly Report on Form 10-Q or our Annual Report on Form 10-K occur, or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in any forward-looking statements.

You should not put undue reliance on any forward-looking statements. When considering forward-looking statements, please review the risks described under "Item 1A. Risk Factors" in our Annual Report on Form 10-K and "Part II, Item 1A. Risk Factors" in this Quarterly Report on Form 10-Q. Any forward-looking statement made by us in this Quarterly Report on Form 10-Q is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information contained in Item 3 updates, and should be read in conjunction with, information set forth in Part II, Item 7A in the Partnership's Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC on February 21, 2020, in addition to the accompanying notes and management's discussion and analysis of financial condition and results of operations presented in Items 1 and 2 of this Quarterly Report on Form 10-Q. Our quantitative and qualitative disclosures about market risk are consistent with those discussed in our Annual Report on Form 10-K for the year ended December 31, 2019. Since December 31, 2019, there have been no material changes to our primary market risk exposures or how those exposures are managed.

Commodity Price Risk

The table below summarizes our commodity-related financial derivative instruments and fair values, including derivatives related to our consolidated subsidiaries, as well as the effect of an assumed hypothetical 10% change in the underlying price of the commodity. Dollar amounts are presented in millions.

	March 31, 2020			December 31, 2019		
	Notional Volume	Fair Value Asset (Liability)	Effect of Hypothetical 10% Change	Notional Volume	Fair Value Asset (Liability)	Effect of Hypothetical 10% Change
Mark-to-Market Derivatives						
(Trading)						
Natural Gas (BBtu):						
Basis Swaps IFERC/NYMEX [1]	(19,673)	$ 14	$ 4	(35,208)	$ 2	$ 5
Fixed Swaps/Futures	1,688	—	—	1,483	—	—
Power (Megawatt):						
Forwards	2,125,200	6	5	3,213,450	6	8
Futures	329,896	—	1	(353,527)	1	2
Options – Puts	621,860	2	—	51,615	1	—
Options – Calls	4,035,972	1	—	(2,704,330)	1	—
(Non-Trading)						
Natural Gas (BBtu):						
Basis Swaps IFERC/NYMEX	(15,860)	10	9	(18,923)	(35)	15
Swing Swaps IFERC	31,505	—	2	(9,265)	—	4
Fixed Swaps/Futures	(1,425)	(2)	1	(3,085)	(1)	1
Forward Physical Contracts	(36,691)	5	8	(13,364)	3	3
NGLs (MBbls) – Forwards/Swaps	(2,235)	36	8	(1,300)	(18)	18
Refined Products (MBbls) – Futures	(1,779)	(7)	4	(2,473)	(2)	16
Crude (MBbls) – Forwards/Swaps	5,260	3	1	4,465	13	2
Corn (thousand bushels)	(140)	—	—	(1,210)	—	—
Fair Value Hedging Derivatives						
(Non-Trading)						
Natural Gas (BBtu):						
Basis Swaps IFERC/NYMEX	(32,695)	(1)	8	(31,780)	1	7
Fixed Swaps/Futures	(32,695)	—	9	(31,780)	23	7

[1] Includes aggregate amounts for open positions related to Houston Ship Channel, Waha Hub, NGPL TexOk, West Louisiana Zone and Henry Hub locations.

The fair values of the commodity-related financial positions have been determined using independent third-party prices, readily available market information and appropriate valuation techniques. Non-trading positions offset physical exposures to the cash market; none of these offsetting physical exposures are included in the above tables. Price-risk sensitivities were calculated by assuming a theoretical 10% change (increase or decrease) in price regardless of term or historical relationships between the contractual price of the instruments and the underlying commodity price. Results are presented in absolute terms and represent a potential gain or loss in net income or in other comprehensive income. In the event of an actual 10% change in prompt month natural gas prices, the fair value of our total derivative portfolio may not change by 10% due to factors such as when the financial instrument settles and the location to which the financial instrument is tied (i.e., basis swaps) and the relationship between prompt month and forward months.

Interest Rate Risk

As of March 31, 2020, we and our subsidiaries had $5.84 billion of floating rate debt outstanding. A hypothetical change of 100 basis points would result in a maximum potential change to interest expense of $58 million annually; however, our actual change in interest expense may be less in a given period due to interest rate floors included in our variable rate debt instruments. We

manage a portion of our interest rate exposure by utilizing interest rate swaps, including forward-starting interest rate swaps to lock-in the rate on a portion of anticipated debt issuances.

The following table summarizes our interest rate swaps outstanding (dollars in millions), none of which are designated as hedges for accounting purposes:

		Notional Amount Outstanding	
Term	Type[1]	March 31, 2020	December 31, 2019
July 2020[2][3]	Forward-starting to pay a fixed rate of 3.52% and receive a floating rate	$ —	$ 400
July 2021[2]	Forward-starting to pay a fixed rate of 3.55% and receive a floating rate	400	400
July 2022[2]	Forward-starting to pay a fixed rate of 3.80% and receive a floating rate	400	400

[1] Floating rates are based on 3-month LIBOR.

[2] Represents the effective date. These forward-starting swaps have terms of 30 years with a mandatory termination date the same as the effective date.

[3] The July 2020 interest rate swaps were terminated in January 2020.

A hypothetical change of 100 basis points in interest rates for these interest rate swaps would result in a net change in the fair value of interest rate derivatives and earnings (recognized in gains and losses on interest rate derivatives) of $312 million as of March 31, 2020. For the forward-starting interest rate swaps, a hypothetical change of 100 basis points in interest rates would not affect cash flows until the swaps are settled.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures to ensure that information required to be disclosed by us, including our consolidated entities, in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

Under the supervision and with the participation of senior management, including the Chief Executive Officer ("Principal Executive Officer") and the Chief Financial Officer ("Principal Financial Officer") of our General Partner, we evaluated our disclosure controls and procedures, as such term is defined under Rule 13a–15(e) promulgated under the Exchange Act. Based on this evaluation, the Principal Executive Officer and the Principal Financial Officer of our General Partner concluded that our disclosure controls and procedures were effective as of March 31, 2020 to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act (1) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (2) is accumulated and communicated to management, including the Principal Executive Officer and Principal Financial Officer of our General Partner, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal controls over financial reporting (as defined in Rule 13(a)-15(f) or Rule 15d-15(f) of the Exchange Act) during the three months ended March 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For information regarding legal proceedings, see our Annual Report on Form 10-K filed with the SEC on February 21, 2020 and Note 10 – Regulatory Matters, Commitments, Contingencies and Environmental Liabilities of the Notes to Consolidated Financial Statements of Energy Transfer LP and Subsidiaries included in this Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.

Additionally, we have received notices of violations and potential fines under various federal, state and local provisions relating to the discharge of materials into the environment or protection of the environment. While we believe that even if any one or more of the environmental proceedings listed below were decided against us, it would not be material to our financial position, results of operations or cash flows, we are required to report governmental proceedings if we reasonably believe that such proceedings will result in monetary sanctions in excess of $100,000.

Pursuant to the instructions to Form 10-Q, matters disclosed in this Part II, Item 1 include any reportable legal proceeding (i) that has been terminated during the period covered by this report, (ii) that became a reportable event during the period covered by this report, or (iii) for which there has been a material development during the period covered by this report.

On June 4, 2019, the Oklahoma Corporation Commission's ("OCC") Transportation Division filed a complaint against SPLP seeking a penalty of up to $1 million related to a May 2018 rupture near Edmond, Oklahoma. The rupture occurred on the Noble to Douglas 8" pipeline in an area of external corrosion and caused the release of approximately fifteen barrels of crude oil. SPLP responded immediately to the release and remediated the surrounding environment and pipeline in cooperation with the OCC. The OCC filed the complaint alleging that SPLP failed to provide adequate cathodic protection to the pipeline causing the failure. SPLP negotiated a settlement agreement with the OCC for $500,000 and agreed to perform close interval potential surveys on all SPLP intrastate hazardous liquid transmission pipeline segments in Oklahoma, which could affect high consequence areas. SPLP is awaiting signature by the OCC commissioners to finalize the settlement agreement.

For a description of other legal proceedings, see Note 10 to our consolidated financial statements included in "Item 1. Financial Statements."

ITEM 1A. RISK FACTORS

The following risk factors should be read in conjunction with our risk factors described in "Part I - Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC on February 21, 2020.

The outbreak of COVID-19 and recent geopolitical developments in the crude oil market could adversely impact our business, financial condition and results of operations.

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus known as COVID-19 due to the risks it imposes on the international community as the virus spreads globally. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The global spread of COVID-19 caused a significant decline in economic activity and a reduced demand for goods and services, particularly in the energy industry, due to reduced operations and/or closures of businesses, "shelter in place" and other similar requirements imposed by government authorities, or other actions voluntarily undertaken by individuals and businesses concerned about exposure to COVID-19. The extent to which the COVID-19 pandemic continues to impact our business, operations and financial results depends on numerous evolving factors that we cannot accurately predict, including: the duration and scope of the pandemic; governmental, business and individuals' actions taken in response to the pandemic and the associated impact on economic activity; the effect on the level of demand for natural gas, NGLs, refined products and/or crude oil; our ability to procure materials and services from third parties that are necessary for the operation of our business; our ability to provide our services, including as a result of travel restrictions on our employees and employees of third parties that we utilize in connection with our services; the potential for key executives or employees to fall ill with COVID-19; and the ability of our customers to pay for our services if their businesses suffer as a result of the pandemic.

In addition, policy disputes between the Organization of Petroleum Exporting Countries ("OPEC") and Russia in the first quarter of 2020 resulted in Saudi Arabia significantly discounting the price of its crude oil, as well as Saudi Arabia and Russia significantly increasing the amount of crude oil they produce. These actions have led to significant declines in crude oil prices. More specifically, the spot price for West Texas Intermediate (WTI) crude oil, for physical delivery at Cushing, Oklahoma, decreased from $63.27 per barrel on January 6, 2020 to $-(36.98) per barrel on April 20, 2020.

Reduced demand for natural gas, NGLs, refined products and/or crude oil caused by the COVID-19 pandemic and a continuation of low WTI crude oil prices caused by the actions of foreign oil-producing nations may result in the shut-in of production from

U.S. oil and gas wells, which in turn may result in decreased utilization of our midstream services related to crude oil, NGLs, refined products and natural gas. In addition, reduced demand and increased supply of crude oil has resulted in an increase in worldwide crude oil storage inventories, which limits our options for end-markets for the products we transport.

The factors discussed above could have a material adverse effect on our business, results of operations and financial condition. In addition, significant price fluctuations for natural gas, NGLs, refined products and oil commodities could materially affect the value of our inventory, as well as the linefill and tank bottoms that we account for as non-current assets. We may be forced to delay some of our capital projects and our customers, who may be in financial distress, may slow down decision-making, delay planned projects or seek to renegotiate or terminate agreements with us. To the extent our counterparties are successful, we may not be able to obtain new contract terms that are favorable to us or to replace contracts that are terminated. Counterparties may also be forced to file for bankruptcy protection, in which case our existing contracts with those counterparties may be rejected by the bankruptcy court.

Further, the effects of the pandemic and geopolitical developments have caused a decline in the trading price of our common units, which increases our cost of capital. Additional capital may be more difficult for us to obtain or available only on terms less favorable to us. Our inability to fund capital expenditures could have a material impact on our results of operations.

At this time, we cannot estimate the magnitude and duration of potential social, economic and labor instability as a direct result of COVID-19, or of potential industry disruption as a direct result of geopolitical developments in the oil market. Should any of these potential impacts continue for an extended period of time, it will have a negative impact on the demand for our services and an adverse effect on our financial position and results of operations. To the extent these factors adversely affect our business and financial results, they may also have the effect of heightening many of the other risks described in this “Risk Factors” section and the “Risk Factors” section of our Annual Report on Form 10-K for the year ended December 31, 2019, such as those relating to our indebtedness, our need to generate sufficient cash flows to service our indebtedness and our ability to comply with the covenants contained in the agreements that govern our indebtedness.

Income from the Partnership’s midstream, transportation, terminalling and storage operations is exposed to risks due to fluctuations in the demand for and price of natural gas, NGLs, refined products and crude oil that are beyond our control.

The prices for natural gas, NGLs, crude oil and refined products reflect market demand that fluctuates with changes in global and United States economic conditions and other factors, including:

- the level of domestic natural gas, NGL, refined products and oil production;
- the level of natural gas, NGL, refined products and oil imports and exports, including liquefied natural gas;
- actions taken by natural gas and oil producing nations;
- instability or other events affecting natural gas and oil producing nations;
- the impact of weather, public health crises such as pandemics (including COVID-19), and other events of nature on the demand for natural gas, NGLs, refined products and oil;
- the availability of storage, terminal and transportation systems, and refining, processing and treating facilities;
- the price, availability and marketing of competitive fuels;
- the demand for electricity;
- activities by non-governmental organizations to limit certain sources of funding for the energy sector or restrict the exploration, development and production of oil and natural gas and related products;
- the cost of capital needed to maintain or increase production levels and to construct and expand facilities;
- the impact of energy conservation and fuel efficiency efforts; and
- the extent of governmental regulations, taxation, fees and duties.

In the past, the prices of natural gas, NGLs, refined products and oil have been extremely volatile, and we expect this volatility to continue.

Any loss of business from existing customers or our inability to attract new customers due to a decline in demand for natural gas, NGLs, refined products or oil could have a material adverse effect on our revenues and results of operations. In addition, significant price fluctuations for natural gas, NGL, refined products and oil commodities could materially affect our profitability.

ITEM 6. EXHIBITS

The exhibits listed below are filed or furnished, as indicated, as part of this report:

Exhibit Number	Description
3.1	Certificate of Limited Partnership of Energy Transfer Equity, L.P. (incorporated by reference to Exhibit 3.2 of Form S-1, File No. 333-128097, filed September 2, 2005)
3.2	Certificate of Amendment of Certificate of Limited Partnership of Energy Transfer Equity, L.P., dated as of October 19, 2018 (incorporated by reference to Exhibit 3.1 of Form 8-K, File No. 1-32740, filed October 19, 2018)
3.3	Third Amended Restated Agreement of Limited Partnership of Energy Transfer Equity, L.P., dated February 8, 2006 (incorporated by reference to Exhibit 3.1 of Form 8-K, File No. 1-32740, filed February 14, 2006)
3.4	Amendment No. 1 to Third Amended and Restated Agreement of Limited Partnership of Energy Transfer Equity, L.P. dated November 1, 2006 (incorporated by reference to Exhibit 3.3.1 of Form 10-K, File No. 1-32740, filed November 29, 2006)
3.5	Amendment No. 2 to Third Amended and Restated Agreement of Limited Partnership of Energy Transfer Equity, L.P., dated November 9, 2007 (incorporated by reference to Exhibit 3.3.2 of Form 8-K, File No. 1-32740, filed November 13, 2007)
3.6	Amendment No. 3 to Third Amended and Restated Agreement of Limited Partnership of Energy Transfer Equity, L.P., dated May 26, 2010 (incorporated by reference to Exhibit 3.1 of Form 8-K, File No. 1-32740, filed June 2, 2010)
3.7	Amendment No. 4 to Third Amended and Restated Agreement of Limited Partnership of Energy Transfer Equity, L.P., dated December 23, 2013 (incorporated by reference to Exhibit 3.1 of Form 8-K, File No. 1-32740, filed December 27, 2013)
3.8	Amendment No. 5 to Third Amended and Restated Agreement of Limited Partnership of Energy Transfer Equity, L.P., dated March 8, 2016 (incorporated by reference to Exhibit 3.1 of Form 8-K, File No. 1-32740, filed March 9, 2016)
3.9	Amendment No. 6 to Third Amended and Restated Agreement of Limited Partnership of Energy Transfer Equity, L.P., dated as of October 19, 2018 (incorporated by reference to Exhibit 3.9 of Form 10-Q, File No. 1-32740, filed November 8, 2018)
3.10	Amendment No. 7 to Third Amended and Restated Agreement of Limited Partnership of Energy Transfer LP dated as of August 6, 2019 (incorporated by reference to Exhibit 3.10 of Form 10-Q, File No. 1-32740, filed August 8, 2019)
18.1*	Preferability Letter from Grant Thornton LLP
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101*	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) our Consolidated Balance Sheets as of March 31, 2020 and December 31, 2019; (ii) our Consolidated Statements of Operations for the three months ended March 31, 2020 and 2019; (iii) our Consolidated Statements of Comprehensive Income (Loss) for the three months ended March 31, 2020 and 2019; (iv) our Consolidated Statements of Partners' Capital for the three months ended March 31, 2020 and 2019; (v) our Consolidated Statements of Cash Flows for the three months ended March 31, 2020 and 2019; and (vi) the notes to our Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)
*	Filed herewith.
**	Furnished herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ENERGY TRANSFER LP

By: LE GP, LLC, its general partner

Date: May 11, 2020

By: /s/ A. Troy Sturrock

A. Troy Sturrock

Senior Vice President, Controller and Principal Accounting Officer (duly authorized to sign on behalf of the registrant)

May 11, 2020

The Audit Committee of the Board of Directors
LE GP, LLC
8111 Westchester Drive, Suite 600
Dallas, Texas 75225

Dear Directors:

We are providing this letter solely for inclusion as an exhibit to Energy Transfer LP's (the "Partnership") Form 10-Q filing pursuant to Item 601 of Regulation S-K.

As stated in Note 1 to the unaudited condensed consolidated financial statements included in the Partnership's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020, the Partnership changed its accounting for certain barrels of crude oil that were previously accounted for as inventory, which resulted in a reclassification of amounts attributable to certain pipeline linefill and tank bottoms inventory from inventory (included in current assets) to non-current assets. Note 1 also states management's belief that the newly adopted accounting principle is preferable in the circumstances because it more closely aligns the accounting policies across the consolidated entity and it better represents the economic results of the Partnership's crude oil acquisition and marketing business by reducing volatility resulting from market price adjustments to crude oil barrels that are not expected to be sold or liquidated in the near term.

With regard to the aforementioned accounting change, it should be understood that authoritative criteria have not been established for evaluating the preferability of one acceptable method of accounting over another acceptable method and, in expressing our concurrence below, we have relied on management's business planning and judgment and on management's determination that this change in accounting principle is preferable.

Based on our reading of management's stated reasons and justification for this change in accounting principle in the Form 10-Q, and our discussions with management as to their judgment about the relevant business planning factors relating to the change, we concur with management that the newly adopted method of accounting is preferable in the Partnership's circumstances.

We have not audited the application of the aforementioned accounting change to the financial statements included in Part I of the Partnership's Form 10-Q. We also have not audited any consolidated financial statements of the Partnership as of any date or for any period subsequent to December 31, 2019. Accordingly, we do not express an opinion on whether the accounting for the change in accounting principle has been properly applied or whether the aforementioned financial statements are fairly presented in conformity with accounting principles generally accepted in the United States of America.

Sincerely,

/s/ GRANT THORNTON LLP

Dallas, Texas

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kelcy L. Warren, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Energy Transfer LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 11, 2020

/s/ Kelcy L. Warren

Kelcy L. Warren

Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas E. Long, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Energy Transfer LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 11, 2020

/s/ Thomas E. Long

Thomas E. Long
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Energy Transfer LP (the "Partnership") on Form 10-Q for the quarter ended March 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kelcy L. Warren, Chief Executive Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: May 11, 2020

/s/ Kelcy L. Warren

Kelcy L. Warren

Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to and will be retained by Energy Transfer LP and furnished to the Securities and Exchange Commission upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Energy Transfer LP (the "Partnership") on Form 10-Q for the quarter ended March 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas E. Long, Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: May 11, 2020

/s/ Thomas E. Long

Thomas E. Long
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to and will be retained by Energy Transfer LP and furnished to the Securities and Exchange Commission upon request.

Exhibit A-79

Sealed

Exhibit A-80

From: Dabney, Al
Sent: Tue 2/23/2021 2:26 PM (GMT-06:00)
To: "Wkskaer@cpsenergy.com" <"Wkskaer@cpsenergy.com>
Cc: "CreditRisk" <creditrisk@energytransfer.com>
Bcc:
Subject: Request for Adequate Assurance - CPS Energy to Houston Pipe Line Company LP/Oasis Pipeline, LP
Attachments: image00200002.png

Good Afternoon Ken,

Not sure if you are the correct contact I should be speaking with, but if not, could you please forward to the correct individual.

Due to the unprecedented weather event over the past 10 days, the price of natural gas rose dramatically. As a result, our credit exposure to CPS Energy has risen accordingly. Therefore, Houston Pipe Line Company LP (HPL) and Oasis Pipeline, LP (Oasis) is requesting Adequate Assurance in the form of an irrevocable standby letter of credit or cash to cover our unsecured credit exposure of approximately $317.5MM (HPL = 124.6MM; Oasis = $192.9MM). Please review and advise.

Thank You,





Al Dabney Lead Credit Risk Analyst
1300 Main Street Houston, Texas 77002
Email: Al.Dabney@EnergyTransfer.com
Office: (713) 989 7026 Fax: (713) 989 1208



Exhibit A-81

From: Adams, Joe
Sent: Tue 3/16/2021 9:15 AM (GMT-05:00)
To: Bordovsky, Bruce A; CPS Energy Checkout
Cc:
Bcc:
Subject: RE: Oasis Invoice for Feb 2021
Attachments: CPS - sale.pdf

Current invoice.

ENERGY TRANSFER

Forbes | 2018 AMERICA'S BEST LARGE EMPLOYERS

Joe Adams

Sr. Accountant

Intrastate Revenue Accounting

Energy Transfer Partners
O: 210-403-7433

CPSE Response in Opp to ET MSJ

Exhibit A-81

MDL-2022-CI-02879

exhibitsticker.com

Sales Invoice

PRELIMINARY

ENERGY TRANSFER

Remit To:
Oasis Pipeline, LP
PO Box 204317
Dallas, TX 75320-4317

Bank: Wells Fargo Bank
Acct #: 2000028336660
ABA: 121000248

Contact: San Antonio Accounting (Invoice)
Telephone: 210-403-7433
Email: dlVolumeAccountingSAT@energytransfer.com

Bill To:
City Public Service Board of Trustees on Behalf of City of San Antonio
145 Navarro St
San Antonio, TX 78205-2934

Bank:
Acct #:
ABA:

Contact: Bruce Bordovsky (Payments)
Telephone:
Email: babordovsky@cpsenergy.com

Contract Party: City Public Srvc Brd of SA
Invoice Number: OS2021021020[illegible]
SAP Customer: 1000005510
Due Date: 3/25/2021
Payment Method: WIR
Short Name: City Public Srvc Brd of SA

Pipeline	Prod Period	Description	Tier	Contract	Deal #	Meter	MMBTU	Rate	Amount Due
OASIS	02/2021	PRODUCT		880021	54197	1265A ENTERPRISE TEXAS PIPELINE,	10,000	$2.750	$27,500.00
OASIS	02/2021	PRODUCT		880021	55311	1265A ENTERPRISE TEXAS PIPELINE,	50,000	$4.600	$230,000.00
OASIS	02/2021	PRODUCT		880021	55335	1265A ENTERPRISE TEXAS PIPELINE,	45,000	$4.250	$191,250.00
OASIS	02/2021	PRODUCT		880021	55615	1265A ENTERPRISE TEXAS PIPELINE,	40,000	$12.000	$480,000.00
OASIS	02/2021	PRODUCT		880021	55611	1265A ENTERPRISE TEXAS PIPELINE,	80,000	$12.135	$970,800.00
OASIS	02/2021	PRODUCT		880021	58260	1265A ENTERPRISE TEXAS PIPELINE,	40,000	$2.550	$102,000.00
OASIS	02/2021	PRODUCT		880021	55624	1483 VALERO/CPS/ SAN ANTONIO	49,608	$13.000	$644,904.00
OASIS	02/2021	PRODUCT		880021	55629	1483 VALERO/CPS/ SAN ANTONIO	50,000	$15.000	$750,000.00
OASIS	02/2021	PRODUCT		880021	55961	1483 VALERO/CPS/ SAN ANTONIO	200,000	$225.00	$45,000,000.00
OASIS	02/2021	PRODUCT		880021	56579	1483 VALERO/CPS/ SAN ANTONIO	24,825	$400.00	$9,930,000.00
OASIS	02/2021	PRODUCT		880021	56890	1483 VALERO/CPS/ SAN ANTONIO	49,649	$500.00	$24,824,500.00

HIGHLY CONFIDENTIAL – ATTORNEY'S EYES ONLY

Sales Invoice

PRELIMINARY

ENERGY TRANSFER

Remit To:
Oasis Pipeline, LP
PO Box 204317
Dallas, TX 75320-4317

Bank: Wells Fargo Bank
Acct #: 2000028336660
ABA: 121000248

Contact: San Antonio Accounting (Invoice)
Telephone: 210-403-7433
Email: dlVolumeAccountingSAT@energytransfer.com

Bill To:
City Public Service Board of Trustees on Behalf of City of San Antonio
145 Navarro St
San Antonio, TX 78205-2934

Bank:
Acct #:
ABA:

Contact: Bruce Bordovsky (Payments)
Telephone:
Email: babordovsky@cpsenergy.com

Contract Party: City Public Srvc Brd of SA
Invoice Number: OS2021021020[illegible]
SAP Customer: 1000005510
Due Date: 3/25/2021
Payment Method: WIR
Short Name: City Public Srvc Brd of SA

Pipeline	Prod Period	Description	Tier	Contract	Deal #	Meter	MMBTU	Rate	Amount Due
OASIS	02/2021	PRODUCT		880021	56800	1483 VALERO/CPS/ SAN ANTONIO	75,000	$300.00	$22,500,000.00
OASIS	02/2021	PRODUCT		880021	56989	1483 VALERO/CPS/ SAN ANTONIO	74,906	$75.000	$5,617,950.00
OASIS	02/2021	PRODUCT		880021	55630	1702 RIO NOGALES POWER PLANT	50,000	$15.000	$750,000.00
OASIS	02/2021	PRODUCT		880021	55959	1702 RIO NOGALES POWER PLANT	200,000	$225.00	$45,000,000.00
OASIS	02/2021	PRODUCT		880021	56580	1702 RIO NOGALES POWER PLANT	50,000	$400.00	$20,000,000.00
OASIS	02/2021	PRODUCT		880021	56799	1702 RIO NOGALES POWER PLANT	50,000	$300.00	$15,000,000.00
Total OASIS							1,138,988		$192,018,904.00

TOTALS **1,138,988 MMbtu** **$192,018,904.00**

HIGHLY CONFIDENTIAL – ATTORNEY'S EYES ONLY

Sales Invoice

PRELIMINARY

ENERGY TRANSFER

Remit To:
Oasis Pipeline, LP
PO Box 204317
Dallas, TX 75320-4317

Bank: Wells Fargo Bank
Acct #: 2000028336660
ABA: 121000248

Contact: San Antonio Accounting (Invoice)
Telephone: 210-403-7433
Email: dlVolumeAccountingSAT@energytransfer.com

Bill To:
City Public Service Board of Trustees on Behalf of City of San Antonio
145 Navarro St
San Antonio, TX 78205-2934

Bank:
Acct #:
ABA:

Contact: Bruce Bordovsky (Payments)
Telephone:
Email: babordovsky@cpsenergy.com

Contract Party: City Public Srvc Brd of SA
Invoice Number: OS2021021020[illegible]
SAP Customer: 1000005510
Due Date: 3/25/2021
Payment Method: WIR
Short Name: City Public Srvc Brd of SA

Pipeline	Start	End	Description	Tier	Contract	Deal #	Meter	MMBTU	Rate	Amount Due
OASIS	02/05/2021	02/05/2021	PRODUCT		880021	54197	1265A	10,000	$2.750	$27,500.00
OASIS	02/11/2021	02/11/2021	PRODUCT		880021	55311	1265A	50,000	$4.600	$230,000.00
OASIS	02/11/2021	02/11/2021	PRODUCT		880021	55335	1265A	45,000	$4.250	$191,250.00
OASIS	02/11/2021	02/11/2021	PRODUCT		880021	55615	1265A	40,000	$12.000	$480,000.00
OASIS	02/11/2021	02/11/2021	PRODUCT		880021	55624	1483	49,608	$13.000	$644,904.00
OASIS	02/12/2021	02/12/2021	PRODUCT		880021	55611	1265A	80,000	$12.135	$970,800.00
OASIS	02/12/2021	02/12/2021	PRODUCT		880021	55629	1483	50,000	$15.000	$750,000.00

HIGHLY CONFIDENTIAL – ATTORNEY'S EYES ONLY

Sales Invoice

ENERGY TRANSFER

Remit To:
Oasis Pipeline, LP
PO Box 204317
Dallas, TX 75320-4317

Bank: Wells Fargo Bank
Acct #: 2000028336660
ABA: 121000248

Contact: San Antonio Accounting (Invoice)
Telephone: 210-403-7433
Email: dlVolumeAccountingSAT@energytransfer.com

Bill To:
City Public Service Board of Trustees on Behalf of City of San Antonio
145 Navarro St
San Antonio, TX 78205-2934

Bank:
Acct #:
ABA:

Contact: Bruce Bordovsky (Payments)
Telephone:
Email: babordovsky@cpsenergy.com

Contract Party: City Public Srvc Brd of SA
Invoice Number: OS2021021020[illegible]

SAP Customer: 1000005510

Due Date: 3/25/2021

Payment Method: WIR
Short Name: City Public Srvc Brd of SA

Pipeline	Start	End	Description	Tier	Contract	Deal #	Meter	MMBTU	Rate	Amount Due
OASIS	02/12/2021	02/12/2021	PRODUCT		880021	55630	1702	50,000	$15.000	$750,000.00
OASIS	02/13/2021	02/13/2021	PRODUCT		880021	55961	1483	50,000	$225.000	$11,250,000.00
OASIS	02/13/2021	02/13/2021	PRODUCT		880021	55959	1702	50,000	$225.000	$11,250,000.00
OASIS	02/14/2021	02/14/2021	PRODUCT		880021	55961	1483	50,000	$225.000	$11,250,000.00
OASIS	02/14/2021	02/14/2021	PRODUCT		880021	55959	1702	50,000	$225.000	$11,250,000.00
OASIS	02/15/2021	02/15/2021	PRODUCT		880021	55961	1483	50,000	$225.000	$11,250,000.00
OASIS	02/15/2021	02/15/2021	PRODUCT		880021	55959	1702	50,000	$225.000	$11,250,000.00

HIGHLY CONFIDENTIAL – ATTORNEY'S EYES ONLY

Sales Invoice

ENERGY TRANSFER

Remit To:
Oasis Pipeline, LP
PO Box 204317
Dallas, TX 75320-4317

Bank: Wells Fargo Bank
Acct #: 2000028336660
ABA: 121000248

Contact: San Antonio Accounting (Invoice)
Telephone: 210-403-7433
Email: dlVolumeAccountingSAT@energytransfer.com

Bill To:
City Public Service Board of Trustees on Behalf of City of San Antonio
145 Navarro St
San Antonio, TX 78205-2934

Bank:
Acct #:
ABA:

Contact: Bruce Bordovsky (Payments)
Telephone:
Email: babordovsky@cpsenergy.com

Contract Party: City Public Srvc Brd of SA
Invoice Number: OS2021021020[illegible]

SAP Customer: 1000005510

Due Date: 3/25/2021

Payment Method: WIR
Short Name: City Public Srvc Brd of SA

Pipeline	Start	End	Description	Tier	Contract	Deal #	Meter	MMBTU	Rate	Amount Due
OASIS	02/16/2021	02/16/2021	PRODUCT		880021	55961	1483	50,000	$225.000	$11,250,000.00
OASIS	02/16/2021	02/16/2021	PRODUCT		880021	55959	1702	50,000	$225.000	$11,250,000.00
OASIS	02/17/2021	02/17/2021	PRODUCT		880021	56579	1483	24,825	$400.000	$9,930,000.00
OASIS	02/17/2021	02/17/2021	PRODUCT		880021	56890	1483	49,649	$500.000	$24,824,500.00
OASIS	02/17/2021	02/17/2021	PRODUCT		880021	56580	1702	50,000	$400.000	$20,000,000.00
OASIS	02/18/2021	02/18/2021	PRODUCT		880021	56800	1483	75,000	$300.000	$22,500,000.00
OASIS	02/18/2021	02/18/2021	PRODUCT		880021	56799	1702	50,000	$300.000	$15,000,000.00

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Sales Invoice

PRELIMINARY

ENERGY TRANSFER

Remit To:
Oasis Pipeline, LP
PO Box 204317
Dallas, TX 75320-4317

Bank: Wells Fargo Bank
Acct #: 2000028336660
ABA: 121000248

Contact: San Antonio Accounting (Invoice)
Telephone: 210-403-7433
Email: dlVolumeAccountingSAT@energytransfer.com

Bill To:
City Public Service Board of Trustees on Behalf of City of San Antonio
145 Navarro St
San Antonio, TX 78205-2934

Bank:
Acct #:
ABA:

Contact: Bruce Bordovsky (Payments)
Telephone:
Email: babordovsky@cpsenergy.com

Contract Party: City Public Srvc Brd of SA
Invoice Number: OS2021021[illegible]
SAP Customer: 1000005510
Due Date: 3/25/2021
Payment Method: WIR
Short Name: City Public Srvc Brd of SA

Pipeline	Start	End	Description	Tier	Contract	Deal #	Meter	MMBTU	Rate	Amount Due
OASIS	02/19/2021	02/19/2021	PRODUCT		880021	56989	1483	74,906	$75.000	$5,617,950.00
OASIS	02/24/2021	02/24/2021	PRODUCT		880021	58260	1265A	40,000	$2.550	$102,000.00
Total OASIS								1,138,988		$192,018,904.

Commodity Total **1,138,988 MMbtu** **$192,018,904.00**

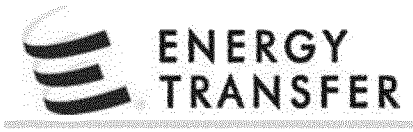
HIGHLY CONFIDENTIAL – ATTORNEY'S EYES ONLY

Exhibit A-82

From: Castrejana, Josie
Sent: Thu 3/11/2021 5:40 PM (GMT-06:00)
To: "Flores, Orlando" <OFlores@CPSEnergy.com>, "Kuo, Jimmy" <jkuo@CPSEnergy.com>, "Barrera, Jennifer L." <jlbarrera@cpsenergy.com>, "Kuchinsky, Cory P." <CPKuchinsky@CPSEnergy.com>
Cc: "Hayse, Ashton" <Ashton.Hayse@energytransfer.com>, "Chen, Peter" <Peter.Chen@energytransfer.com>
Bcc:
Subject: RE: Liquidity Filings

Cory/Orlando,

Has CPS made a decision to early pay the amount owed to Oasis Pipeline LP and Houston Pipe Line Company LP? The amount owed to these two companies is $316,618,904 and we would really like to see CPS pay down some amount as this amount exceeds the amount of open credit we extend to CPS by several orders of magnitude. Please let me know if you have any questions. Thanks, jc



Josie Castrejana
Sr. Director – Credit Risk Management
Energy Transfer
1300 Main Street
Houston, TX 77002-6803
Office: 713-989-7020
Mobile: 713-826-7052

From: Flores, Orlando <OFlores@CPSEnergy.com>
Sent: Monday, March 8, 2021 6:26 PM
To: Hayse, Ashton <Ashton.Hayse@energytransfer.com>; Chen, Peter <Peter.Chen@energytransfer.com>; Kuo, Jimmy <jkuo@CPSEnergy.com>; Castrejana, Josie <Josie.Castrejana@energytransfer.com>; Barrera, Jennifer L. <jlbarrera@cpsenergy.com>; Kuchinsky, Cory P. <CPKuchinsky@CPSEnergy.com>
Subject: RE: Liquidity Filings

Hello Ashton:

Great dialogue today. I apologize for failing to include the entire group in the attached email. The attached email includes the documents, as well as the link to our website.

Let us know if you have any follow up questions.

CPSE Response in Opp to ET MSJ
Exhibit A-82
MDL-2022-CI-02879
exhibitsticker.com

Thanks again for your time.
Orlando

From: Hayse, Ashton <Ashton.Hayse@energytransfer.com>
Sent: Monday, March 8, 2021 6:14 PM
To: Flores, Orlando <OFlores@CPSEnergy.com>; Chen, Peter <Peter.Chen@energytransfer.com>; Kuo, Jimmy <jkuo@CPSEnergy.com>; Castrejana, Josie <Josie.Castrejana@energytransfer.com>; Barrera, Jennifer L. <jlbarrera@cpsenergy.com>; Kuchinsky, Cory P. <CPKuchinsky@CPSEnergy.com>
Subject: [InternetMail]Liquidity Filings

EXTERNAL EMAIL: Do not click any links or open any attachments unless you trust the sender and know the content is safe.

Orlando,

Thank you again for your time today. Would you please provide the documents we discussed detailing CPS' liquidity position and anticipated February liabilities?

Best,

Ashton Hayse
Energy Transfer LP
8111 Westchester Drive | Dallas | TX 75225
Tel: 214-840-5546 Cell: 214-728-1413
Ashton.Hayse@energytransfer.com
Private and confidential as detailed here. If you cannot access hyperlink, please e-mail sender.
Private and confidential as detailed here. If you cannot access hyperlink, please e-mail sender.

Exhibit A-83

From: Kuo, Jimmy
Sent: Wed 2/24/2021 3:17 PM (GMT-06:00)
To: "Castrejana, Josie" <Josie.Castrejana@energytransfer.com>, "Al.Dabney@energytransfer.com" <"Al.Dabney@energytransfer.com>
Cc: "Kuchinsky, Cory P." <CPKuchinsky@CPSEnergy.com>, "Barrera, Jennifer L." <jlbarrera@cpsenergy.com>, "Flores, Orlando" <OFlores@CPSEnergy.com>, "Garcia, Gabriel" <GGarcia1@cpsenergy.com>
Bcc:
Subject: RE: [InternetMail]FW: Request for Adequate Assurance - CPS Energy to Houston Pipe Line Company LP/Oasis Pipeline, LP
Attachments: image00800003.png

Hi JC and Al,

Can you please explain the reason for this request and identify the section in the NAESB that supports your position?

Based on our review of the NAESB, we don't see related wording nor a collateral threshold table by which an exposure calculation could be done.

For additional context, CPS Energy has not experienced any change in creditworthiness that would raise concerns over our ability to perform our contractual obligations successfully. Please note that CPS Energy received an AA rating from S&P, an AA1 rating from Moody's, and an AA+ rating from Fitch. Additionally, we have an excellent payment record, a solid balance sheet, and a long-time relationship with Energy Transfer.

Thank you in advance for your consideration in addressing this matter.

Regards,

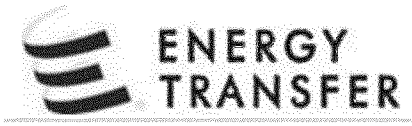
Jimmy Kuo, CPA
Financial Analyst | Enterprise Risk Management & Solutions
CPS Energy | 500 McCullough, San Antonio, Texas 78215 | MD: CT0701
Office: 210.353.3309 | Mobile: 210.563.8812
cpsenergy.com

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From: Castrejana, Josie <Josie.Castrejana@energytransfer.com>
Sent: Wednesday, February 24, 2021 1:45 PM
To: Kuo, Jimmy <jkuo@cpsenergy.com>
Cc: Kuchinsky, Cory P. <CPKuchinsky@CPSEnergy.com>; Werland, Anthony J. <AJWerland@CPSEnergy.com>; Miller, Robert W <RWMiller@CPSEnergy.com>; Barrera, Jennifer L. <jlbarrera@cpsenergy.com>
Subject: RE: [InternetMail]FW: Request for Adequate Assurance - CPS Energy to Houston Pipe Line Company LP/Oasis Pipeline, LP

CPSE Response in Opp to ET MSJ
Exhibit A-83
MDL-2022-CI-02879
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Yes, will do. It's just the only name we had was Robert Miller's name. Thanks.



Josie Castrejana
Sr. Director – Credit Risk Management
Energy Transfer
1300 Main Street
Houston, TX 77002-6803
Office: 713-989-7020
Mobile: 713-826-7052

From: Kuo, Jimmy <jkuo@CPSEnergy.com>
Sent: Wednesday, February 24, 2021 1:43 PM
To: Castrejana, Josie <Josie.Castrejana@energytransfer.com>
Cc: Kuchinsky, Cory P. <CPKuchinsky@CPSEnergy.com>; Werland, Anthony J. <AJWerland@CPSEnergy.com>; Miller, Robert W <RWMiller@CPSEnergy.com>; Barrera, Jennifer L. <jlbarrera@cpsenergy.com>
Subject: RE: [InternetMail]FW: Request for Adequate Assurance - CPS Energy to Houston Pipe Line Company LP/Oasis Pipeline, LP

Hi JC,

CPS Energy received your margin call. I will review the request and get back to you. Please send the credit related request directly to me in the future.

Thank you!

Jimmy Kuo, CPA
Financial Analyst | Enterprise Risk Management & Solutions
CPS Energy | 500 McCullough, San Antonio, Texas 78215 | MD: CT0701
Office: 210.353.3309 | Mobile: 210.563.8812
cpsenergy.com

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From: Miller, Robert W
Sent: Wednesday, February 24, 2021 1:18 PM
To: Kuo, Jimmy <jkuo@cpsenergy.com>; Barrera, Jennifer L. <jlbarrera@cpsenergy.com>
Cc: Kuchinsky, Cory P. <CPKuchinsky@CPSEnergy.com>; Flores, Ralph <ERFlores@cpsenergy.com>;

Werland, Anthony J. <AJWerland@CPSEnergy.com>
Subject: Fwd: [InternetMail]FW: Request for Adequate Assurance - CPS Energy to Houston Pipe Line Company LP/Oasis Pipeline, LP

Received this today. I believe it's the only one I e gotten.

Robert

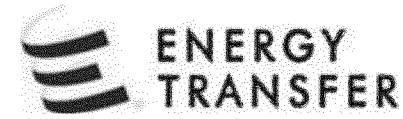
Begin forwarded message:

From: "Castrejana, Josie" <Josie.Castrejana@energytransfer.com>
Date: February 24, 2021 at 10:24:21 AM CST
To: "Miller, Robert W" <RWMiller@CPSEnergy.com>
Cc: "Dabney, Al" <Al.Dabney@energytransfer.com>, "Chen, Peter" <Peter.Chen@energytransfer.com>
Subject: [InternetMail]FW: Request for Adequate Assurance - CPS Energy to Houston Pipe Line Company LP/Oasis Pipeline, LP

EXTERNAL EMAIL: Do not click any links or open any attachments unless you trust the sender and know the content is safe.

Robert,

Please see our collateral call below. The weather event of last week caused nat gas prices to rise dramatically so our exposure to CPS has increased accordingly. If you need detail on the trades, we can send it. Just let us know but either way we need to hear from CPS on our collateral call. Thanks, jc



Josie Castrejana
Sr. Director – Credit Risk Management
Energy Transfer
1300 Main Street
Houston, TX 77002-6803
Office: 713-989-7020
Mobile: 713-826-7052

From: Dabney, Al <Al.Dabney@energytransfer.com>
Sent: Tuesday, February 23, 2021 2:27 PM

To: Wkskaer@cpsenergy.com
Cc: CreditRisk <creditrisk@energytransfer.com>
Subject: Request for Adequate Assurance - CPS Energy to Houston Pipe Line Company LP/Oasis Pipeline, LP
Importance: High

Good Afternoon Ken,

Not sure if you are the correct contact I should be speaking with, but if not, could you please forward to the correct individual.

Due to the unprecedented weather event over the past 10 days, the price of natural gas rose dramatically. As a result, our credit exposure to CPS Energy has risen accordingly. Therefore, Houston Pipe Line Company LP (HPL) and Oasis Pipeline, LP (Oasis) is requesting Adequate Assurance in the form of an irrevocable standby letter of credit or cash to cover our unsecured credit exposure of approximately $317.5MM (HPL = 124.6MM; Oasis = $192.9MM). Please review and advise.

Thank You,





Al Dabney Lead Credit Risk Analyst
1300 Main Street Houston, Texas 77002
Email: Al.Dabney@EnergyTransfer.com
Office: (713) 989 7026 Fax: (713) 989 1208

Private and confidential as detailed here. If you cannot access hyperlink, please e-mail sender.
Private and confidential as detailed here. If you cannot access hyperlink, please e-mail sender.

Exhibit A-84

Sealed

Exhibit A-85

Sealed

Exhibit A-86

Sealed

Exhibit A-87

From: Riley, Brian
Sent: Thu 2/11/2021 10:31 AM (GMT-06:00)
To: "Riegler, Chris" <Chris.Riegler@energytransfer.com>, "Simpson, David" <david.simpson@energytransfer.com>, "Lee, Ryan R" <Ryan.Lee@energyTransfer.com>, "Stone, Charlie" <Charlie.Stone@energytransfer.com>, "Edwards, John" <John.Edwards@energytransfer.com>, "Tindle, Kevin" <Kevin.Tindle@energytransfer.com>, "Ochoa, Jonathan D" <Jonathan.Ochoa@energytransfer.com>, "Small, Tim" <Tim.Small@energytransfer.com>, "Merritt, Jennifer" <Jennifer.Merritt@energytransfer.com>
Cc:
Bcc:
Subject: FW: Weather

Brian Riley
Energy Transfer
SVP Commercial Operations
1300 Main Street
Houston, Texas 77002
Office 713-989-7913
Mobile 713-302-5017
brian.riley@energytransfer.com

From: Hickey, Beth A. <Beth.Hickey@energytransfer.com>
Sent: Thursday, February 11, 2021 10:22 AM
To: Riley, Brian <Brian.Riley@energytransfer.com>; Colton, Joey <Joey.Colton@energytransfer.com>; Hearn, Steven <Steven.Hearn@energytransfer.com>
Subject: Fwd: Weather

Begin forwarded message:

From: "Spencer, Shannon K." <Shannon.Spencer@energytransfer.com>
Date: February 11, 2021 at 9:43:03 AM CST
To: "Hickey, Beth A." <Beth.Hickey@energytransfer.com>
Subject: Weather

A couple of items to pass along:

PointLogic:
One of the biggest weather-related gas demand news items that has jumped into the spotlight in the last 24-hours is the potential for unusual cold in southern Plains as Texas is the largest consumer of natural gas in the US. If the current forecasts come to fruition over the course of the next week, the region is in for a major severe winter weather that hasn't been seen in Lone Star State in decades. Also, the wind models are of great concern as well for this coming weekend and early next week. The issue is

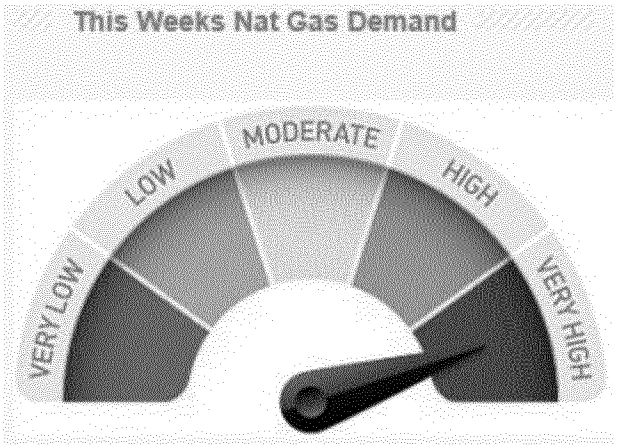
CPSE Response in Opp to ET MSJ
Exhibit A-87
MDL-2022-CI-02879
exhibitsticker.com

that there appears to be an alarming lack of wind in the giant wind turbine farm areas of western and northern Texas, while at the same time the core of the looming bitter record cold looks to invade the big eastern cities of the Lone Star State. This could be a set-up for a significant cause for concern for power considerations over the course of the next several days.

Presently, predicted windspeeds in the Texas Panhandle well into west Texas appear to be below operational levels for wind power production. This potential for notable reduction in wind power generation may happen in tandem with a monumental spike in power demand to meet heating loads all over the state, which could in turn create more need for natural gas fired power generation to meet the rocketing demand in the region. How cold will it get in some of the largest metropolitan areas of the state? As it stands now, temperatures in the Dallas, Texas area are slated to see temperatures in the single digits with wind chills well below zero. Further south, Houston, Texas is expected to see temperatures in the teens with windchills in the single digits. This whole situation is setting the stage for very bullish gas storage implications over the course of the next couple of weeks.

NatGas Weather:

I've been watching this graphic for the last couple of weeks and this is the first time it's been in the "Very High" category:



National Weather Service – highs for Monday:

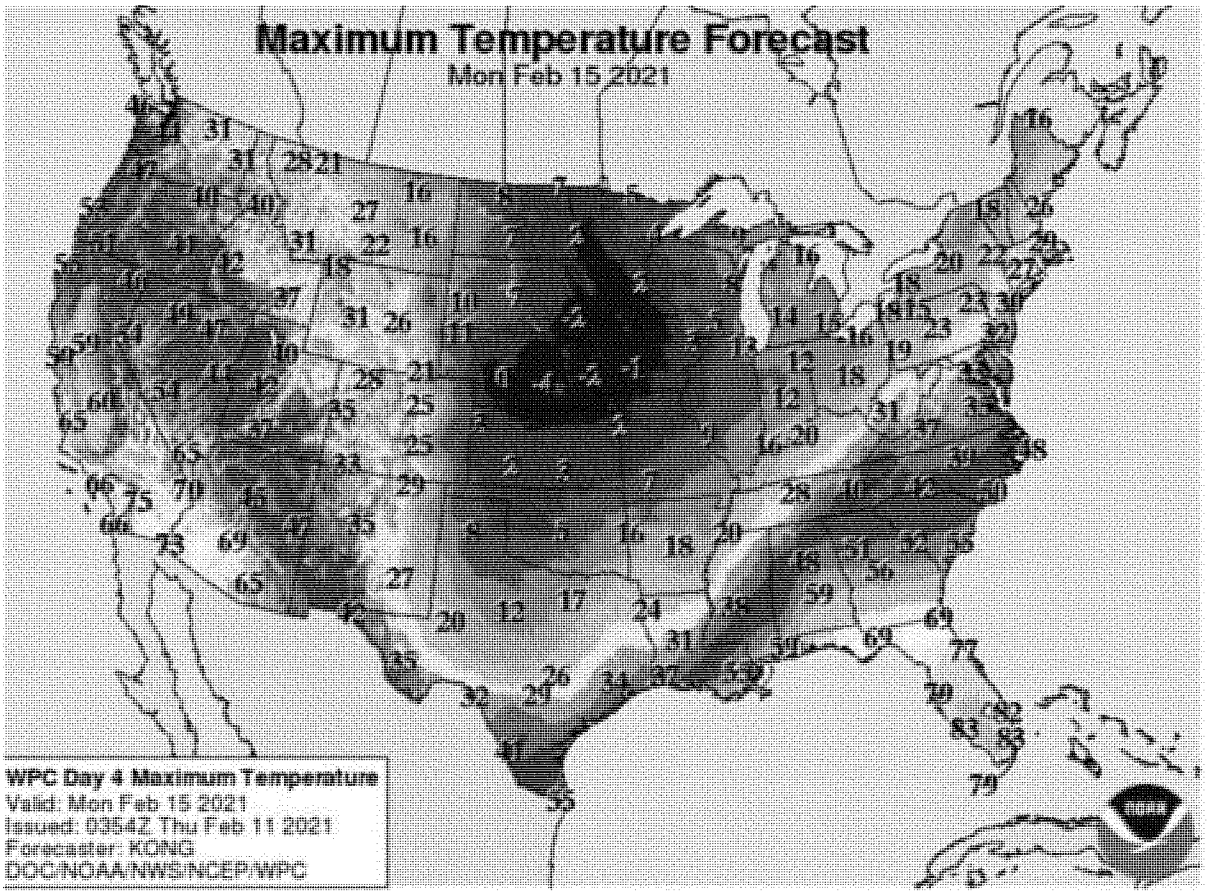

Maximum Temperature Forecast
Mon Feb 15 2021
WPC Day 4 Maximum Temperature
Valid: Mon Feb 15 2021
Issued: 0354Z Thu Feb 11 2021
Forecaster: KONG
DOC/NOAA/NWS/NCEP/WPC

Exhibit A-88

Sealed

Exhibit A-89

Sealed

Exhibit A-90

Sealed

Exhibit A-90B

Sealed

Exhibit A-90C

Sealed

Exhibit A-90D

Sealed

Exhibit A-90E

Sealed

Exhibit A-91A

TRADE_TIME (EST)	TRADE_TIME (CST)	MARKET	STRIP_BEGIN	STRIP_END	DAILY QUANTITY	TRADE_PRICE	BUYER	SELLER
2/12/21 9:55 AM	2/12/21 8:55 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	5,000	$40.00	29_C	118_C
2/12/21 9:57 AM	2/12/21 8:57 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	5,000	$50.00	29_C	118_C
2/12/21 10:05 AM	2/12/21 9:05 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	5,000	$75.00	12_C	118_C
2/12/21 10:08 AM	2/12/21 9:08 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	10,000	$100.00	96_C	120_C
2/12/21 10:08 AM	2/12/21 9:08 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	5,000	$100.00	29_C	20_C
2/12/21 10:14 AM	2/12/21 9:14 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	10,000	$110.00	95_C	120_C
2/12/21 10:14 AM	2/12/21 9:14 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	10,000	$110.00	140_C	120_C
2/12/21 10:14 AM	2/12/21 9:14 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	10,000	$110.00	12_C	120_C
2/12/21 10:15 AM	2/12/21 9:15 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	10,000	$110.00	29_C	46_C
2/12/21 10:16 AM	2/12/21 9:16 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	10,000	$130.00	29_C	118_C
2/12/21 10:19 AM	2/12/21 9:19 AM	NG Firm Phys, FP - HSC-HPL Pool - Next Day Gas	2/13/2021	2/16/2021	5,000	$175.00	77_C	Houston Pipe Line Company LP
2/12/21 10:19 AM	2/12/21 9:19 AM	NG Firm Phys, FP - HSC-HPL Pool - Next Day Gas	2/13/2021	2/16/2021	5,000	$175.00	149_C	Houston Pipe Line Company LP
2/12/21 10:19 AM	2/12/21 9:19 AM	NG Firm Phys, FP - HSC-HPL Pool - Next Day Gas	2/13/2021	2/16/2021	10,000	$175.00	29_C	Houston Pipe Line Company LP
2/12/21 10:21 AM	2/12/21 9:21 AM	NG Firm Phys, FP - HSC-HPL Pool - Next Day Gas	2/13/2021	2/16/2021	3,800	$225.00	149_C	Houston Pipe Line Company LP
2/12/21 10:22 AM	2/12/21 9:22 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	7,000	$175.00	29_C	46_C
2/12/21 10:22 AM	2/12/21 9:22 AM	NG Firm Phys, FP - HSC-HPL Pool - Next Day Gas	2/13/2021	2/16/2021	6,200	$225.00	ETC Marketing, Ltd	Houston Pipe Line Company LP
2/12/21 10:22 AM	2/12/21 9:22 AM	NG Firm Phys, FP - HSC-HPL Pool - Next Day Gas	2/13/2021	2/16/2021	3,800	$225.00	ETC Marketing, Ltd	Houston Pipe Line Company LP
2/12/21 10:30 AM	2/12/21 9:30 AM	NG Firm Phys, FP - HSC-HPL Pool - Next Day Gas	2/13/2021	2/16/2021	700	$150.00	12_C	160_C
2/12/21 10:31 AM	2/12/21 9:31 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	10,000	$175.00	78_C	160_C
2/12/21 10:31 AM	2/12/21 9:31 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	10,000	$175.00	140_C	118_C
2/12/21 10:34 AM	2/12/21 9:34 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	1,000	$175.00	78_C	160_C
2/12/21 10:35 AM	2/12/21 9:35 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	100	$175.00	78_C	160_C
2/12/21 10:36 AM	2/12/21 9:36 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	10,000	$175.00	77_C	118_C
2/12/21 10:46 AM	2/12/21 9:46 AM	NG Firm Phys, FP - HSC-HPL Pool - Next Day Gas	2/13/2021	2/16/2021	2,800	$150.00	30_C	160_C
2/12/21 10:48 AM	2/12/21 9:48 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	7,000	$180.00	34_C	160_C
2/12/21 10:51 AM	2/12/21 9:51 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	10,000	$180.00	77_C	Houston Pipe Line Company LP
2/12/21 10:51 AM	2/12/21 9:51 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	10,000	$180.00	50_C	Houston Pipe Line Company LP
2/12/21 10:51 AM	2/12/21 9:51 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	5,000	$180.00	50_C	Houston Pipe Line Company LP
2/12/21 10:51 AM	2/12/21 9:51 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	5,000	$180.00	29_C	Houston Pipe Line Company LP
2/12/21 10:51 AM	2/12/21 9:51 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	10,000	$180.00	77_C	Houston Pipe Line Company LP
2/12/21 10:51 AM	2/12/21 9:51 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	10,000	$180.00	CPS Energy	Houston Pipe Line Company LP
2/12/21 10:52 AM	2/12/21 9:52 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	10,000	$180.00	CPS Energy	Houston Pipe Line Company LP
2/12/21 10:54 AM	2/12/21 9:54 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	10,000	$180.00	77_C	Houston Pipe Line Company LP
2/12/21 10:56 AM	2/12/21 9:56 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	5,000	$160.00	77_C	Houston Pipe Line Company LP
2/12/21 10:57 AM	2/12/21 9:57 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	5,000	$160.00	155_C	Houston Pipe Line Company LP

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Exhibit A-91A
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2/12/21 10:58 AM	2/12/21 9:58 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	5,000	$150.00 155_C	12_C
2/12/21 10:58 AM	2/12/21 9:58 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	10,000	$150.00 10_C	Houston Pipe Line Company LP
2/12/21 10:59 AM	2/12/21 9:59 AM	NG Firm Phys, FP - HSC-HPL Pool - Next Day Gas	2/13/2021	2/16/2021	10,000	$150.00 102_C	Houston Pipe Line Company LP
2/12/21 10:59 AM	2/12/21 9:59 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	10,000	$150.00 102_C	Houston Pipe Line Company LP
2/12/21 11:00 AM	2/12/21 10:00 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	10,000	$150.00 29_C	Houston Pipe Line Company LP
2/12/21 11:02 AM	2/12/21 10:02 AM	NG Firm Phys, FP - HSC-HPL Pool - Next Day Gas	2/13/2021	2/16/2021	10,000	$150.00 CPS Energy	Houston Pipe Line Company LP
2/12/21 11:03 AM	2/12/21 10:03 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	20,000	$150.00 102_C	Houston Pipe Line Company LP
2/12/21 11:04 AM	2/12/21 10:04 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	7,800	$150.00 149_C	Houston Pipe Line Company LP
2/12/21 11:04 AM	2/12/21 10:04 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	2,200	$150.00 78_C	Houston Pipe Line Company LP
2/12/21 11:05 AM	2/12/21 10:05 AM	NG Firm Phys, FP - HSC-HPL Pool - Next Day Gas	2/13/2021	2/16/2021	10,000	$150.00 CPS Energy	Houston Pipe Line Company LP
2/12/21 11:07 AM	2/12/21 10:07 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	5,000	$149.00 85_C	118_C
2/12/21 11:08 AM	2/12/21 10:08 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	1,000	$140.00 138_C	Houston Pipe Line Company LP
2/12/21 11:08 AM	2/12/21 10:08 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	10,000	$130.00 102_C	Houston Pipe Line Company LP
2/12/21 11:08 AM	2/12/21 10:08 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	10,000	$135.00 85_C	118_C
2/12/21 11:11 AM	2/12/21 10:11 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	4,500	$130.50 10_C	120_C
2/12/21 11:11 AM	2/12/21 10:11 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	15,500	$130.00 76_C	120_C
2/12/21 11:13 AM	2/12/21 10:13 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	10,000	$135.00 CPS Energy	118_C
2/12/21 11:16 AM	2/12/21 10:16 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	10,000	$130.00 76_C	Houston Pipe Line Company LP
2/12/21 11:18 AM	2/12/21 10:18 AM	NG Firm Phys, FP - Katy-Enstor Pool - Next Day Gas	2/13/2021	2/16/2021	5,000	$115.00 34_C	149_C
2/12/21 11:19 AM	2/12/21 10:19 AM	NG Firm Phys, FP - Katy-Enstor Pool - Next Day Gas	2/13/2021	2/16/2021	10,000	$120.00 102_C	149_C
2/12/21 11:20 AM	2/12/21 10:20 AM	NG Firm Phys, FP - HSC-HPL Pool - Next Day Gas	2/13/2021	2/16/2021	9,000	$150.00 29_C	Houston Pipe Line Company LP
2/12/21 11:21 AM	2/12/21 10:21 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	4,800	$130.00 102_C	Houston Pipe Line Company LP
2/12/21 11:22 AM	2/12/21 10:22 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	6,100	$129.00 120_C	118_C
2/12/21 11:23 AM	2/12/21 10:23 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	3,900	$129.00 160_C	118_C
2/12/21 11:24 AM	2/12/21 10:24 AM	NG Firm Phys, FP - HSC-HPL Pool - Next Day Gas	2/13/2021	2/16/2021	4,000	$150.00 160_C	Houston Pipe Line Company LP
2/12/21 11:24 AM	2/12/21 10:24 AM	NG Firm Phys, FP - Katy-Enstor Pool - Next Day Gas	2/13/2021	2/16/2021	10,000	$125.00 29_C	149_C
2/12/21 11:28 AM	2/12/21 10:28 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	10,000	$145.00 160_C	Houston Pipe Line Company LP
2/12/21 11:30 AM	2/12/21 10:30 AM	NG Firm Phys, FP - Katy-Enstor Pool - Next Day Gas	2/13/2021	2/16/2021	7,000	$125.00 84_C	149_C
2/12/21 11:30 AM	2/12/21 10:30 AM	NG Firm Phys, FP - Katy-Enstor Pool - Next Day Gas	2/13/2021	2/16/2021	3,000	$125.00 155_C	149_C
2/12/21 11:44 AM	2/12/21 10:44 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	5,000	$150.00 78_C	Houston Pipe Line Company LP
2/12/21 11:46 AM	2/12/21 10:46 AM	NG Firm Phys, FP - Katy-Enstor Pool - Next Day Gas	2/13/2021	2/16/2021	5,000	$130.00 102_C	149_C
2/12/21 11:54 AM	2/12/21 10:54 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/13/2021	2/16/2021	4,000	$150.00 160_C	Houston Pipe Line Company LP
2/12/21 11:56 AM	2/12/21 10:56 AM	NG Firm Phys, FP - Katy-Enstor Pool - Next Day Gas	2/13/2021	2/16/2021	10,000	$135.00 138_C	149_C
2/12/21 12:46 PM	2/12/21 11:46 AM	NG Firm Phys, FP - Katy-Enstor Pool - Next Day Gas	2/13/2021	2/16/2021	2,000	$100.00 155_C	Enterprise Products Operating LLC

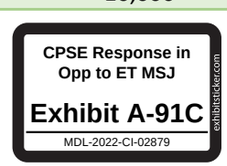
Exhibit A-91B

TRADE_TIME (EST)	TRADE_TIME (CST)	MARKET	STRIP_BEGIN	STRIP_END	DAILY QUANTITY	TRADE_PRICE	BUYER	SELLER
2/16/21 8:29 AM	2/16/21 7:29 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/17/2021	2/17/2021	10,000	$200.00	78_C	118_C
2/16/21 9:43 AM	2/16/21 8:43 AM	NG Firm Phys, FP - Katy-Enstor Pool - Next Day Gas	2/17/2021	2/17/2021	10,000	$350.00	140_C	152_C
2/16/21 10:05 AM	2/16/21 9:05 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/17/2021	2/17/2021	10,000	$350.00	81_C	146_C
2/16/21 10:08 AM	2/16/21 9:08 AM	NG Firm Phys, FP - Katy-Enstor Pool - Next Day Gas	2/17/2021	2/17/2021	10,000	$400.00	96_C	152_C
2/16/21 11:09 AM	2/16/21 10:09 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/17/2021	2/17/2021	10,000	$400.00	78_C	147_C
2/16/21 11:17 AM	2/16/21 10:17 AM	NG Firm Phys, FP - Katy-Enstor Pool - Next Day Gas	2/17/2021	2/17/2021	10,000	$375.00	16_C	92_C
2/16/21 11:22 AM	2/16/21 10:22 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/17/2021	2/17/2021	5,000	$400.00	ETC Marketing, Ltd	146_C
2/16/21 11:22 AM	2/16/21 10:22 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/17/2021	2/17/2021	10,000	$400.00	78_C	147_C
2/16/21 11:23 AM	2/16/21 10:23 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/17/2021	2/17/2021	5,000	$400.00	ETC Marketing, Ltd	Houston Pipe Line Company LP
2/16/21 11:29 AM	2/16/21 10:29 AM	NG Firm Phys, FP - Katy-Enstor Pool - Next Day Gas	2/17/2021	2/17/2021	5,000	$260.00	16_C	140_C
2/16/21 12:02 PM	2/16/21 11:02 AM	NG Firm Phys, FP - HSC-HPL Pool - Next Day Gas	2/17/2021	2/17/2021	5,000	$400.00	149_C	Houston Pipe Line Company LP
2/16/21 12:02 PM	2/16/21 11:02 AM	NG Firm Phys, FP - HSC-HPL Pool - Next Day Gas	2/17/2021	2/17/2021	3,800	$400.00	149_C	Houston Pipe Line Company LP
2/16/21 12:03 PM	2/16/21 11:03 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/17/2021	2/17/2021	10,000	$350.00	149_C	118_C
2/16/21 12:06 PM	2/16/21 11:06 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/17/2021	2/17/2021	10,000	$300.00	149_C	92_C
2/16/21 1:10 PM	2/16/21 12:10 PM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/17/2021	2/17/2021	4,800	$400.00	149_C	Houston Pipe Line Company LP

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Exhibit A-91C

TRADE_TIME (EST)	TRADE_TIME (CST)	MARKET	STRIP_BEGIN	STRIP_END	DAILY QUANTITY	TRADE_PRICE	BUYER	SELLER
2/18/21 10:41 AM	2/18/21 9:41 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$75.00	84_C	Houston Pipe Line Company LP
2/18/21 10:42 AM	2/18/21 9:42 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$75.00	42_C	Houston Pipe Line Company LP
2/18/21 10:42 AM	2/18/21 9:42 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$75.00	84_C	Houston Pipe Line Company LP
2/18/21 10:42 AM	2/18/21 9:42 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	20,000	$75.00	149_C	Houston Pipe Line Company LP
2/18/21 10:42 AM	2/18/21 9:42 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$75.00	149_C	Houston Pipe Line Company LP
2/18/21 10:42 AM	2/18/21 9:42 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$75.00	149_C	Houston Pipe Line Company LP
2/18/21 10:42 AM	2/18/21 9:42 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$75.00	149_C	Houston Pipe Line Company LP
2/18/21 10:42 AM	2/18/21 9:42 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$75.00	149_C	Houston Pipe Line Company LP
2/18/21 10:42 AM	2/18/21 9:42 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$75.00	42_C	Houston Pipe Line Company LP
2/18/21 10:42 AM	2/18/21 9:42 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$75.00	149_C	Houston Pipe Line Company LP
2/18/21 10:42 AM	2/18/21 9:42 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$75.00	149_C	Houston Pipe Line Company LP
2/18/21 10:42 AM	2/18/21 9:42 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$75.00	149_C	Houston Pipe Line Company LP
2/18/21 10:49 AM	2/18/21 9:49 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	15,000	$78.00	84_C	Houston Pipe Line Company LP
2/18/21 10:49 AM	2/18/21 9:49 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$76.00	96_C	44_C
2/18/21 10:49 AM	2/18/21 9:49 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$76.00	96_C	Houston Pipe Line Company LP
2/18/21 10:49 AM	2/18/21 9:49 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$76.00	96_C	Houston Pipe Line Company LP
2/18/21 11:08 AM	2/18/21 10:08 AM	NG Firm Phys, FP - HSC-HPL Pool - Next Day Gas	2/19/2021	2/19/2021	10,000	$40.00	146_C	Houston Pipe Line Company LP
2/18/21 11:08 AM	2/18/21 10:08 AM	NG Firm Phys, FP - HSC-HPL Pool - Next Day Gas	2/19/2021	2/19/2021	10,000	$40.00	29_C	Houston Pipe Line Company LP
2/18/21 11:08 AM	2/18/21 10:08 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$50.00	29_C	146_C
2/18/21 11:08 AM	2/18/21 10:08 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$50.00	29_C	Houston Pipe Line Company LP
2/18/21 11:09 AM	2/18/21 10:09 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$50.00	29_C	Houston Pipe Line Company LP
2/18/21 11:09 AM	2/18/21 10:09 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$50.00	29_C	146_C
2/18/21 11:09 AM	2/18/21 10:09 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$50.00	29_C	Houston Pipe Line Company LP
2/18/21 11:09 AM	2/18/21 10:09 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$50.00	29_C	Houston Pipe Line Company LP
2/18/21 11:21 AM	2/18/21 10:21 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$50.00	78_C	Houston Pipe Line Company LP
2/18/21 11:42 AM	2/18/21 10:42 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$50.00	78_C	Houston Pipe Line Company LP
2/18/21 11:42 AM	2/18/21 10:42 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$50.00	78_C	Houston Pipe Line Company LP
2/18/21 11:42 AM	2/18/21 10:42 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$50.00	78_C	Houston Pipe Line Company LP
2/18/21 11:42 AM	2/18/21 10:42 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$50.00	78_C	Houston Pipe Line Company LP
2/18/21 11:42 AM	2/18/21 10:42 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	5,000	$50.00	78_C	Houston Pipe Line Company LP
2/18/21 12:05 PM	2/18/21 11:05 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$50.00	CPS Energy	Houston Pipe Line Company LP
2/18/21 12:34 PM	2/18/21 11:34 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$45.50	96_C	146_C
2/18/21 12:36 PM	2/18/21 11:36 AM	NG Firm Phys, FP - HSC-HPL Pool - Next Day Gas	2/19/2021	2/19/2021	10,000	$50.00	120_C	Houston Pipe Line Company LP
2/18/21 12:40 PM	2/18/21 11:40 AM	NG Firm Phys, FP - HSC-HPL Pool - Next Day Gas	2/19/2021	2/19/2021	5,800	$50.00	120_C	Houston Pipe Line Company LP
2/18/21 12:40 PM	2/18/21 11:40 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	10,000	$45.00	CPS Energy	118_C



2/18/21 12:40 PM	2/18/21 11:40 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	2,800	$40.00 95_C	118_C
2/18/21 12:41 PM	2/18/21 11:41 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	1,400	$50.00 120_C	146_C
2/18/21 12:42 PM	2/18/21 11:42 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	8,600	$50.00 12_C	146_C
2/18/21 12:43 PM	2/18/21 11:43 AM	NG Firm Phys, FP - Katy-Oasis - Next Day Gas	2/19/2021	2/19/2021	2,000	$50.00 96_C	146_C

Exhibit A-91D

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VIA EMAIL

October 19, 2022

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Re: *In re CPS Energy Gas Supplier Litigation*, MDL Master File No. 2022 CI 02879

Dear David and Lauren:

On behalf of Intercontinental Exchange, Inc. and its relevant affiliates ("ICE"), we are producing documents respectively Bates numbered ICE-ET-EP000001 - 000002 in response to the subpoena dated September 19, 2022 issued in connection with the above-referenced litigation (the "Subpoena").

As also agreed to with Mr. Shank, we are enclosing with this production the attached business records declaration from Erik Haas, which will excuse ICE's obligations to appear and respond to the deposition on written questions included with the Subpoena.

In accordance with the protective order entered in this case on February 9, 2022, we have designated all of the documents being included in this production as Attorneys Eyes Only and have stamped each PDF page in the production as "Attorneys Eyes Only" and included "Attorneys Eyes Only" in each Excel spreadsheet's file name.

Intercontinental Exchange
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New York, NY 10005
Tel: +1 212.656.4420 | Fax: +1 212.656.8101
ice.com

CPSE Response in Opp to ET MSJ
Exhibit A-91D
MDL-2022-CI-02879
exhibitsticker.com

To the extent not otherwise addressed above, ICE does not waive, but, to the contrary, maintains and reserves all rights and objections to the Subpoena which it has not specifically asserted in light of the agreements we have reached with Mr. Shank to limit the scope of production. Please contact me at (212) 656-4420 if you have additional questions related to the information provided in this response.

Very truly yours,



Daniel Z. Mollin

Enclosures

DECLARATION OF ERIK HAAS

I, Erik Haas, hereby declare and state as follows:

1. I am the Senior Director of Compliance and Chief Compliance Officer at ICE US OTC Commodity Markets and ICE Swap Trade. I am a custodian of records of the documents Bates numbered ICE-ET-EP000001 - 000002, being produced by Intercontinental Exchange, Inc. and its relevant affiliates ("ICE") in response to the subpoena dated September 19, 2022 issued in connection with the matter *In re CPS Energy Gas Supplier Litigation*, MDL Master File No. 2022 CI 02879 (the "Subpoena"). My business address is 353 North Clark Street, 31st Floor, Chicago, IL 60654. I am familiar with the manner in which the above-listed records are created and maintained by virtue of my duties and responsibilities.

2. The above-listed documents are duplicates of the original electronic records called for by the Subpoena.

3. The records were made at or near the time of each act or event.

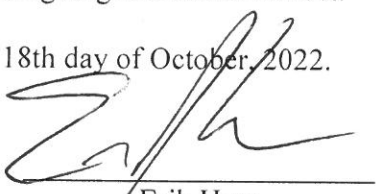
4. The records were made by, or from information transmitted by, persons with knowledge of the matters set forth.

5. The records were kept in the course of regularly conducted business activity.

6. It is the regular practice of the business activity to make the records.

7. I declare under penalty of perjury that the foregoing is true and correct.

Executed in Cook County, State of Illinois, on the 18th day of October, 2022.



Erik Haas

Exhibit A-92

Sender	Recipient	Date	Body
Targa - Joe Brice	CPS - Ken Skaer	01/04/2021 08:19:06	hey gm
Targa - Joe Brice	CPS - Ken Skaer	01/04/2021 08:19:14	how was the long weekend?
CPS - Ken Skaer	Targa - Joe Brice	01/04/2021 08:19:21	good morning, joe
CPS - Ken Skaer	Targa - Joe Brice	01/04/2021 08:19:25	it was heavenly
CPS - Ken Skaer	Targa - Joe Brice	01/04/2021 08:19:34	i really like not working
CPS - Ken Skaer	Targa - Joe Brice	01/04/2021 08:19:42	even when i don't do anything
CPS - Ken Skaer	Targa - Joe Brice	01/04/2021 08:19:49	ha
Targa - Joe Brice	CPS - Ken Skaer	01/04/2021 08:20:17	haha i hear that man
CPS - Ken Skaer	Targa - Joe Brice	01/04/2021 08:21:39	did you want to sell us some more gas?
CPS - Ken Skaer	Targa - Joe Brice	01/04/2021 08:21:51	i can buy 20,000 for gd hsc - .01
Targa - Joe Brice	CPS - Ken Skaer	01/04/2021 08:21:59	sure i can do that
CPS - Ken Skaer	Targa - Joe Brice	01/04/2021 08:22:11	thanks done
Targa - Joe Brice	CPS - Ken Skaer	01/04/2021 08:22:15	tyty
CPS - Ken Skaer	Targa - Joe Brice	01/05/2021 08:46:17	hi joe
CPS - Ken Skaer	Targa - Joe Brice	01/05/2021 08:46:19	rollin?
Targa - Joe Brice	CPS - Ken Skaer	01/05/2021 08:46:34	hey gm
Targa - Joe Brice	CPS - Ken Skaer	01/05/2021 08:46:37	sorry can't...
Targa - Joe Brice	CPS - Ken Skaer	01/05/2021 08:46:44	maintenance on gcx
CPS - Ken Skaer	Targa - Joe Brice	01/06/2021 08:25:40	hi there joe
Targa - Joe Brice	CPS - Ken Skaer	01/06/2021 08:25:48	hey there gm
CPS - Ken Skaer	Targa - Joe Brice	01/06/2021 08:26:03	would you be able to sell 10k kinder at karnes for manana?
CPS - Ken Skaer	Targa - Joe Brice	01/06/2021 08:26:42	assuming gcx is back
Targa - Joe Brice	CPS - Ken Skaer	01/06/2021 08:35:19	yeah it should be back
CPS - Ken Skaer	Targa - Joe Brice	01/06/2021 08:36:05	so , you want to sell me 10k for gd hsc - .01?
Targa - Joe Brice	CPS - Ken Skaer	01/06/2021 08:38:51	seeing higher right now and only got 6500 at the moment
CPS - Ken Skaer	Targa - Joe Brice	01/06/2021 08:39:14	so you want to do 6,500 for gd hsc flat?
Targa - Joe Brice	CPS - Ken Skaer	01/06/2021 08:39:28	i need to be around +.015
Targa - Joe Brice	CPS - Ken Skaer	01/06/2021 08:39:36	caught a bid there
Targa - Joe Brice	CPS - Ken Skaer	01/06/2021 08:44:09	you want that?
CPS - Ken Skaer	Targa - Joe Brice	01/06/2021 08:44:27	price seems to rich for my blood
Targa - Joe Brice	CPS - Ken Skaer	01/06/2021 08:44:56	alrighty np
CPS - Ken Skaer	Targa - Joe Brice	01/08/2021 08:34:47	hi joe
Targa - Joe Brice	CPS - Ken Skaer	01/08/2021 08:34:57	hey man gm
CPS - Ken Skaer	Targa - Joe Brice	01/08/2021 08:35:01	selling much gas at kinder/karnes?
Targa - Joe Brice	CPS - Ken Skaer	01/08/2021 08:35:30	i can sell some
CPS - Ken Skaer	Targa - Joe Brice	01/08/2021 08:35:40	cool
Targa - Joe Brice	CPS - Ken Skaer	01/08/2021 08:37:40	what price you at?
CPS - Ken Skaer	Targa - Joe Brice	01/08/2021 08:37:53	GD HSC - .01
CPS - Ken Skaer	Targa - Joe Brice	01/08/2021 08:38:07	HSC has been very very strong
Targa - Joe Brice	CPS - Ken Skaer	01/08/2021 08:39:55	i can do 6500 @ .01
Targa - Joe Brice	CPS - Ken Skaer	01/08/2021 08:39:58	sorry
Targa - Joe Brice	CPS - Ken Skaer	01/08/2021 08:39:59	flat
Targa - Joe Brice	CPS - Ken Skaer	01/08/2021 08:40:11	6500 @ flat
CPS - Ken Skaer	Targa - Joe Brice	01/08/2021 08:40:39	can you make it 10k
Targa - Joe Brice	CPS - Ken Skaer	01/08/2021 08:41:21	let me check i dont think i can do more than 6500 at flat
Targa - Joe Brice	CPS - Ken Skaer	01/08/2021 08:41:30	probably like .005

CPSE Response in Opp to ET MSJ

Exhibit A-92

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CPS - Ken Skaer	Targa - Joe Brice	01/08/2021 08:41:42	i'll do the 6S00 flat
CPS - Ken Skaer	Targa - Joe Brice	01/08/2021 08:41:45	thanks
Targa - Joe Brice	CPS - Ken Skaer	01/08/2021 08:41:48	np
Targa - Joe Brice	CPS - Ken Skaer	01/08/2021 08:41:51	done
Targa - Joe Brice	CPS - Ken Skaer	01/08/2021 08:46:02	hey
Targa - Joe Brice	CPS - Ken Skaer	01/08/2021 08:46:10	i can give you 3500 at flat as well if you need
CPS - Ken Skaer	Targa - Joe Brice	01/08/2021 08:47:01	ok, i'll make it 10k
CPS - Ken Skaer	Targa - Joe Brice	01/08/2021 08:47:08	total
Targa - Joe Brice	CPS - Ken Skaer	01/08/2021 08:47:12	ty
Targa - Joe Brice	CPS - Ken Skaer	01/19/2021 08:02:55	Away
CPS - Ken Skaer	Targa - Joe Brice	01/19/2021 08:02:55	Good morning and Happy Tuesday. I'm back in the office after taking last week off. Hope you have been doing well.
Targa - Joe Brice	CPS - Ken Skaer	01/19/2021 08:11:43	hey gm
Targa - Joe Brice	CPS - Ken Skaer	01/19/2021 08:11:53	all good here
Targa - Joe Brice	CPS - Ken Skaer	01/19/2021 08:11:55	welcome back
CPS - Ken Skaer	Targa - Joe Brice	01/19/2021 08:12:02	thank you
CPS - Ken Skaer	Targa - Joe Brice	01/19/2021 08:12:13	nice 75 degree holiday yesterday
Targa - Joe Brice	CPS - Ken Skaer	01/19/2021 08:12:34	oh ya
Targa - Joe Brice	CPS - Ken Skaer	01/19/2021 08:32:09	you buying for tomorrow?
CPS - Ken Skaer	Targa - Joe Brice	01/19/2021 08:37:25	don't really need it but could squeeze some in if you need help and can sell it cheaply
Targa - Joe Brice	CPS - Ken Skaer	01/19/2021 08:40:32	no worries i caught some bids
Targa - Joe Brice	CPS - Ken Skaer	01/19/2021 08:40:37	just wanted to see if you needed it
CPS - Ken Skaer	Targa - Joe Brice	01/19/2021 08:40:47	nah, we are ok
CPS - Ken Skaer	Targa - Joe Brice	02/09/2021 15:53:25	Hi Joe.
Targa - Joe Brice	CPS - Ken Skaer	02/09/2021 15:53:34	hey man
CPS - Ken Skaer	Targa - Joe Brice	02/09/2021 15:53:38	Hope you enjoyed the Super Bowl!
Targa - Joe Brice	CPS - Ken Skaer	02/09/2021 15:53:43	eh boring
CPS - Ken Skaer	Targa - Joe Brice	02/09/2021 15:54:12	I cheer all the senior citizens of sport: Tiger, TB12, Lebron, etc
Targa - Joe Brice	CPS - Ken Skaer	02/09/2021 15:54:34	yeah agreed i dk about lebron though lol
CPS - Ken Skaer	Targa - Joe Brice	02/09/2021 15:55:55	Ah, other than him being a crybaby faker, i really like him. He is not into the same junk as some other guys who grew up in tough situations. I am in the market for some gas off Kinder into our Karnes point
Targa - Joe Brice	CPS - Ken Skaer	02/09/2021 15:56:30	so having a meeting about turning my plant into rejection....
Targa - Joe Brice	CPS - Ken Skaer	02/09/2021 15:56:40	that might get me a little bit of gas but that wont happen till tomorrow id imagine
CPS - Ken Skaer	Targa - Joe Brice	02/09/2021 15:57:08	i'd love to buy some tomorrow for thur-mon if you have any
CPS - Ken Skaer	Targa - Joe Brice	02/09/2021 15:57:19	or i could buy it each day if you prefer
Targa - Joe Brice	CPS - Ken Skaer	02/09/2021 15:57:22	this weekend i probably wont have squat tbh
CPS - Ken Skaer	Targa - Joe Brice	02/09/2021 15:57:36	ok, well, good to know
Targa - Joe Brice	CPS - Ken Skaer	02/09/2021 15:58:56	yeah this cold has us scared
CPS - Ken Skaer	Targa - Joe Brice	02/10/2021 08:38:17	hi joe
CPS - Ken Skaer	Targa - Joe Brice	02/10/2021 08:38:23	selling any gas for tomorrow?
CPS - Ken Skaer	Targa - Joe Brice	02/10/2021 08:38:28	kinder/karnes?
Targa - Joe Brice	CPS - Ken Skaer	02/10/2021 08:40:19	hey gm
Targa - Joe Brice	CPS - Ken Skaer	02/10/2021 08:41:15	probably nothing man
CPS - Ken Skaer	Targa - Joe Brice	02/10/2021 08:41:34	ok, cool
Targa - Joe Brice	CPS - Ken Skaer	02/10/2021 08:59:16	hey
Targa - Joe Brice	CPS - Ken Skaer	02/10/2021 08:59:20	think i might have a bit
CPS - Ken Skaer	Targa - Joe Brice	02/10/2021 08:59:31	good, bring it

Targa - Joe Brice	CPS - Ken Skaer	02/10/2021 09:07:24	what price you think?
Targa - Joe Brice	CPS - Ken Skaer	02/10/2021 09:53:47	still looking?
CPS - Ken Skaer	Targa - Joe Brice	02/10/2021 09:53:55	yes, whatcha got?
Targa - Joe Brice	CPS - Ken Skaer	02/10/2021 09:55:08	6750 .10?
CPS - Ken Skaer	Targa - Joe Brice	02/10/2021 09:56:51	stx map is offered for half that now
Targa - Joe Brice	CPS - Ken Skaer	02/10/2021 10:01:05	ya i see that
Targa - Joe Brice	CPS - Ken Skaer	02/10/2021 10:01:18	but i can sell katy
Targa - Joe Brice	CPS - Ken Skaer	02/10/2021 10:01:49	ill do .07
Targa - Joe Brice	CPS - Ken Skaer	02/10/2021 10:01:55	the bid at katy o
CPS - Ken Skaer	Targa - Joe Brice	02/10/2021 10:02:24	one sec
CPS - Ken Skaer	Targa - Joe Brice	02/10/2021 10:04:03	so, i'm buying 6,750 kinder/karnes for GD HSC + .07 for thur ?
CPS - Ken Skaer	Targa - Joe Brice	02/10/2021 10:04:58	is that our deal?
Targa - Joe Brice	CPS - Ken Skaer	02/10/2021 10:07:24	yes
CPS - Ken Skaer	Targa - Joe Brice	02/10/2021 10:07:58	great , done
Targa - Joe Brice	CPS - Ken Skaer	02/10/2021 10:12:08	ty
CPS - Ken Skaer	Targa - Joe Brice	02/11/2021 08:11:38	can you sell me much gas?
CPS - Ken Skaer	Targa - Joe Brice	02/11/2021 08:11:47	i really want everythign you can sell me
Targa - Joe Brice	CPS - Ken Skaer	02/11/2021 08:12:00	i need to see where im at but not likely man
Targa - Joe Brice	CPS - Ken Skaer	02/11/2021 08:12:03	this is crazy
CPS - Ken Skaer	Targa - Joe Brice	02/11/2021 14:53:16	i would absolutely love to be your market for any gas you might sell tomorrow.
Targa - Joe Brice	CPS - Ken Skaer	02/11/2021 14:53:30	man i wish
Targa - Joe Brice	CPS - Ken Skaer	02/11/2021 14:53:48	im sure we'll be reducing like 40% of our gas
Targa - Joe Brice	CPS - Ken Skaer	02/11/2021 14:54:09	how are y'all holding up?
CPS - Ken Skaer	Targa - Joe Brice	02/11/2021 14:54:20	it's one of those weeks were my suppliers rip my face off and i say, thank you sir, my i have another
CPS - Ken Skaer	Targa - Joe Brice	02/11/2021 14:54:22	please
Targa - Joe Brice	CPS - Ken Skaer	02/11/2021 14:54:30	yeah for sure
Targa - Joe Brice	CPS - Ken Skaer	02/14/2021 10:40:39	yo
CPS - Ken Skaer	Targa - Joe Brice	02/14/2021 12:41:07	hi
CPS - Ken Skaer	Targa - Joe Brice	02/16/2021 08:13:24	Good morning!Good news: it's going to be 48 tomorrow!Bad news: I'm still without electricity Are you a seller?
Targa - Joe Brice	CPS - Ken Skaer	02/16/2021 08:29:53	hey gm
Targa - Joe Brice	CPS - Ken Skaer	02/16/2021 08:29:58	ya i just came into the office
CPS - Ken Skaer	Targa - Joe Brice	02/16/2021 08:36:01	I wish I was in a warm office with a computer
Targa - Joe Brice	CPS - Ken Skaer	02/16/2021 08:40:20	i mean....it is kinda nice
Targa - Joe Brice	CPS - Ken Skaer	02/16/2021 08:40:31	sucks you dont got power man sorry about that
Targa - Joe Brice	CPS - Ken Skaer	02/16/2021 08:40:38	wish i could offer up my place
CPS - Ken Skaer	Targa - Joe Brice	02/16/2021 08:41:00	I'm ok
CPS - Ken Skaer	Targa - Joe Brice	02/16/2021 08:41:51	My mom has power but I don't want to drive a half hour in case it's icy
Targa - Joe Brice	CPS - Ken Skaer	02/16/2021 08:45:17	yeah im like 5 min away
Targa - Joe Brice	CPS - Ken Skaer	02/16/2021 08:45:24	took the high roads too
CPS - Ken Skaer	Targa - Joe Brice	02/17/2021 09:59:07	Hi
CPS - Ken Skaer	Targa - Joe Brice	02/17/2021 09:59:19	Can you sell me any gas?
Targa - Joe Brice	CPS - Ken Skaer	02/17/2021 10:01:11	hey
Targa - Joe Brice	CPS - Ken Skaer	02/17/2021 10:01:17	nothing
CPS - Ken Skaer	Targa - Joe Brice	02/18/2021 11:51:22	hey joe
CPS - Ken Skaer	Targa - Joe Brice	02/18/2021 11:51:26	selling any gas?
Targa - Joe Brice	CPS - Ken Skaer	02/18/2021 11:51:33	hey dude

Targa - Joe Brice	CPS - Ken Skaer	02/18/2021 11:51:34	no sir
CPS - Ken Skaer	Targa - Joe Brice	02/18/2021 13:30:46	i heard that teak plant is coming back on tomorrow!
CPS - Ken Skaer	Targa - Joe Brice	02/19/2021 08:38:38	Good morning. TGIF.
Targa - Joe Brice	CPS - Ken Skaer	02/19/2021 08:38:46	hey dude gm
Targa - Joe Brice	CPS - Ken Skaer	02/21/2021 11:18:40	hey man
Targa - Joe Brice	CPS - Ken Skaer	02/21/2021 11:18:55	how you doing?
CPS - Ken Skaer	Targa - Joe Brice	02/22/2021 07:40:16	good morning
Targa - Joe Brice	CPS - Ken Skaer	02/22/2021 08:30:36	hey gm
CPS - Ken Skaer	Targa - Joe Brice	02/22/2021 08:32:51	howdy
Targa - Joe Brice	CPS - Ken Skaer	02/22/2021 08:33:24	does it feel like normalcy yet?
CPS - Ken Skaer	Targa - Joe Brice	02/22/2021 08:33:51	well, i only slept 3 hours so yes, it does feel like my new normal
Targa - Joe Brice	CPS - Ken Skaer	02/22/2021 08:34:04	lol
Targa - Joe Brice	CPS - Ken Skaer	02/22/2021 08:52:32	you buying for tomorrow?
CPS - Ken Skaer	Targa - Joe Brice	02/22/2021 08:53:12	i just bought some GD HSC - .07 at stx map
CPS - Ken Skaer	Targa - Joe Brice	02/22/2021 08:53:15	where are you selling?
CPS - Ken Skaer	Targa - Joe Brice	02/22/2021 08:53:31	seems pretty weak everywhere
CPS - Ken Skaer	Targa - Joe Brice	02/22/2021 08:53:59	77 tomorrow
Targa - Joe Brice	CPS - Ken Skaer	02/22/2021 08:54:12	ya AD bid -.04 and katy still pretty flat. Not sure i can get to -.07
CPS - Ken Skaer	Targa - Joe Brice	02/22/2021 08:55:03	Are you offering Kinder/Karnes or Teak or where are you selling?
Targa - Joe Brice	CPS - Ken Skaer	02/22/2021 08:55:25	id like to sell teak if i could but i could probably look at both
Targa - Joe Brice	CPS - Ken Skaer	02/22/2021 08:55:27	or either
CPS - Ken Skaer	Targa - Joe Brice	02/22/2021 16:15:55	Well, we almost survived Monday. Would you consider giving us a March baseload offer for our bid day tomorrow? Offers are due by 11am.
CPS - Ken Skaer	Targa - Joe Brice	02/23/2021 08:23:52	howdy
CPS - Ken Skaer	Targa - Joe Brice	02/23/2021 08:23:57	whatcha sellin?
Targa - Joe Brice	CPS - Ken Skaer	02/23/2021 08:24:20	waiting to see what i got
CPS - Ken Skaer	Targa - Joe Brice	02/23/2021 08:24:31	cool beans
Targa - Joe Brice	CPS - Ken Skaer	02/23/2021 09:07:18	bid for 7k?
CPS - Ken Skaer	Targa - Joe Brice	02/23/2021 09:11:55	whatcha think?
CPS - Ken Skaer	Targa - Joe Brice	02/23/2021 09:12:40	gd hsc - .01 work?
Targa - Joe Brice	CPS - Ken Skaer	02/23/2021 09:12:57	sure that works
CPS - Ken Skaer	Targa - Joe Brice	02/23/2021 09:13:09	ok, thnkas
CPS - Ken Skaer	Targa - Joe Brice	02/23/2021 09:13:13	7k
CPS - Ken Skaer	Targa - Joe Brice	02/23/2021 09:13:16	kinder karnes
Targa - Joe Brice	CPS - Ken Skaer	02/23/2021 09:13:24	tyty
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 08:42:42	hi mr. brice
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 08:42:50	how much gas are you selling at kinder manana?
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 08:44:57	hey man gm
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 08:45:04	hi
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 08:45:11	want to roll our dealio?
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 08:47:36	one sec
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 09:23:04	i can roll it
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 09:23:13	ok done
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 09:23:27	ty
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:08:26	Hi Joe.
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:10:13	According to our numbers, you guys can deliver us around 37k or so to get close to flat for the month. I talked to Mark Quinlan and he said to consult you about possibly making up 10k or so per day for the rest of the month so get back in line..or at least closer.

Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:12:11	so we would nom extra to you guys?
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:12:15	yes
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:12:31	does it have to be at karnes?
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:12:35	or does teak work
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:12:54	either one. it doesn't have to be done by the end of the month if you don't make us cash out
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:13:12	we just don't want to be penalized since you did not give us the gas
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:13:37	i dont think we would push anything to you guys the language is just written in an unfortunate way. it basically says, if you give us too little, we pay a penalty
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:14:35	and if you give us too much, we pay a penalty. lol
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:15:01	so we try to keep it as close to being right as possible
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:15:24	would that be with teak and cps?
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:16:25	well, it's with targa as the operator and cps
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:16:34	targa the pipeline
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:16:35	sorry i may have mispoke bc i dk what cashout language might be that oba
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:16:41	yeah ok
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:16:53	it's just something that tries to keep everythign in line
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:17:01	it's usually not a problem
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:17:06	yeah dealing with cashout stuff all over lol
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:17:53	we are receiving it at teh TPL delivery into karnes
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:17:54	so i would think i would flow more with less nom into you guys right?
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:18:00	oh
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:18:02	we already paid to transport it up T2
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:18:03	ugh
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:19:01	the cashout must be with km tej and you guys right? either way i can sell you extra if that fixes it
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:20:19	this has nothing to do with kinder or our trades
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:20:40	this is ken and mark , the guy who built the T2 pipeline for us
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:21:03	and just trying to work off the imbalance before month end
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:21:10	ok i get confused on the karnes piece i always think that is off of kinder...
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:21:11	no biggie
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:21:23	so our interconnect between t2 and cps
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:21:30	it's a t2 delivery into karnes
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:21:37	yes sir
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:21:40	you got it
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:21:45	ok so to fix this we just send more physical gas?
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:21:48	no nom right?
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:21:56	yes, exactly
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:22:21	we just want to be able to plan for it and tell our guys we will be getting 10k extra for a few days
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:22:45	but we can get it in march, no problem, if you guys will not ding us with imbalance cashouts
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:23:15	just trying to work with you to get it going sooner than later well i would have to run that through the plant guys would probably have to amend it to say it rolls thru
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:23:19	march right?
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:23:45	if you can just give it to us the next few days, that might work too
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:23:57	10k/day for 3 days or whatever
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:24:07	that would get us within our tolerance i imagine
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:24:28	but our volume estimates are not official so you guys may want to see if you agree
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:24:33	would a fom cashout be easier?
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:24:44	maybe we can amend to that?

CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:24:47	no cashouts
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:24:54	por favor
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:25:09	just make it easy; give us volume when you have it
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:25:11	ok bc we can work it off but i wouldn't want it flipping the other way either lol
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:25:26	oh, it flips back and forth constantly
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:25:31	nature of the beast
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:25:43	understand but price will be high
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:25:45	but there is a lot of wiggle room
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:25:54	so i dk if its easier to alleviate the price hike
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:26:07	i don't know if we are even talking about apples and oranges
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:26:26	can you ask quinlan his thoughts and maybe we can chat tomorrow?
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:26:39	let me call you just to be sure
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:26:47	either way we can do what we need to do
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:26:54	let me get bruce on too
CPS - Ken Skaer	Targa - Joe Brice	02/24/2021 16:27:09	one sec
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 16:27:14	k
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 19:23:47	hey my plant commercial guys just want to try and work it off
Targa - Joe Brice	CPS - Ken Skaer	02/24/2021 19:24:06	so i will flow you guys extra gas for gd26-28
Targa - Joe Brice	CPS - Ken Skaer	02/25/2021 08:25:29	hey gm
Targa - Joe Brice	CPS - Ken Skaer	02/25/2021 08:25:38	not sure if you saw my im last night
CPS - Ken Skaer	Targa - Joe Brice	02/25/2021 08:25:38	hi
CPS - Ken Skaer	Targa - Joe Brice	02/25/2021 08:25:54	you said you were going to do makeup the next few days
Targa - Joe Brice	CPS - Ken Skaer	02/25/2021 08:26:00	yessir
CPS - Ken Skaer	Targa - Joe Brice	02/25/2021 08:40:43	we may need to hold off on the makeup
CPS - Ken Skaer	Targa - Joe Brice	02/25/2021 08:50:06	i'm so sorry for the windup, joe.
CPS - Ken Skaer	Targa - Joe Brice	02/25/2021 08:51:17	my boss said he is not comfortable with scheduling makeup at this time for fear that some supplier may try to assign that expensive gas to us despite not showing up with the gas when we needed it.
CPS - Ken Skaer	Targa - Joe Brice	02/25/2021 08:51:56	we need to run official volumes before we can start doing makeup
Targa - Joe Brice	CPS - Ken Skaer	02/25/2021 11:48:15	ok
Targa - Joe Brice	CPS - Ken Skaer	02/25/2021 12:22:06	yeah may have to run that down bc i dont think that those noms were cut.
Targa - Joe Brice	CPS - Ken Skaer	02/25/2021 12:22:44	not sure how that gets handled
Targa - Joe Brice	CPS - Ken Skaer	02/25/2021 12:23:32	i would say get your guys to get with our plant commercial guys asap
Targa - Joe Brice	CPS - Ken Skaer	02/25/2021 14:22:56	did you see my IM just want to make sure you saw it
CPS - Ken Skaer	Targa - Joe Brice	02/25/2021 14:47:00	Hi Joe. Just got it. Thanks.
CPS - Ken Skaer	Targa - Joe Brice	02/26/2021 09:32:05	hi joe
CPS - Ken Skaer	Targa - Joe Brice	02/26/2021 09:32:08	selling much gas?
CPS - Ken Skaer	Targa - Joe Brice	02/26/2021 09:32:11	for 3/1
Targa - Joe Brice	CPS - Ken Skaer	02/26/2021 09:32:16	nothing
Targa - Joe Brice	CPS - Ken Skaer	02/26/2021 09:34:40	one sec
Targa - Joe Brice	CPS - Ken Skaer	02/26/2021 09:40:22	well i have some bc of a cell good
Targa - Joe Brice	CPS - Ken Skaer	02/26/2021 09:40:27	but i just had to buy hsc +.12
Targa - Joe Brice	CPS - Ken Skaer	02/26/2021 09:40:59	friggin sucks
Targa - Joe Brice	CPS - Ken Skaer	02/26/2021 09:41:03	what price do you need
CPS - Ken Skaer	Targa - Joe Brice	02/26/2021 09:46:51	do you have kinder/karnes or teak?
CPS - Ken Skaer	Targa - Joe Brice	02/26/2021 09:47:24	you can't complain to me about .12 as long as we are still in feb when i saw hsc go to $400
Targa - Joe Brice	CPS - Ken Skaer	02/26/2021 09:47:36	karnes
CPS - Ken Skaer	Targa - Joe Brice	02/26/2021 09:47:42	ok

Targa - Joe Brice	CPS - Ken Skaer	02/26/2021 09:47:45	yeah i guess youre right	
CPS - Ken Skaer	Targa - Joe Brice	02/26/2021 09:49:22	how much do you have?	
Targa - Joe Brice	CPS - Ken Skaer	02/26/2021 09:49:31	13k	
CPS - Ken Skaer	Targa - Joe Brice	02/26/2021 09:49:48	GD HSC?	
Targa - Joe Brice	CPS - Ken Skaer	02/26/2021 09:50:11	seeing higher	
CPS - Ken Skaer	Targa - Joe Brice	02/26/2021 09:51:27	we bought GD HSC - .01 at t2	
CPS - Ken Skaer	Targa - Joe Brice	02/26/2021 09:51:39	that's the only deal we've done down there	
Targa - Joe Brice	CPS - Ken Skaer	02/26/2021 09:52:30	ya i think ppl are short bc of the gcx maintnance	
Targa - Joe Brice	CPS - Ken Skaer	02/26/2021 09:53:05	i probably need to be like +.05	
Targa - Joe Brice	CPS - Ken Skaer	02/26/2021 09:56:01	could you get to +.02?	
CPS - Ken Skaer	Targa - Joe Brice	02/26/2021 09:56:30	ok, that's fine	
CPS - Ken Skaer	Targa - Joe Brice	02/26/2021 09:56:31	thanks	
CPS - Ken Skaer	Targa - Joe Brice	02/26/2021 09:56:39		13,000
Targa - Joe Brice	CPS - Ken Skaer	02/26/2021 09:56:45	its actually 12985	
Targa - Joe Brice	CPS - Ken Skaer	02/26/2021 09:56:48	is that ok?	
CPS - Ken Skaer	Targa - Joe Brice	02/26/2021 09:56:51	sure	
Targa - Joe Brice	CPS - Ken Skaer	02/26/2021 09:56:53	sorry im a mess lol	
CPS - Ken Skaer	Targa - Joe Brice	02/26/2021 09:57:07	cps buys 12,985 for gd hsc + .02 at kinder/karnes	
Targa - Joe Brice	CPS - Ken Skaer	02/26/2021 09:57:12	ty man	
CPS - Ken Skaer	Targa - Joe Brice	02/26/2021 09:57:19	sure	
CPS - Ken Skaer	Targa - Joe Brice	03/01/2021 08:24:20	Good morning. Happy Monday.	
Targa - Joe Brice	CPS - Ken Skaer	03/01/2021 08:24:26	hey there	
CPS - Ken Skaer	Targa - Joe Brice	03/01/2021 08:26:06	I would be interested in purchasing some clean burning natural gas.	
Targa - Joe Brice	CPS - Ken Skaer	03/01/2021 08:26:45	hey gm	
Targa - Joe Brice	CPS - Ken Skaer	03/01/2021 08:26:54	i think i still have maintenance	
CPS - Ken Skaer	Targa - Joe Brice	03/01/2021 08:50:25	any more word down there?	
CPS - Ken Skaer	Targa - Joe Brice	03/01/2021 09:27:03	did you come up with anything that you can sell us?	
Targa - Joe Brice	CPS - Ken Skaer	03/01/2021 09:27:16	sorry i haven't found any gas	
Targa - Joe Brice	CPS - Ken Skaer	03/01/2021 09:27:25	im short bc of gcx maintenance	
CPS - Ken Skaer	Targa - Joe Brice	03/02/2021 08:52:07	hey joe	
Targa - Joe Brice	CPS - Ken Skaer	03/02/2021 08:52:13	hey dude gm	
CPS - Ken Skaer	Targa - Joe Brice	03/02/2021 08:52:26	still sitting out until gcx is back in biz/	
CPS - Ken Skaer	Targa - Joe Brice	03/02/2021 08:52:29	?	
Targa - Joe Brice	CPS - Ken Skaer	03/02/2021 08:52:37	yessir	
Targa - Joe Brice	CPS - Ken Skaer	03/03/2021 08:33:51	hey gm	
CPS - Ken Skaer	Targa - Joe Brice	03/03/2021 08:37:55	Hi JB.	
Targa - Joe Brice	CPS - Ken Skaer	03/03/2021 08:39:08	gcx maintenance over	
CPS - Ken Skaer	Targa - Joe Brice	03/03/2021 08:39:19	ah, gotcha	
Targa - Joe Brice	CPS - Ken Skaer	03/03/2021 08:39:29	can maybe sell some if youre buyin	
CPS - Ken Skaer	Targa - Joe Brice	03/03/2021 08:42:57	our load is low	
Targa - Joe Brice	CPS - Ken Skaer	03/03/2021 08:52:26	ah ok	
Targa - Joe Brice	CPS - Ken Skaer	03/10/2021 08:27:50	hey gm	
CPS - Ken Skaer	Targa - Joe Brice	03/10/2021 08:27:57	hi	
Targa - Joe Brice	CPS - Ken Skaer	03/10/2021 08:44:35	i can look at some karnes	
Targa - Joe Brice	CPS - Ken Skaer	03/10/2021 08:44:40	if you need	
CPS - Ken Skaer	Targa - Joe Brice	03/15/2021 11:18:33	Good morning, JOe.	
CPS - Ken Skaer	Targa - Joe Brice	03/15/2021 11:18:39	HOpe you had a good weekend	

Targa - Joe Brice	CPS - Ken Skaer	03/15/2021 11:18:49	hey man
Targa - Joe Brice	CPS - Ken Skaer	03/15/2021 11:18:50	i did
Targa - Joe Brice	CPS - Ken Skaer	03/15/2021 11:18:53	you?
CPS - Ken Skaer	Targa - Joe Brice	03/15/2021 11:18:55	good deal
CPS - Ken Skaer	Targa - Joe Brice	03/15/2021 11:18:59	not too bad
CPS - Ken Skaer	Targa - Joe Brice	03/15/2021 11:19:08	still cleaning up the rubble from the storm
Targa - Joe Brice	CPS - Ken Skaer	03/15/2021 11:19:29	ya that'll take a while..more and more things are popping up
CPS - Ken Skaer	Targa - Joe Brice	03/15/2021 11:19:38	Our management wants to talk to the management of our suppliers regarding the many issues of the winter storm. Who is the VP over at Targa that they can talk to?
Targa - Joe Brice	CPS - Ken Skaer	03/15/2021 11:20:49	Hal Bourlon would be our VP but he is in and out on medical leave. Quinlan is also a VP maybe he would be the best person to contact
Targa - Joe Brice	CPS - Ken Skaer	03/15/2021 11:20:58	Mark Quinlan
CPS - Ken Skaer	Targa - Joe Brice	03/15/2021 11:21:30	sounds good
CPS - Ken Skaer	Targa - Joe Brice	03/15/2021 11:21:32	thanks
Targa - Joe Brice	CPS - Ken Skaer	03/15/2021 11:21:36	np
Targa - Joe Brice	CPS - Ken Skaer	03/15/2021 11:21:50	is it bad news? lol
Targa - Joe Brice	CPS - Ken Skaer	03/15/2021 11:21:53	just curious
CPS - Ken Skaer	Targa - Joe Brice	03/15/2021 11:22:03	not sure exactly

Exhibit A-92E

MDL Master File No. 2022 CI 02879

In Re CPS Energy Gas Supplier Litigation	§	In the District Court of Bexar County, Texas 407th Judicial District

Cause No. 2021 CI 05138

CPS Energy, Plaintiff–Counter-defendant, v. **Houston Pipe Line Company, LP** and **Oasis Pipeline, LP**, Defendants–Counterclaimants.	§	In the District Court of Bexar County, Texas 407th Judicial District

Cause No. 2021-24173

Enterprise Products Operating, LLC, Plaintiff, v. **CPS Energy**, Defendant.	§	In the District Court of Harris County, Texas 334th Judicial District

THE STATE OF TEXAS

SUBPOENA FOR DEPOSITION ON WRITTEN QUESTIONS AND PRODUCTION OF DOCUMENTS

To: Any sheriff or constable of the State of Texas or other person authorized to serve and execute subpoenas as provided in Texas Rule of Civil Procedure 176.5.

You are commanded to summon Intercontinental Exchange Holdings, Inc. ("ICE"), which may be served through its agent, United Agent Group, at 5444 Westheimer #1000, Houston, Texas 77056, to appear at WARE, JACKSON, LEE, O'NEILL, SMITH & BARROW, LLP**,** 2929 Allen Parkway, 39th Floor, Houston, TX 77019, on **Monday, October 17, 2022**, to attend and give testimony at a deposition in this case, to produce documents or tangible things, and to remain in attendance from

CPSE Response in Opp to ET MSJ
Exhibit A-92E
MDL-2022-CI-02879
exhibitsticker.com

day to day until lawfully discharged, pursuant to the attached Notice of Deposition on Written Questions and Request for Production of Documents.

Duties of Person Served with Subpoena. You are advised that under Texas Rule of Civil Procedure 176, a person served with a subpoena has certain rights and obligations. Rule 176.6 provides the following:

> (a) *Compliance required.* Except as provided in this subdivision, a person served with a subpoena must comply with the command stated therein unless discharged by the court or by the party summoning such witness. A person commanded to appear and give testimony must remain at the place of deposition, hearing, or trial from day to day until discharged by the court or by the party summoning the witness.
>
> (b) *Organizations.* If a subpoena commanding testimony is directed to a corporation, partnership, association, governmental agency, or other organization, and the matters on which examination is requested are described with reasonable particularity, the organization must designate one or more persons to testify on its behalf as to matters known or reasonably available to the organization.
>
> (c) *Production of documents or tangible things.* A person commanded to produce documents or tangible things need not appear in person at the time and place of production unless the person is also commanded to attend and give testimony, either in the same subpoena or a separate one. A person must produce documents as they are kept in the usual course of business or must organize and label them to correspond with the categories in the demand. A person may withhold material or information claimed to be privileged but must comply with Rule 193.3. A nonparty's production of a document authenticates the document for use against the nonparty to the same extent as a party's production of a document is authenticated for use against the party under Rule 193.7.
>
> (d) *Objections.* A person commanded to produce and permit inspection or copying of designated documents and things may serve on the party requesting issuance of the subpoena—before the time specified for compliance—written objections to producing any or all of the designated materials. A person need not comply with the part of a subpoena to which objection is made as provided in this paragraph unless ordered to do so by the court. The party requesting the subpoena may move for such an order at any time after an objection is made.
>
> (e) *Protective orders.* A person commanded to appear at a deposition, hearing, or trial, or to produce and permit inspection and copying of designated documents and things, and any other person affected by the subpoena, may move for a protective order under Rule 192.6(b)—before the time specified for compliance—either in the court in which the action is pending or in a district court in the county where the subpoena was served. The person must serve the motion on all parties in accordance with Rule 21a. A person need not comply with the part of a subpoena from which protection is sought under this paragraph unless ordered to do so by the court. The party requesting the subpoena may seek such an order at any time after the motion for protection is filed.

(f) *Trial subpoenas.* A person commanded to attend and give testimony, or to produce documents or things, at a hearing or trial, may object or move for protective order before the court at the time and place specified for compliance, rather than under paragraphs (d) and (e).

Contempt. Failure by any person without adequate excuse to obey a subpoena served on that person may be deemed a contempt of the court from which the subpoena is issued or a district court in the county in which the subpoena is served, and may be punished by fine or confinement or both. Tex. R. Civ. P. 176.8(a).

DO NOT FAIL to return this writ to the District Court of Bexar County, Texas, 407th Judicial District, with either the attached officer's return showing the manner of execution or the witness's signed memorandum showing that the witness accepted the subpoena.

This subpoena was issued at the request of CPS Energy in the above-styled lawsuit, whose attorneys of record are David D. Shank, Santosh Aravind, Lauren Ditty, and Cheryl Joseph LaFond of SCOTT, DOUGLASS & MCCONNICO, L.L.P. You may contact David Shank to discuss the subpoena or make alternative arrangements.

ISSUED on September 19, 2022.

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Counsel for CPS Energy in litigation against Enterprise Products Operating, LLC

MDL Master File No. 2022 CI 02879

In Re CPS Energy Gas Supplier Litigation	§	In the District Court of Bexar County, Texas 407th Judicial District

Cause No. 2021 CI 05138

CPS Energy, Plaintiff–Counter-defendant, v. **Houston Pipe Line Company, LP** and **Oasis Pipeline, LP**, Defendants–Counterclaimants.	§	In the District Court of Bexar County, Texas 407th Judicial District

Cause No. 2021-24173

Enterprise Products Operating, LLC, Plaintiff, v. **CPS Energy**, Defendant.	§	In the District Court of Harris County, Texas 334th Judicial District

NOTICE OF DEPOSITION ON WRITTEN QUESTIONS & REQUEST FOR PRODUCTION OF DOCUMENTS TO INTERCONTINENTAL EXCHANGE HOLDINGS, INC.

To: Intercontinental Exchange Holdings, Inc., through its registered agent, United Agent Group, 5444 Westheimer #1000, Houston, Texas 77056

1. Please take notice that, under Texas Rule of Civil Procedure 200.1, CPS Energy will take the deposition on written questions of Intercontinental Exchange Holdings, Inc. ("ICE") on **Monday, October 17, 2022**, at WARE, JACKSON, LEE, O'NEILL, SMITH & BARROW, LLP, 2929 Allen Parkway, 39th Floor, Houston, TX 77019-7101, at 10:00 a.m. The questions are attached as Ex-

hibit A. ICE is directed to designate a person or persons to testify on its behalf about (i) the documents requested in Exhibit B, including their creation, maintenance, preservation, retention and availability; and (ii) the subject matter or the questions listed on Exhibit A.

2. The deposition will continue from day to day until completed.

3. The deposition will be taken before a person authorized by law to take depositions on written questions.

4. Under Rules 176.2(b) and 200.1(b), ICE has been subpoenaed to produce at the deposition the documents listed on Exhibit B.

5. Attached as Exhibit C is the Agreed Confidentiality and Protective Order entered by the Court in this matter, which governs the standards and procedures for designating and protecting confidential information produced by parties and nonparties.

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Counsel for CPS Energy in litigation against Enterprise Products Operating, LLC

CERTIFICATE OF SERVICE

I certify that on September 19, 2022, I served a copy of the foregoing on counsel of record for all parties through email.

_____
David D. Shank

Exhibit A

EXHIBIT A – WRITTEN QUESTIONS

1. Please state your full name, occupation, official title, and business address.

2. Are you familiar with whether ICE maintains records of its business activities?

3. Was it in the regular course of business activity of ICE for employees with personal knowledge of the act, event, condition, opinion, or diagnosis identified in the records produced in response to Exhibit B to make such records or to transmit such information to be included in the records?

4. Were the documents produced in response to Exhibit B made at or near the time of the act, event, condition, opinion, or diagnosis identified in the records or within a reasonable time thereafter?

5. Were the documents produced in response to Exhibit B made and kept in the regular course of daily business activities by ICE?

6. Please hand the originals or exact duplicates of the documents requested in Exhibit B to the court reporter taking your deposition for photocopying and attachment to this deposition. Have you now given all documents requested in Exhibit B to the court reporter taking your deposition? If not, identify for the court reporter the records and documents you did not produce and explain why you did not produce them.

7. In the event you are unable to find any of the documents requested in Exhibit B, how long does ICE maintain those documents?

8. Are you aware of any other individual or entity that may have possession of records pertaining to the subject matter of this lawsuit? If so, please state the name and address of such entity or person, if known.

9. Have you been requested or directed by any person to withhold or protect, for any reason, the records identified in Exhibit B? Has any person suggested that you should withhold or protect the records identified in Exhibit B? If so, please state the name and address of the person who conveyed this information to you and when such event occurred.

10. Do you know or have reason to believe that the records identified in Exhibit B have in any manner been edited, purged, culled, or otherwise altered? If so, please identify the records and explain why and how they were altered or removed.

11. If any document responsive to this subpoena was, but is no longer, in ICE's possession, custody, or control, or no longer exists, state whether (1) it is missing or lost, (2) it was destroyed, (3) it was transferred to others, or (4) it was otherwise disposed of, and explain the circumstances surrounding its disposition, including the date of such disposition.

Exhibit B

EXHIBIT B – REQUEST FOR DOCUMENTS

DEFINITIONS

As used herein, the words and phrases set forth below have the following meaning or meanings:

1. **"ICE," "you," and "your"** refers to non-party Intercontinental Exchange Holdings, Inc., together with its clearing houses, affiliates, attorneys, employees, agents, servants, partners, subsidiaries, parent companies, members, representatives, consultants, managers, officers, or directors, past and present. The terms include but are not limited to ICE Data LP and ICE Data Management Group, LLC.

2. **"HPL"** refers to defendant Houston Pipe Line Company, LP, together with its respective attorneys, employees, agents, servants, partners, subsidiaries, parent companies, affiliates, members, representatives, consultants, managers, officers, or directors, past and present.

3. **"Oasis"** refers to defendant Oasis Pipeline LP, together with its respective attorneys, employees, agents, servants, partners, subsidiaries, parent companies, affiliates, members, representatives, consultants, managers, officers, or directors, past and present.

4. **"ET Fuels"** refers to Energy Transfer Fuel, LP, together with its respective attorneys, employees, agents, servants, partners, subsidiaries, parent companies, affiliates, members, representatives, consultants, managers, officers, or directors, past and present.

5. **"ETC Katy"** refers to ETC Katy Pipeline, LLC, together with its respective attorneys, employees, agents, servants, partners, subsidiaries, parent companies, affiliates, members, representatives, consultants, managers, officers, or directors, past and present.

6. **"ETC Texas"** refers to ETC Texas Pipeline, LTD, together with its respective attorneys, employees, agents, servants, partners, subsidiaries, parent companies, affiliates, members, representatives, consultants, managers, officers, or directors, past and present.

7. **"Comanche"** refers to Comanche Trail Pipeline, LLC, together with its respective attorneys, employees, agents, servants, partners, subsidiaries, parent companies, affiliates, members, representatives, consultants, managers, officers, or directors, past and present.

8. **"Red Bluff"** refers to Red Bluff Express Pipeline, LLC, together with its respective attorneys, employees, agents, servants, partners, subsidiaries, parent companies, affiliates, members, representatives, consultants, managers, officers, or directors, past and present.

9. **"ETC Marketing"** refers to ETC Marketing, Ltd., together with its respective attorneys, employees, agents, servants, partners, subsidiaries, parent companies, affiliates, members, representatives, consultants, managers, officers, or directors, past and present.

10. **"Lobo"** means Lobo Pipeline Company LLC, together with its respective attorneys, employees, agents, servants, partners, subsidiaries, parent companies, affiliates, members, representatives, consultants, managers, officers, or directors, past and present.

11. **"Trans-Pecos"** means Trans-Pecos Pipeline, LLC, together with its respective attorneys, employees, agents, servants, partners, subsidiaries, parent companies, affiliates, members, representatives, consultants, managers, officers, or directors, past and present.

12. **"Energy Transfer"** means Energy Transfer, LP, together with its respective attorneys, employees, agents, servants, partners, subsidiaries, parent companies, affiliates, members, representatives, consultants, managers, officers, or directors, past and present.

13. **"Energy Transfer Entities"** means Oasis, HPL, ET Fuels, ETC Katy, ETC Texas, Comanche, Red Bluff, ETC Marketing, Lobo, Trans-Pecos, and Energy Transfer.

14. **"EPO"** refers to defendant Enterprise Products Operating, LLC, together with its respective attorneys, employees, agents, servants, partners, subsidiaries, parent companies, affiliates, members, representatives, consultants, managers, officers, or directors, past and present.

15. **"ETP"** refers to Enterprise Texas Pipeline LLC, together with its respective attorneys, employees, agents, servants, partners, subsidiaries, parent companies, affiliates, members, representatives, consultants, managers, officers, or directors, past and present.

16. **"EPP"** refers to Enterprise Products Partner L.P., together with its respective attorneys, employees, agents, servants, partners, subsidiaries, parent companies, affiliates, members, representatives, consultants, managers, officers, or directors, past and present.

17. **"EPCO"** refers to Enterprise Products Company, together with its respective attorneys, employees, agents, servants, partners, subsidiaries, parent companies, affiliates, members, representatives, consultants, managers, officers, or directors, past and present.

18. **"Enterprise Entities"** means EPO, ETP, EPP, and EPCO.

19. **"CPS Energy"** refers to Plaintiff CPS Energy, together with its directors, officers, and employees.

20. **"Document(s)"** shall have the broadest meaning ascribed to it by the Texas Rules of Civil Procedure and applicable case law, including but not limited to electronically stored information.

21. **"Communication(s)"** means any contact between two or more persons by which any information or knowledge is transmitted or conveyed between two or more persons and shall include, without limitation, written contact by means such as letters, memoranda, telegrams, telecopiers, telexes, emails, text messages, instant messages, ICE chats, or any other document, and any oral contact, such as face-to-face meetings or telephone conversations and any writing, documents, or notes reflecting such communications.

22. **"Relevant Deals"** means all purchases or sales executed on your trading platforms for physical natural gas to be delivered on any day(s) during February 2021 at any delivery point in Texas.

INSTRUCTIONS

1. Pursuant to Tex. R. Civ. P. 196.4, you are requested to produce data or information that exists in electronic or magnetic form. All responsive electronic and magnetic data must be produced in a format that replicates the data to be produced. Please produce all electronically stored documents as electronically Bates-numbered single-page TIFF images with appropriate document

breaks, corresponding load file for the images, and a generic delimited data file for the corresponding metadata. The following metadata or fielded information, to the extent applicable to a produced electronic document, will be included in the generic delimited data file:

a. Beginning Production Number

b. Ending Production Number

c. Parent ID (if applicable)

d. Attachment ID (if applicable)

e. File Type (e.g., Word, Excel, email, etc.)

f. Last Modified Date (if collected from source system or custodian, rather than image)

g. Last Modified Time (if collected from source system or custodian, rather than image)

h. Sent Date

i. Sent Time

j. Document Author or From

k. To

l. CC

m. BCC

n. Subject Line (emails only)

o. Custodian or Source

p. Attachment Count

q. Native File Link

r. File Name

s. File path/folder

t. Received Date

u. Full text

v. De-duplicated instances (by full path)

w. Redacted flag

x. Embedded content flag

2. Documents that should not be rendered to TIFF images (i.e., Excel files, multimedia files, voice mail, sound files, databases, etc.) will be placed as native files in a separate folder. The files will be named by pre-pending a Bates number to the original file name. A confidentiality designation can also be inserted into the file name. A slip sheet will be provided containing the Bates number, the native file name, along with the note "Document Provided in Native Format." A link to the relative path of the natively produced document will be included in the metadata load file (Field no. 17 in list above). All embedded content shall be provided, including tracked changes, hidden comments, speaker notes, etc.

3. Emails and their attachments will be referenced to each other in the generic delimited data file, and will be numbered sequentially wherein the attachment Bates number follows the parent email Bates number. Emails and their attachments will be designated in the generic delimited data file by the beginning and ending Bates numbers of the email or individual attachments (Fields nos. 1 and 2 in list above), and those of the entire family (Fields nos. 3 and 4 in list above).

4. Multipage OCR or extracted text (i.e., TXT files) will be named to the corresponding TIFF images and placed in a separate folder named TEXT.

5. The searchable content of electronically-stored documents will be extracted from the source documents, e.g., emails and their attachments, and will not be generated through optical character recognition (OCR) of the corresponding TIFF images, with the exception of redacted documents, which may be OCR-ed. Redacted documents will contain the searchable endorsement "Redacted."

6. The Requests for Production shall be deemed to seek answers as of the date hereof, and shall be deemed to be continuing, so that any additional information relating in any way to the Requests for Production which you acquire or which becomes known to you, up to and including the time of trial, shall be furnished promptly after such information is acquired or becomes known, as required by TEX. R. CIV. P. 193.5.

7. If you maintain that any of the following requests are objectionable, you should produce all requested documents that fall outside the scope of your objection, and, in your written re-

sponse to the particular request, (i) explain why you believe the request is objectionable, and (ii) indicate whether there exist any responsive documents that you are not producing pursuant to your objection.

8. All duplicates or copies of documents are to be provided to the extent they have handwriting, additions, facsimile notations, deletions, or any kind of marking different from the original document being produced.

9. Unless otherwise expressly provided in this document, the past, present or future tense shall each include the other, the masculine, feminine or neutral gender shall each include the other, and the singular and plural number shall each include the other.

DOCUMENTS REQUESTED

1. For each Relevant Deal, documents sufficient to identify the following information:

   a. the Trade Date;

   b. the Trade Time;

   c. the Deal ID;

   d. the Sequence ID;

   e. the Leg ID;

   f. the Orig ID;

   g. an anonymous unique identifier for the Buyer Participant;

   h. an anonymous unique identifier for the Buyer Parent Company;

   i. an anonymous unique identifier for the Seller Participant;

   j. an anonymous unique identifier for the Seller Parent Company

   k. whether the Buyer was the Originator or Taker;

   l. whether the Seller was the Originator or Taker;

   m. the Buyer Order Type;

   n. the Seller Order Type;

   o. the Product (e.g., NG Firm Phys, FP; NG Firm Phys, ID, GDD, etc.);

p. the Hub;

q. the Strip;

r. Begin Date;

s. End Date;

t. Price and Price Unit;

u. Quantity per Period;

v. Periods;

w. Total Quantity;

x. Quantity Units;

y. Buyer Original Order Quantity

z. Buyer Reserve Quantity

aa. Seller Original Order Quantity

bb. Seller Reserve Quantity

2. A key identifying the anonymous identifiers used in the documents produced in response to Request No. 1 to identify each of the Energy Transfer Entities and Enterprise Entities.

EXHIBIT C

FILED
2/25/2022 5:25 PM
Mary Angie Garcia
Bexar County District Clerk
Accepted By: Vanessa Williams
Bexar County - 407th District Court

MDL Master File No. 2022 CI 02879

In Re CPS Energy Gas Supplier Litigation	§	In the District Court of
	§	
	§	
	§	Bexar County, Texas
	§	
This Document Relates to All Cases	§	
	§	407th Judicial District

AGREED CONFIDENTIALITY AND PROTECTIVE ORDER

Before the Court is the joint motion of the parties for the entry of a confidentiality and protective order ("Protective Order"). After careful consideration, it is hereby ORDERED as follows:

1. Multidistrict Litigation ("MDL") Protective Order

This Protective Order replaces any orders from before each individual matter was consolidated into the MDL master file and will have continuing effect in the pre-trial courts upon completion of the MDL process unless further ordered by the pre-trial court.

2. Classified Information

"Classified Information" means any information of any type, kind, or character that is designated as "Confidential" or "Attorneys Eyes Only" by any of the supplying or receiving persons, whether it be a document, information contained in a document, information revealed during a deposition, information revealed in an interrogatory answer, or otherwise.

3. Qualified Persons

"Qualified Persons" means:

a. For Attorneys Eyes Only information:

   i. retained counsel for the parties in this litigation and their respective staff;

   ii. the parties' in-house counsel and legal staff (e.g., legal secretaries or paralegals) who are actively involved in the prosecution or defense of this case;

iii. actual or potential independent experts or consultants (and their administrative or clerical staff) engaged in connection with this litigation (which shall not include the current employees, officers, members, or agents of parties or affiliates of parties) who, prior to any disclosure of Classified Information to such person, have signed Exhibit A agreeing to be bound by the terms of this Protective Order (such signed document to be maintained by the attorney retaining such person);

iv. litigation vendors, court reporters, and other litigation support personnel, including but not limited to duplicating, document review, or document management services retained by a party for copying documents or preparing exhibits for document production, deposition, trial, or other court proceedings and non-technical jury or trial consulting services retained by a party;

v. any person who was an author, addressee, or intended or authorized recipient of the Classified Information and who agrees to keep the information confidential, provided that such persons may see and use the Classified Information but not retain a copy;

vi. this Court and its staff and any other tribunal or dispute resolution officer duly appointed or assigned in connection with this litigation.

b. For Confidential information:

i. the persons identified in subparagraph 3(a);

ii. the party, if a natural person;

iii. if the party is an entity, such current or former officers or employees of the party who are or were actively involved in the prosecution or defense of the member cases or related cases who, prior to any disclosure of Confidential information to such person, have signed Exhibit A agreeing to be bound by the terms of this Protective Order (such signed document to be maintained by the attorney representing such party).

c. Such other person who has signed Exhibit A agreeing to be bound by the terms of this Protective Order and only (1) upon written stipulation of the producing party or (2) as this Court may designate after notice and an opportunity to be heard.

4. Designation Criteria

a. *Classified Information.* A party shall designate as Classified Information only such information that the party in good faith believes is confidential. Information that is generally

available to the public, such as public filings, catalogues, advertising materials, and the like, shall not be designated as Classified.

Information and documents that may be designated as Classified Information include, but are not limited to, trade secrets, confidential or proprietary financial information, operational data, business plans, competitive analyses, personnel files, personal information that is protected by law, and other sensitive information that, if not restricted as set forth in this order, may subject the producing or disclosing person to competitive or financial injury or potential legal liability to third parties.

Notwithstanding subparagraph 4(a) above, correspondence and other communications and documents between the parties and/or with nonparties may be designated as Classified Information if the communication was made with the understanding or reasonable expectation that the information would not become generally available to the public.

b. *Attorneys Eyes Only.* The designation "Attorneys Eyes Only" shall be reserved for information that is believed to be unknown to any one of the other parties, or any of the employees of a corporate party. For purposes of this order, so-designated information includes, but is not limited to, product formula information, design information, non-public financial information, pricing information, customer identification data, and certain study methodologies.

5. Use of Classified Information

All Classified Information provided by any party or nonparty in the course of this litigation shall be used solely for the purpose of preparation, trial, and appeal of this litigation and for no other purpose and shall not be disclosed except in accordance with the terms hereof.

6. Marking of Documents

Documents provided in this litigation may be designated by the producing person or by any party as Classified Information by marking each page of the documents so designated with a stamp indicating that the information is "Confidential" or "Attorneys Eyes Only." In

lieu of marking the original of a document, if the original is not provided, the designating party may mark the copies that are provided. Originals shall be preserved for inspection.

All parties recognize that native format documents cannot be so marked. To the extent native files are produced, the producing party will include "Confidential" or "Highly Confidential" in the file name, on the storage media, on a slip sheet, or in any other reasonable way in connection with the transmission of those native files.

7. Disclosure at Depositions

Information disclosed at (a) the deposition of a party or one of its present or former officers, directors, employees, partners, members, stockholders, agents, consultants, representatives, or independent experts retained by counsel for the purpose of this litigation, or (b) the deposition of a nonparty, may be designated by any party as Classified Information by indicating on the record at the deposition that the testimony is "Confidential" or "Attorneys Eyes Only" and is subject to the provisions of this Order.

Any party may also designate information disclosed at a deposition as Classified Information by notifying all parties in writing not later than 30 days of receipt of the transcript of the specific pages and lines of the transcript that should be treated as Classified Information thereafter. Each party shall attach a copy of each such written notice to the face of the transcript and each copy thereof in that party's possession, custody, or control. All deposition transcripts shall be treated as Attorneys Eyes Only for 30 days after initial receipt of the transcript.

To the extent possible, the court reporter shall segregate into separate transcripts information designated as Classified Information with blank, consecutively numbered pages being provided in a nondesignated main transcript. The separate transcript containing Classified Information shall have page numbers that correspond to the blank pages in the main transcript.

Counsel for a party or a nonparty witness shall have the right to exclude from depositions any person who is not authorized to receive Classified Information pursuant to this

Protective Order, but such right of exclusion shall be applicable only during periods of examination or testimony during which Classified Information is being used or discussed.

8. Disclosure to Qualified Persons

a. *To Whom.* Classified Information shall not be disclosed or made available by the receiving party to persons other than Qualified Persons except as necessary to comply with applicable law or the valid order of a court of competent jurisdiction; provided, however, that in the event of a disclosure compelled by law or court order, the receiving party will so notify the producing party as promptly as practicable (if at all possible, prior to making such disclosure) and, if requested by the producing party, shall (or on its own accord, may) seek a protective order or confidential treatment of such information. Information designated as Attorneys Eyes Only shall be restricted in circulation to Qualified Persons described in subparagraph 3(a).

b. *Retention of Copies During this Litigation.* Copies of Attorney Eyes Only information shall be maintained only in the offices and/or on the devices of outside counsel or in-house counsel under subparagraph 3(a)(ii) for the receiving party and, to the extent supplied to persons described in subparagraphs 3(a)(iii)–(iv), in the offices and/or on the devices of those persons. Any documents produced in this litigation, regardless of classification, that are provided to Qualified Persons shall be maintained only at the office and/or on the devices of such Qualified Person, and only necessary working copies of any such documents shall be made. Copies of documents and exhibits containing Classified Information may be prepared by independent copy services, printers, or illustrators for the purpose of this litigation.

c. Each party's outside counsel shall maintain a log of all copies of Attorneys Eyes Only documents that are delivered to experts described in subparagraph 3(a)(iii).

9. Unintentional Disclosures

Documents unintentionally produced without designation as Classified Information later may be designated and shall be treated as Classified Information from the date written notice of the designation is provided to the receiving party.

If a receiving party learns of any unauthorized disclosure of Classified Information, the party shall immediately upon learning of such disclosure inform the producing party of all pertinent facts relating to such disclosure and shall make all reasonable efforts to prevent disclosure by each unauthorized person who received such information.

10. Documents Produced for Inspection Prior to Designation

In the event documents are produced for inspection prior to designation, the documents shall be treated as Attorneys Eyes Only during inspection. At the time of copying for the receiving parties, Classified Information shall be marked prominently "Confidential" or "Attorneys Eyes Only" by the producing party.

11. Consent to Disclosure and Use in Examination

Nothing in this order shall prevent disclosure beyond the terms of this order if each party designating the information as Classified Information consents to such disclosure or if the Court, after notice to all affected parties and nonparties, orders such disclosure. Nor shall anything in this order prevent any counsel of record from utilizing Classified Information in the examination or cross-examination of any person who is indicated on the document as being an author, source, or recipient of the Classified Information, irrespective of which party produced such information.

12. Challenging the Designation

a. *Classified Information.* A party shall not be obligated to challenge the propriety of a designation of Classified Information at the time such designation is made, and a failure to do so shall not preclude a subsequent challenge to the designation. In the event that any party to this litigation disagrees at any stage of these proceedings with the designation of any information as Classified Information, the parties shall first try to resolve the dispute in good faith on an informal basis, such as by production of redacted copies. If the dispute cannot be resolved, the objecting party may invoke this Protective Order by objecting in writing to the party who designated the document or information as Classified Information. The designating party shall then have 14 days to move the Court for an order preserving the designated status

of the disputed information. The disputed information shall remain Classified Information unless and until the Court orders otherwise. Failure to move for an order within 14 days of any written objection shall constitute a termination of the status of such item as Classified Information.

b. *Qualified Persons.* In the event that any party in good faith disagrees with the designation of a person as a Qualified Person or the disclosure of particular Classified Information to such person, the parties shall first try to resolve the dispute in good faith on an informal basis. If the dispute cannot be resolved, the objecting party shall have 14 days from the date of the designation or, in the event particular Classified Information is requested subsequent to the designation of the Qualified Person, 14 days from service of the request to move the Court for an order denying the disputed person (a) status as a Qualified Person, or (b) access to particular Classified Information. The objecting person shall have the burden of demonstrating that disclosure to the disputed person would expose the objecting party to the risk of serious harm. Upon the timely filing of such a motion, no disclosure of Classified Information shall be made to the disputed person unless and until the Court enters an order preserving the designation.

13. Manner of Use in Proceedings

If a party wishes to include a document, or portions of a document, marked as "Confidential" or "Attorney's Eyes Only" in a pleading or other paper to be filed with the Clerk, that party shall serve the pleading or other paper on opposing parties but shall not file it. Service alone shall constitute filing for the purpose of any deadline. The filing party shall also file a notice informing the Court that the filing has been served pursuant to this Order. For 14 days following service, no party shall file the pleading or other paper with the Clerk except pursuant to a ruling on a motion for a Temporary Sealing Order under Rule 76a(5). Immediately thereafter, if no motion for a Temporary Sealing Order has been granted, the party who served the pleading or other paper shall file it unsealed with the Clerk. If a motion for Temporary Sealing Order is timely filed, no party shall file the pleading or other paper with the Clerk until the Court rules on the motion

for temporary sealing order. The parties agree that they will not oppose any motion for Temporary Sealing Order filed pursuant to this paragraph, but the parties reserve all rights to oppose permanent sealing at the hearing under Rule 76a(4). If the Court denies the motion for temporary sealing order, the party who served the pleading or other paper may immediately file it unsealed with the Clerk.

14. Filing Under Seal

If a party wishes to offer a document, or portions of a document marked as "Confidential" or "Attorney's Eyes Only" in evidence, any party may, at the time the document is offered, move for a Temporary Sealing Order.

15. Return of Documents

Not later than 120 days after conclusion of a party's involvement in the litigation and any appeal related to it, any Classified Information, all reproductions of such information, and any notes, summaries, or descriptions of such information in the possession of any of the persons specified in paragraph 3 (except subparagraph 3(a)(iii)) shall be returned to the producing party or destroyed, and each such person shall certify to the producing party that this return or destruction is complete. If such return or destruction is not possible, the parties agree that the documents retained will remain subject to the terms of this Order in perpetuity, except as this Court may otherwise order or to the extent such information has been used as evidence at any trial or hearing. Notwithstanding this obligation to return or destroy information, counsel is entitled to retain pleadings (including exhibits) affidavits, motions, briefs, or other papers filed with the Court, and any memoranda, notes, or other work product, even if they contain Classified Information. Counsel is required to protect that information consistent with the terms of this Order.

16. Ongoing Obligations

Insofar as the provisions of this Protective Order, or any other protective orders entered in this litigation, restrict the communication and use of the information protected by it, such provisions shall continue to be binding after the conclusion of the MDL proceedings and

each individual case's completion of the litigation and all appeals, except that (a) there shall be no restriction on documents that are used as exhibits in open court unless such exhibits were filed under seal, and (b) a party may seek the written permission of the producing party or order of the Court with respect to dissolution or modification of this, or any other, protective order.

17. Advice to Clients

This order shall not bar any attorney in the course of rendering advice to such attorney's client with respect to this litigation from conveying to any party client the attorney's evaluation in a general way of Classified Information produced or exchanged under the terms of this order; provided, however, that in rendering such advice and otherwise communicating with the client, the attorney shall not disclose the specific contents of any Classified Information produced by another party if such disclosure would be contrary to the terms of this Protective Order.

18. Duty to Ensure Compliance

Any party designating any person as a Qualified Person shall have the duty to reasonably ensure that such person observes the terms of this Protective Order and shall be responsible upon breach of such duty for the failure of such person to observe the terms of this Protective Order.

19. Waiver

Pursuant to Texas Rule of Evidence 511(b) and Federal Rule of Evidence 502, neither the attorney-client privilege nor work product protection is waived by disclosure connected with this litigation.

20. Modification and Exceptions

The parties may, by stipulation, provide for exceptions to this order and any party may seek an order of this Court modifying this Protective Order.

SIGNED on February 9, 2022,

JUDGE JOHN SPECIA

EXHIBIT A

MDL Master File No. 2022 CI 02879

	§	In the District Court of
	§	
	§	
In Re CPS Energy Gas Supplier Litigation	§	Bexar County, Texas
	§	
	§	
	§	407th Judicial District

ACKNOWLEDGEMENT OF PROTECTIVE ORDER

I, _____, hereby (i) acknowledge that I have received and read a copy of the attached Protective Order; (ii) certify that I am a Qualified Person as defined in Paragraph 2 of the Protective Order; and (iii) agree to be bound by the terms of the Protective Order.

I acknowledge that I cannot use any of the Classified Information that is the subject of this Protective Order for any purpose other than the trial in this action and the preparation thereof. I will employ reasonable measures to control duplication of, access to, and distribution of Classified Information and I will not make Classified Information available to or discuss it with any person(s) not entitled to receive such material under this Protective Order.

I further agree to be subject to the jurisdiction of this Court and consent to the personal jurisdiction of this Court in an action to enforce the terms of the Protective Order.

DATED this _____ day of _____, 20_____.

Printed Name: _____

Signature: _____

Relationship to this lawsuit: _____

AGREED:

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RETURN OF SERVICE OF SUBPOENA

I, _____, delivered a copy of this subpoena to _____ in person at _____, in Harris County, Texas on _____, 2022, at _____ o'clock __.m., and tendered the witness fee of $___ cash.

I, _____, was unable to deliver a copy of this subpoena to _____for the following reasons: _____

_____

_____.

By: _____

ACCEPTANCE OF SERVICE OF SUBPOENA BY WITNESS UNDER TEXAS RULE OF CIVIL PROCEDURE 176

I accept service of this subpoena.

Intercontinental Exchange Holdings, Inc.

By: _____

_____
Date

FEE FOR SERVICE OF SUBPOENA: $_____

Exhibit A-93

CAUSE NO. MDL-2022-CI-02879

	)IN THE DISTRICT COURT
	)
	)
IN RE CPS ENERGY LITIGATION	)407TH JUDICIAL DISTRICT
	)
	)
	)BEXAR COUNTY, TEXAS

CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS	)IN THE DISTRICT COURT
OPERATING, LLC,	)
	)
Plaintiff,	)
	)
CITY OF SAN ANTONIO ACTING	)334TH JUDICIAL DISTRICT
BY AND THROUGH THE CITY	)
PUBLIC SERVICE BOARD	)
(CPS ENERGY),	)
	)
Defendant.	)HARRIS COUNTY, TEXAS

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

****

ORAL AND VIDEOTAPED DEPOSITION OF

KEVIN POLLO

AUGUST 17, 2022

****

CPSE Response in Opp to ET MSJ
Exhibit A-93
MDL-2022-CI-02879
exhibitstic ker.com

THE ORAL AND VIDEOTAPED DEPOSITION of KEVIN POLLO, produced as a witness at the instance of Enterprise Products Operating, LLC, and duly sworn, was taken in the above styled and numbered cause on Wednesday, the 17th day of August, 2022 from 9:38 a.m. to 4:52 p.m., before PAMELA SUE PETERSON, Certified Shorthand Reporter in and for the State of Texas, reported by stenographic and computer-aided transcription, at the offices of Chasnoff, Mungia, Valkenaar, Pepping & Stribling, LLP, 1020 Northeast Loop 410, Suite 300, San Antonio, Texas 78209, pursuant to the Texas Rules of Civil Procedure and the provisions stated on the record or attached hereto.

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Associate of Mr. Dobrowski

KRISTYN MILLER
Zoom Facilitator
Videographer

PAMELA SUE PETERSON
Certified Shorthand Reporter

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Q. BY MR. DOBROWSKI: You had no indirect knowledge of how it was -- how that amount of gas was determined for February of 2021; true?

SAN ANTONIO, TEXAS, WEDNESDAY, AUGUST 17, 2022

9:38 A.M.

THE VIDEOGRAPHER: Okay. Today's date is August 17th, 2022, and the time is 9:38 a.m. Central time.

We are beginning the deposition of Kevin Pollo.

Will all counsel please identify themselves for the record.

MR. DOBROWSKI: Paul Dobrowski for plaintiff, Enterprise.

MR. WOODS: Robert Woods for Houston Pipeline and Oasis. And my colleague Ali Shan Ali Bhai is here as well.

MS. VALKENAAR: Lauren Valkenaar, CPS Energy.

MS. LAFOND: Cheryl LaFond from Scott, Douglas and McConnico for CPS Energy.

MS. STURM: Megan Sturm, Chasnoff Stribling for CPS Energy.

MR. FEDDERMAN: Dylan Fedderman, Chasnoff Stribling for CPS Energy.

KEVIN POLLO,

having been first duly sworn, testified as follows:

EXAMINATION

BY MR. DOBROWSKI:

Q. Please state your full name for the record.

A. Kevin Pollo.

Q. Mr. Pollo, have you ever had your deposition taken before?

A. I have not.

Q. Okay. Couple of ground rules.

Number one, if you don't understand something I say, please stop me, have me repeat it or rephrase it; okay?

A. Okay.

Q. And then number two, if you'd be kind enough to verbalize your answers. That makes -- or that will make it easy for the court reporter to take down a clear record as opposed to a wave of the hand or a nod of the head; is that all right?

A. Yes, sir.

Q. If you don't understand something I say, please stop me, have me repeat it or rephrase it; is that all right?

A. Yes, sir.

Q. And you're doing a great job thus far in terms of waiting till I finish my question before you start your answer. If you would continue to do that I'll try and wait till you finish your answer before I start my next question; is that all right?

A. Yes, sir.

Q. Okay. You understand you've been sworn in under oath today just as if you were before a judge or a jury, do you not?

A. I do.

Q. Okay. For whom do you work?

A. I work for CPS Energy.

Q. How long have you worked for CPS Energy?

A. Trying to do the math in my head.

Nearly 16 years.

Q. Okay. What's your current position?

A. Vice president energy supply and market operations.

Q. How long have you been in that position?

A. As vice president, about a year.

Q. All right. So what was your job during Winter Storm Uri?

A. Interim vice president energy supply and market operations.

Q. Okay. When were you made the permanent VP?

A. As I said, about a year ago I believe.
Q. Okay. Couple of other ground rules.
If I refer to CPSE or CPS Energy, you'll understand who I'm referring to, will you not?
A. Yes.
Q. Okay. I represent Enterprise Products Operations. If I refer to them as Enterprise or EPO, will you understand that to mean Enterprise Products?
A. Yes.
Q. Okay. And you're familiar with Enterprise Products?
A. Yes.
Q. Okay. If I refer to Energy Transfer as ET or Energy Transfer, you'll know what that is; right?
A. Sure, yes, sir.
Q. Okay. And when I say Winter Storm Uri, specifically I'm referring to the time frame February 12 of 2021 to February 19 of 2021; is that consistent with your recollection?
MS. VALKENAAR: Objection; form.
THE WITNESS: I think there have been several dates depending on -- for the start and stop of Uri depending on...
Q. BY MR. DOBROWSKI: What dates would you like to use, sir?

A. My recollection is probably February 12th to around -- I don't have a calendar in front of me. I would say around the 20th, 19th, 20th, in that range.

Q. Of February?

A. Yes, sir.

Q. 2021?

A. Yes, sir.

Q. Okay. And what were your duties and responsibilities during that period when you were interim vice president of energy supply and market operations?

A. My team included our day-ahead and real-time operations which dispatches our power generating.

Q. I'm sorry, could you speak up?

A. Sorry. I have --

Q. It's all right. I'll turn up my hearing aids.

A. Day-ahead and real-time team. They operate our control room, dispatch our generating units into the ERCOT market, handle our power trading.

I have a team, our fuels team that procures the fuel that we use in our power plants. So that would be coal, natural gas, fuel oil. They do some

natural gas trading, natural gas hedging.

I have a team that -- IT team that supports our primary systems and applications that we use for those functions.

And then I have a long-range analytics team that provides support for anywhere from day-ahead and real-time operations to our long-range 25-year generation planning and load forecasting efforts.

Q. Okay. I'd like to focus on the fuels team in terms of purchasing natural gas during Winter Storm Uri -- I'm sorry.

I'd like to focus on the fuel team actually at CPSE from the time period January 1 until February 28, 2021; okay?

A. Okay.

Q. And who was on that fuel team for CPSE?

A. My recollection of the fuel team at that time included Paul Vinson, Bruce Bordovsky, Ken Skaer, Amber Irving. And also on the fuels team, Albert Serna.

Q. I'm sorry, who?

A. Albert Serna.

Q. Thank you.

A. Sharon Pogey, Candy Horner.

That's the names off the top of my head. I

believe that's complete list but I'm not entirely sure.

Q. Okay. Are all of them still with CPSE except Mr. Skaer?

A. No.

Q. Who else is no longer with CPSE?

A. Mr. Vinson.

Q. Do you know where he is currently working?

A. When he left CPS Energy he retired. So I do not know if he's working anywhere else at this point.

Q. Okay. When did he retire?

A. After Winter Storm Uri.

Q. After Winter Storm Uri?

A. Yes, sir.

Q. Okay. And what was the role of Miss Irving, Mr. Serna, Pogey, and the last -- Harvey or Harver?

A. Horner.

Q. Horner, I'm sorry. Can't read my own writing.

A. Let me start with the last name since that's the one that I recall the most.

Candy is -- I don't remember her exact title, but she -- I think she's a data clerk. She

handles a lot of our records and other administrative functions.

Q. Okay.

A. If I leave off any names, just remind me of who I --

Q. Sure.

A. -- skipped.

Miss Pogey is an analyst that supports our coal operations. Mr. Serna is our coal and rail manager so he handles our procurement of coal and transportation, rail transportation. And Miss Irving essentially -- I forget her exact title, but she essentially is our pipeline scheduler.

Q. Mr. Skaer and Mr. Bordovsky were your gas traders; is that right?

A. Yes, sir.

Q. Okay. And they purchased nat gas for CPSE during winter -- prior to and during Winter Storm Uri; is that right?

A. Yes.

Q. Okay. Did -- were they involved in the sale of nat gas?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: By CPSE?

A. I don't believe we sold natural gas at that

time.

Q. I'm sorry?

A. I don't recall that we sold any natural gas during that time.

Q. Okay. And, I'm sorry, what was Mr. Vinson's role?

A. Mr. Vinson was director of our fuels team.

Q. Okay. And what were his duties and responsibilities, if you recall?

A. He provided direction to our -- well, essentially or fuels team, our fuel procurement activities.

Q. Okay. So he was your direct report?

A. Yes, sir.

Q. Did Bordovsky and Skaer report to Vinson and Vinson report to you?

A. That's correct.

Q. Okay. How -- or what was your understanding of how Skaer and Bordovsky knew the amount of gas to purchase for a given month -- let me back up.

As I understand it, from the testimony of Mr. Skaer and Mr. Bordovsky, CPSE would make purchases at various times, sometimes on a daily basis, sometimes on a weekly basis, sometimes on a

monthly basis. I want to focus on monthly just for a second.

And if you can tell me your understanding of how they executed purchases of gas for -- for any particular month and for our purposes let's use February of 2021 as that month.

MS. VALKENAAR: Objection; form.

THE WITNESS: Could you clarify your question on --

Q. BY MR. DOBROWSKI: Sure?

A. You said how do they execute...

Q. What I'm asking is if they are -- well, let me back up even further.

It's my understanding that the fuels team would determine that CPSE had a need for nat gas for a particular month approximately a week before the month began.

In this instance, if we're using February of 2021 as the example, the amount would have been determined sometime in the week before February 1.

My question is: Number one is, how is that amount determined? And number two, how is that executed in terms of purchases for that particular month?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: If you know.
A. I did not have direct involvement in that process.
Q. Just asking for your understanding.
MS. VALKENAAR: Same objection.
Q. BY MR. DOBROWSKI: You can answer.
A. My understanding of what part of the process?
Q. How it was determined a particular amount of nat gas would be purchased for the month. That's question one. What was your understanding of that?
MS. VALKENAAR: Objection; form.
THE WITNESS: Again, I wasn't part of that direct analysis that they did to determine that quantity.
Q. BY MR. DOBROWSKI: I know. I'm just asking you your general understanding, sir. Certainly, as the head of the energy supply and markets, you were -- understood how they came about a particular amount of gas to purchase for a particular month, did you not?
MS. VALKENAAR: Objection; form.
THE WITNESS: I think without having been part of that direct process I don't have direct knowledge of -- to speak for them on how they

determined that quantity.

Q. BY MR. DOBROWSKI: I'm not asking for their direct knowledge. I'm asking for your knowledge.

What was your understanding?

MS. VALKENAAR: Objection; form.

THE WITNESS: As I said, I wasn't part of that direct process.

Q. BY MR. DOBROWSKI: I'm not asking whether you were part of the direct process.

Are you telling me you had no understanding as the head of -- I'm sorry.

As the vice president of energy supply and market operations, you had no understanding how CPSE personnel who worked underneath you made a determination for the purchase of natural gas on a monthly basis; is that right?

MS. VALKENAAR: Objection; form.

THE WITNESS: I'm telling you I was not part of that process so I don't have direct knowledge of the decision they made on the time frame in question.

Q. BY MR. DOBROWSKI: And I am not asking you whether you have direct knowledge so I'll object as nonresponsive.

I'm just asking if you have a general

understanding of how that amount of gas was determined and what was the process they went through?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

A. I thought I've answered your question. Is there a way you could rephrase it to give me a different --

Q. So you don't have any knowledge whatsoever, general or specific, as to how your team determined what amount of gas to purchase prior to a given month; is that what -- your testimony?

MS. VALKENAAR: Paul, he's answered six or seven times.

MR. DOBROWSKI: Excuse me, he hasn't answered this question. Please answer my question.

Please read it back to him so it's clear.

(The record was read.)

MS. VALKENAAR: Objection; form.

THE WITNESS: As I said, I don't -- you're asking did I have knowledge of how they purchased gas or what they -- how they determined the quantity. I'm telling you I did not have a direct involvement in that process.

Q. BY MR. DOBROWSKI: I understand --

A. At that time.

Q. And I understand that. And I just want to make clear that whether you were involved in it directly or knew about it indirectly as the head of this team you don't know at all how they would come up with an amount of natural gas to be purchased for a given month; is that accurate?

MS. VALKENAAR: Objection; form.

THE WITNESS: I'm saying since I was not part of that direct process, any answer I give you would be speculating on what they were talking about and what they did.

Q. BY MR. DOBROWSKI: I'm not asking you to speculate. I'm asking about your knowledge, sir. I just want to make sure that the jury understands that the interim vice president of energy supply and market ops prior to February of 2021 had absolutely no knowledge of how an amount of gas was to be purchased for that month.

And you're telling me you had no knowledge; right, sir?

MS. VALKENAAR: Objection; form. Paul, he's answered several times.

THE WITNESS: I'm telling you I did not have direct involvement.

Q. BY MR. DOBROWSKI: I'm not asking whether you -- I've got that part. I've got the direct involvement.

I just want to know, did you have an understanding of how the -- your team determined how much gas to purchase for February of 2021? If you have no knowledge, then say you don't. If you do, tell me.

MS. VALKENAAR: Objection; form.

THE WITNESS: I believe I've said I had no knowledge.

Q. BY MR. DOBROWSKI: Okay. Great. I got it.

So just so the ladies and gentlemen of the jury understand, CPS Energy's vice president of energy supply and market operations didn't have a clue how his team was determining the amount of gas to be purchased for February of 2021 ahead of Winter Storm Uri; is that right?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

A. I had no direct knowledge of -- was not -- did not have no direct involvement in the process that they followed leading up to Winter Storm Uri to determine the amount of gas that they bought.

Q. And you had no indirect knowledge, too;

right? That's what you're telling me?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

A. I believe I'll give you the same answer.

I had no direct involvement in that process.

Q. *And I got the direct.

Now I'm asking, did you have any indirect knowledge or understanding? And you're telling me you didn't; correct?

MS. VALKENAAR: Objection; form. Paul, he's answered about ten times.

MR. DOBROWSKI: Excuse me.

MR. WOODS: All right. All right. Just object to the form. Stop jumping in with the coaching.

Q. BY MR. DOBROWSKI: You can answer. Just so it's clear, I understand you --

MS. VALKENAAR: He answered. I'm going to instruct him not to answer at this point.

MR. DOBROWSKI: Excuse me. He hadn't answered the indirect question, Lauren.

MS. VALKENAAR: I'm not -- I'm going -- you keep badgering and badgering --

MR. DOBROWSKI: Lauren, stop interrupting

and coaching the witness. Obviously, you did it before and --

THE REPORTER: Okay, okay, okay. I can't get you talking at the same time.

MR. DOBROWSKI: Just stop it; okay? Get off my record, number one, and because your man who was the head of this team didn't have any knowledge just shows how lax and poorly run CPSE is. So I want to hear it out of this man's mouth. He not only had -- I got the direct.

Q. *BY MR. DOBROWSKI: You had no indirect knowledge of how it was -- how that amount of gas was determined for February of 2021; true?

MS. VALKENAAR: So I'm going to object to the sidebar. Object to form. And I'm going to instruct you not to answer.

MR. DOBROWSKI: Certify the question.

MS. VALKENAAR: He already answered.

MR. DOBROWSKI: Certify the question.

Tell me what his answer was for indirect.

MS. VALKENAAR: He's answered it. She read it back.

MR. DOBROWSKI: Tell me what the indirect -- no, excuse me.

Q. BY MR. DOBROWSKI: I'm asking you. Tell

me --

MS. VALKENAAR: He's answered it.

Q. BY MR. DOBROWSKI: Tell me --

MS. VALKENAAR: I'm not testifying.

Q. BY MR. DOBROWSKI: Tell me --

MR. DOBROWSKI: Yes, you are. You're on the record trying to testify and coach your witness.

MS. VALKENAAR: Paul --

MR. DOBROWSKI: You're supposed to do that beforehand.

MS. VALKENAAR: I am -- Paul --

MR. DOBROWSKI: So I just want to be clear on this.

MS. VALKENAAR: I object to the sidebar.

MR. DOBROWSKI: Excuse me. Pardon me.

MS. VALKENAAR: And I instruct him not to answer.

MR. DOBROWSKI: Excuse me.

MS. VALKENAAR: I've instructed him not to answer.

Q. BY MR. DOBROWSKI: And you're going to follow that instruction; right, sir?

A. I'm going to follow my attorney's advice.

Q. Okay. So in terms of preparation for February of 2021 and the amount of natural gas that

CPSE would have available to it, you, as the vice president of energy supply and market operations, knew nothing about how much gas CPSE was going to purchase for February of 2021; right?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

A. I did not have direct knowledge of the specific quantity of gas that we purchased.

Q. *Okay. And you had no indirect knowledge as well; right?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

MS. VALKENAAR: I will instruct him not to answer. You asked --

MR. DOBROWSKI: Excuse me? Instruct him? Where are -- what -- let's go off the record for just a second. Lauren, if you --

THE REPORTER: Wait, wait, wait.

MR. DOBROWSKI: Okay. Go ahead.

THE REPORTER: Just a second.

THE VIDEOGRAPHER: Off the record. Time is 9:57.

MS. VALKENAAR: Actually, actually, I don't agree to go off the record.

MR. DOBROWSKI: Excuse me.

MS. VALKENAAR: I'm not agreeing to go off the record.

MR. DOBROWSKI: If you need to go on and coach him and get an answer to this, I just want the answer. Or if you can tell me, I'll take that. But this is obstructionist, and because you haven't prepared your witness for it and you're obviously scared of the answer and he's scared of the answer, I have got to object to your -- and frankly, I'm going to ask the judge that you reimburse me for interrupting my deposition.

And we're going to come back and depose you, sir. So as long as you understand that, we'll continue to go.

So you're going to instruct him not to answer; right, Lauren?

MS. VALKENAAR: Paul, I've made my position clear. If you want to waste your time asking the same question --

MR. DOBROWSKI: No, I just want to make sure that I've got it. Okay.

MS. VALKENAAR: -- it's something you're welcome to do.

MR. DOBROWSKI: You know, when we get to trial, you're not going to be allowed to do this.

Q. BY MR. DOBROWSKI: So let me ask this question of you: Sir, you're going to follow your lawyer's instruction; right?

A. Yes, sir.

Q. Okay. And prior to February of 2021, in your role as vice president of energy supply and marketing operations, did you undertake to determine and learn how your fuels team went about purchasing gas, natural gas for a particular month?

A. I did work with my team to understand the processes that we followed to purchase natural gas.

Q. Tell me what you learned.

A. Is there a specific question?

Q. That's the question. Tell me what you learned.

A. I guess my question is: On a specific topic?

Q. As to the purchase of natural gas in a particular month, what did you learn? You just told me that you undertook to determine and learn how that process went. Tell me what you learned about the process.

A. As I said, I took time to learn how we purchased natural gas.

Q. Okay. Why did you do that?

A. I wanted to understand what they were doing on a daily basis.

Q. Why did you want to know that?

A. Purchasing natural gas is something we do every day to serve our customers.

Q. Okay. And what did you learn about how your traders purchase natural gas on a daily basis?

A. Based on -- based on the temperature we're expecting for the next day, the power plants that we expect to run the next day, we generate -- our team has a forecast of gas that we're going to use on the following day.

Once we've determined that, I learned, you know, how we -- how they communicate directly with the other gas suppliers to purchase the quantity of gas that we determined we were going to use.

Q. Did you learn anything else?

A. I don't recall specifically. I probably did. May not have. In general that's the process that we follow. That's what I learned.

Q. Okay. Were you involved in decision making for daily gas purchases prior to February of 2021?

A. Was I involved in decision making?

Q. Yep.

A. Could you clarify what types of decisions you're asking about?

Q. Purchase of natural gas.

A. Was I involved in daily decision making?

Q. Yes.

A. No, sir.

Q. No, were you involved in decision making for the purchase of gas on a daily basis?

A. No, sir.

Q. Okay. Were you ever involved in -- I'm sorry.

Did you ever learn how your gas fuel team, natural gas fuels team purchased natural gas on a monthly basis?

A. They have -- I mean, the process to buy gas is very similar as far as -- obviously terms of the deal that are agreed to are different. Instead of a single day purchase, it would be for the ensuing month.

Q. Okay.

A. But the general process is the same as far as contacting traders, receiving quotes and selecting -- selecting a counterparty to execute with.

Q. And then also would you determine what the temperatures were predicted to be for the month

following?

A. I think when you look at forecasting temperatures for the next day is very different process from trying to forecast a daily temperature for an entire month that hasn't happened yet.

Q. What's the difference?

A. I'm not aware that there's a daily forecast of temperatures for an entire 30-day period.

Q. Okay. So your gas team, as far as you understood it, when it undertook to predict how much gas it needed for a particular month would not look at temperatures; is that what you're telling me?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: Or projected temperatures. Sorry.

A. As I said, I'm not aware of the forecast for daily temperatures for an entire month.

Q. Okay.

A. A 30-day period. So I -- so as I said, I think that's the process we use to forecast temperature for next-day use and purchase is different from -- we wouldn't use that same process on a monthly basis.

Q. Got it. Okay.

And again, I just want to confirm, the two

primary, if not exclusive, purchasers of natural gas for CPSE during January and February of 2021 were Mr. Skaer and Mr. Bordovsky; is that right?

A. Mr. Skaer and Mr. Bordovsky were our two primary gas traders during January and February of 2021.

Q. Okay. And I should make specific. Natural gas purchasers. They were the specific traders; right?

A. Mr. Vinson and -- sorry.

Mr. Bordovsky and Mr. Skaer were our principal natural gas traders and purchasers during that time frame.

Q. Okay. And is it true, sir, that during Winter Storm Uri you and your -- I'm sorry.

To whom did you report during Winter Storm Uri?

A. During Winter Storm Uri I reported to Chris Eugster, our chief operating officer.

Q. E-U-S-T-E-R?

A. Mr. Eugster's name is spelled E-U-G-S-T-E-R.

Q. Thank you for that clarification.

Who did he report to?

A. Mr. Eugster reported to Paula

Gold-Williams, our chief -- president and chief executive officer.

Q. Is she related to Gary Gold?

A. To my knowledge, no.

(Exhibit 73 was marked.)

Q. BY MR. DOBROWSKI: Okay. I just wondered. I saw the name and just wondered. Okay.

Can you look at Exhibit -- sorry -- 73, please, sir. This is a -- wait, did I...

If you would, sir, this is a March 31, 2021 letter from Paul Barham.

Are you familiar with Mr. Barham?

A. Yes, sir, I knew Mr. Barham.

Q. Okay. And if you could now just turn to -- okay. Can I borrow that, please.

A. Yes, sir.

Q. Sorry, sir. Okay.

I may not have given you because I don't have the correct copy but the one that I've marked is the correct copy. Yeah, that's not it.

So on page Bates stamp 8661, sir, there is a chart of the chief -- I'm sorry.

It shows a chart of reports to Mr. Eugster.

Do you see that?

MS. VALKENAAR: Hold on, Paul, real quick.

Is the exhibit you're showing the witness not the same that I have?

MR. DOBROWSKI: No, it's not. It's the only one I have.

MS. VALKENAAR: Can I look at it before you ask him?

MR. DOBROWSKI: Yeah, go ahead. Sorry. I'm only -- I just want him to look at that page. No, that's not it.

MR. WOODS: Here, I've got it.

MR. DOBROWSKI: If you'd give him that one.

MS. VALKENAAR: (Complies.)

MR. DOBROWSKI: Thanks.

Q. BY MR. DOBROWSKI: Yeah. Sorry, sir. If you would look at page -- this is not -- okay.

You're -- are you at page Bates-stamped -- yeah, you are. And do you see that you're listed as being a report to Mr. Eugster; right?

A. So on the document that you've put in front of me?

Q. Right.

A. So I guess I see the 8661 in the bottom right-hand corner, page 5 of the -- it's labeled as page 5 of this --

Q. Yes.

A. -- attachment?
Q. Yep.
A. So yes, it looks like a listing of Cris Eugster's direct reports at that time.
Q. Okay. And you're listed as one of them; right, sir?
A. Yes, sir.
Q. And you're listed as vice president, energy supply and market operations; right?
A. Yes, sir.
Q. And your -- I'm sorry?
A. Oh, I'm sorry, I didn't mean to interrupt.
Q. No, go ahead.
A. I said that is what the page shows, yes, sir.
Q. Right.
And then it says some of your duties and responsibilities; right?
A. It lists my name, my title, and three bullets that have listing of responsibilities.
Q. Right.
And one of those responsibilities is the acquisition of fuels to support power plant and natural gas distribution system operations; right?
A. I read that, the words that you said, yes,

as the second bullet on the list.

Q. Now, you told me earlier that you did not involve yourself in decision making for purchase of daily gas, natural gas; is that right, sir?

MS. VALKENAAR: Objection; form.

THE WITNESS: I did not have a -- do not typically make daily or decision making in purchase of daily natural gas.

Q. BY MR. DOBROWSKI: Okay. And I assume if you didn't, Mr. Eugster didn't either; right?

MS. VALKENAAR: Objection; form.

THE WITNESS: I think it would be speculation on my part.

Q. BY MR. DOBROWSKI: Well, to your knowledge, did Mr. Eugster involve himself in daily decisions --

A. To my knowledge, Mr. Eugster did not involve himself in daily decision making for the purchase of natural gas.

Q. Exactly.

But during Winter Storm Uri he did; right?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: He did, didn't he?

MS. VALKENAAR: Same objection.

THE WITNESS: I recall communications with Mr. Eugster on prices that were being quoted to us to

purchase natural gas. And I recall communicating with him on certain quantities of gas that we were looking to purchase as certain prices, yes, sir.

Q. BY MR. DOBROWSKI: Okay. So the answer to my question is yes; right?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: Go ahead, sir.

A. As I said, I communicated with Mr. Eugster to inform him of prices that we were seeing and quantities of gas that we were looking to buy.

Q. During Winter Storm Uri?

A. During Winter Storm Uri, yes.

Q. On a daily basis?

A. I don't recall talking to him on a daily basis. I don't remember how often I talked to him about that.

Q. Okay. But you do remember talking to him during the days of Winter Storm Uri about the price and amounts of natural gas to be purchased; right?

MS. VALKENAAR: Objection; form.

THE WITNESS: I don't recall specific details of how many times I communicated with him. But I do recall communicating with him on prices and quantities of natural gas during Winter Storm Uri.

Q. BY MR. DOBROWSKI: Okay. And you needed

his approval before you permitted the purchase of natural gas by your traders during Winter Storm Uri; right, sir?

MS. VALKENAAR: Objection; form.

THE WITNESS: I recall that he wanted to be aware of purchases or purchased -- planned purchased quantities and prices at certain points during the storm.

(Exhibit 74 marked.)

Q. BY MR. DOBROWSKI: Okay. Let me hand you Exhibit 74, sir, and you'll see that this is a text string between you, Mr. Eugster, and Mr. Gold; right?

A. The document that you handed to me does appear to be a text between myself, Cris Eugster, and Gary Gold.

Q. And it's dated February 14, 2021; right?

A. I would agree the date on the page is February 14th, 2021.

Q. And the top text is from Mr. Eugster at 9:12 a.m.; right?

A. The first text on the sheet is listed as 9:12 a.m., yes, sir.

Q. And he writes to you and says, "Kevin, Again, I want to reiterate that you review any significant purchases with Gary and I before

executing."

That's what he wrote; right?

A. I agree that's the words that are on the page, yes, sir.

Q. Okay. So he was telling you, look, you can't have any purchases on or after February 14 without his approval and review with Mr. Gold; true?

A. I recall making him aware of purchases, and I think that's what the text says he wanted to be, he wanted to review those purchases.

Q. And the reason for why he wanted to be -- have the review of those purchases before they were made, what was your understanding of that?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

A. Could you restate the question?

Q. Sure.

What was your understanding of why he wanted to be -- to review the potential purchase of natural gas during Winter Storm Uri?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

A. My understanding is he wanted to be aware of the prices that were being quoted in the market. I don't know that I can speak for him as to why he

wanted or what he planned to do with that information.

Q. Well, what was your understanding of why he wanted that information?

A. I don't recall him communicating to me a reason why he wanted the information. He asked me to provide it so we did -- or I did.

Q. Well, he was your supervisor; right?

A. At the time he was my supervisor, yes, sir.

Q. Okay. And you made him aware of all information that he requested during Winter Storm Uri; right?

A. I don't recall all the specific communications I had with Mr. Eugster. To the extent he requested information, I tried to provide that.

Q. Okay.

A. I don't remember, as I said, exactly all the different communications between us.

Q. And what he asked for you was to provide him with the opportunity to review any significant purchases before executing; right?

A. I would agree that this text message refers to reviewing significant purchases before executing. I don't think it -- my opinion, it's not specific as to what purchases he was referring to.

Q. Come on now. You understood he was talking about natural gas, didn't you?

MS. VALKENAAR: Objection; form.

THE WITNESS: I would say this text is unclear. I don't recall the specifics of this particular text message. The other individual referenced in the text message and reference to day-ahead purchases is electricity, not natural gas.

(Exhibit 75 was marked.)

Q. BY MR. DOBROWSKI: Okay. Well, let's -- let's see if we can help you with that, Mr. Pollo.

Take a look at Exhibit 75. This is a February 13, 2021 e-mail -- or -- excuse me -- text message between you, Mr. Pollo, and Mr. Gold; right?

A. If you can give me just a second to review it.

Q. Sure.

A. So this does appear to be a series of texts between myself, Cris Eugster, and Gary Gold.

Q. On February 13, 2021; right?

A. Yes, sir, February 13th, 2021, is the date listed.

Q. The day before the Exhibit 74 that we just looked at; right?

A. I would agree that February 13th is the

date on the second Exhibit 75. And February 14th, the day after, is the date on Exhibit 74.

Q. Okay. So in this you're sharing with Mr. Eugster that you had received an offer from one of our primary suppliers for today, only gas -- today only gas at $75; right?

A. The text on the piece of paper does refer to an offer from a primary supplier for today only gas at $75, yes.

Q. Okay. So you were telling Mr. Eugster what the price of natural gas was for today only gas; right? As of February 13, 2021; right?

MS. VALKENAAR: Objection; form.

THE WITNESS: So I don't recall the specifics around why that text was requested or sent. I would agree that based on what you handed me that, yes, I was communicating the price of gas to Cris Eugster.

Q. BY MR. DOBROWSKI: And that was -- $75 was higher than the $38.83 which you and CPSE now claim is the appropriate price for natural gas during Winter Storm Uri; right?

MS. VALKENAAR: Objection; form.

THE WITNESS: I would agree that $75 is higher than 38.83. I disagree with your class --

your classification of 38.83. 38.83 was the basis of the conceded amount that we issued payment to your client.

Q. BY MR. DOBROWSKI: And the reason it was issued as a conceded amount is because CPSE and you claimed that that was the correct and appropriate price to pay; right?

MS. VALKENAAR: Objection form.

THE WITNESS: As I said, 38.83 was the price that was formed -- was used to calculate the conceded amount that we issued payment.

MR. DOBROWSKI: Object as nonresponsive.

Read him back the question.

(The record was read.)

THE WITNESS: My recollection is we communicated that 38.83 was the basis of the conceded amount.

Q. BY MR. DOBROWSKI: I'm not asking that question. Well, do you believe that 38.83 is the correct and appropriate amount that should be paid for gas purchased during Winter Storm Uri or not?

MS. VALKENAAR: Objection; form.

THE WITNESS: I don't have an opinion on whether that's the right price to pay or not.

Q. BY MR. DOBROWSKI: You don't? Did you ever

engage in any discussions about the $38.83 per MMBtu for the purchase of natural gas during Winter Storm Uri with anyone at CPSE?

MS. VALKENAAR: I'm going to object as to form and instruct you not to answer to the extent that discussions involved counsel or work product related to anticipated litigation.

THE WITNESS: Could you repeat your question.

MR. DOBROWSKI: Sure.

Read it back to him.

(The record was read.)

MS. VALKENAAR: Same objection. Same instruction. You can answer to the extent that it would not disclose attorney-client communications or communications involving work product.

Q. BY MR. DOBROWSKI: I'm not asking that question. I'm asking did you. Yes or no. I'm not asking you to disclose to me the substance of the communications.

Did you have those discussions, period? Say nothing more other than yes or no, please.

A. Could you repeat the -- your question, please?

Q. Sure.

MR. DOBROWSKI: Could you read it back to him.

(The record was read.)

MS. VALKENAAR: Same objection. Same instruction.

THE WITNESS: To my recollection, any conversation I had would have been with -- as part of discussions with our legal team.

Q. BY MR. DOBROWSKI: Okay. So you had no discussions without a lawyer present about the appropriateness of the $38.83 figure per MMBtu for the purchase of natural gas during Winter Storm Uri; right?

MS. VALKENAAR: Objection; form. I'm going to object as to privileged.

Only answer to the extent you can answer without disclosing attorney-client work product.

MR. DOBROWSKI: All I'm asking is if he had any discussions without counsel. That's all I'm asking regarding the $38 and -- I'm sorry.

Q. BY MR. DOBROWSKI: I'm only asking you, sir, did you have any discussions without counsel regarding the appropriateness of the $38.83 per MMBtu prior -- or for the purchase of natural gas during Winter Storm Uri? Just say yes or no.

A. I don't have specific knowledge of a conversation around 38.83 that was not outside of either communication with an attorney or at the direction of an attorney.

Q. Okay. And did you have any -- so you had no discussions with Ken Skaer outside -- no discussions at all with Ken Skaer about the appropriateness of the $38.83 per MMBtu figure for the purchase of natural gas during Winter Storm Uri; right?

MS. VALKENAAR: Objection; form.

THE WITNESS: I don't recall having a specific conversation with Ken Skaer about 38.83.

Q. BY MR. DOBROWSKI: Same question about Mr. Bordovsky; right?

MS. VALKENAAR: Objection; form.

THE WITNESS: I don't recall having a specific conversation with Mr. Bordovsky about that number.

Q. BY MR. DOBROWSKI: Okay. What is your understanding about how the $38.83 figure was arrived at?

MS. VALKENAAR: Object as to form.

And I'll instruct you not to answer to the extent that any discussion would disclose

attorney-client communications or attorney work product.

Q. BY MR. DOBROWSKI: I'm not asking you about attorney-client communications. I'm asking you what your understanding is of how the $38.83 figure was arrived at.

A. I do not have specific knowledge or involvement in the process that was used to calculate that number.

Q. Okay. Okay.

Let's go back to Exhibit 74 and 75.

If we could, going to 75, sir, this e-mail exchange -- excuse me -- text message exchange between you and Mr. Eugster and Mr. Gold, okay, on the February 13, 2021. Do you have that in front of you?

A. I have the exhibit labeled 75 in front of me, yes, sir.

Q. Okay. And you've informed Mr. Eugster and Mr. Gold that the purchase price for today only gas was $75 per MMBtu; right?

MS. VALKENAAR: Objection; form.

THE WITNESS: The first text that's listed on the exhibit, in that text it appears that I did inform Mr. Eugster that the -- we received an offer

for today only gas at $75.

Q. BY MR. DOBROWSKI: And you write, "Wanted to keep you in the loop before we were to make a purchase."

Do you see that?

A. I see those words, "Wanted to keep you in the loop before we were to make a purchase."

Q. And that's what you were telling Mr. Eugster and Mr. Gold, right, on the 13th of February; right?

A. I would say based on the text that -- and the exhibits that you have handed me, I would say that on February 13th I communicated to Mr. Eugster and Mr. Gold that we received an offer for 75-dollar gas.

Q. And you wrote to them and said you wanted to keep them in the loop before you made the purchase; right?

A. I agree that is in the -- in the text message, yes.

Q. Why did you want to keep them in the loop before CPS Energy made the purchase?

A. As I said earlier, Mr. Eugster had asked to be made aware of significant quantities and the purchase prices that were being offered or quoted to

us.

Q. Why?

MS. VALKENAAR: Objection; form.

THE WITNESS: I -- as I said, I cannot speak for Mr. Eugster as to why he wanted that information and what he would do with it. He made the request of me to provide him the information so I tried to keep him informed.

Q. BY MR. DOBROWSKI: What was your understanding of why he wanted to be informed?

MS. VALKENAAR: Objection; form.

THE WITNESS: I don't recall that he communicated a specific reason.

Q. BY MR. DOBROWSKI: I'm not asking you whether he communicated a specific reason. I'm asking you for your understanding of why he wanted the information.

What was your understanding?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: That's -- you know, when she says that, that's kind of your red flag, you realize, so you got to be care- -- she's scared of this -- the question. So if you could just kind of listen to the question and I know she keeps interrupting because she's afraid of the answer.

Go ahead and answer.

MS. VALKENAAR: I'll object to the sidebar. It could be that you're asking a bad question.

MR. DOBROWSKI: Not possible.

Q. BY MR. DOBROWSKI: Go ahead, sir.

A. My understanding is he made a request for information and as my -- as since he was my supervisor, I attempted to provide him with the information he requested.

Q. So other than he just made the request you had no understanding for why your supervisor wanted the information regarding the purchase price of natural gas; right?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: Or did you have an understanding?

A. I'm sorry, could you repeat the question.

Q. Sure I'm just asking you Mr. -- well, let me ask this: Was it unusual for Mr. Eugster to ask you for information on the purchase price of natural gas for a particular day?

A. I would say it was uncommon. I don't know that that was the first time it had ever happened. I mean, prices move up and down in the market. Depending on what may have caused prices to move up

or down, we -- I would imagine we communicated with him from time to time.

Q. Right. But this was uncommon; right?

A. It was not a -- yes, it was not a frequent or daily occurrence for us to communicate prices to him every day.

Q. And the reason you understood he was asking for that -- this information was because of Winter Storm Uri was upon you; right?

A. I think at that time with Winter Storm Uri there was a lot of activity going on across the company. There was a lot of -- I'd say there was more -- more information that was being transferred than maybe would be typical on a normal day, if you will.

Q. Well, but the fact is February 13, as we've talked about, is within the time period for Winter Storm Uri; right, sir?

A. Yes, February 13th is within the date range we talked about earlier.

Q. Right. And this is a Saturday; right?

A. I don't have a calendar in front of me.

Q. I'll represent to you February 13th was a Saturday. So that would make it even more uncommon to be communicating with Mr. Eugster about the price

of natural gas on a today only basis; right?

MS. VALKENAAR: Objection; form.

THE WITNESS: I think -- I would say on, you know, communicating information with Mr. Eugster on a Saturday was not, again, a common occurrence that happened every Saturday.

I would say with Winter Storm Uri there was a lot of activity that happened 24 hours a day since the seven days a week from the start of the storm to the end.

Q. BY MR. DOBROWSKI: Because it was essentially a crisis of cold weather that you weren't expecting; right?

A. It was a declared disaster within the state by the governor.

Q. Right. And the fact of the matter was is that you and CPSE were concerned about the supply of natural gas you had; right?

A. I think my recollection is we were concerned about a number of things in terms of trying to continue to serve our customers during that week.

Q. Including the supply and availability of natural gas; true, sir?

A. The supply, availability of natural gas was certainly one of the things we were looking at, yes,

sir.

Q. Was $75 per MMBtu a typical or atypical price for natural gas per MMBtu?

A. In my opinion it is atypical. We prior to Winter Storm Uri had never paid a price anywhere close to $75.

Q. And what you mean by "atypical" you mean atypically high; right?

A. I mean, atypical as in not the normal.

Q. As in it was much higher than what you had previously experienced; is that fair? It's not low atypically. It's high atypically for a price.

A. The $75 price as well as the other prices that occurred during Winter Storm Uri were -- say saw an extreme, extreme increase compared to prestorm.

Q. Okay. And when you wrote this e-mail to Mr. Eugster did he inform you that you were not to purchase any natural gas above $38.83?

MS. VALKENAAR: Objection; form.

THE WITNESS: Could you repeat your question.

MR. DOBROWSKI: Sure.

Could you read it back to him.

(The record was read.)

Q. BY MR. DOBROWSKI: Per MMBtu?

MS. VALKENAAR: Same objection.

THE WITNESS: My recollection is at the time our primary concern was being able to procure the physical natural gas that we needed to serve our customers' homes and to run the power plants that were desperately needed at that time.

Q. BY MR. DOBROWSKI: So you didn't -- you weren't concerned about price; right?

MS. VALKENAAR: Objection; form.

THE WITNESS: I think we were concerned about a lot of things. I think our over -- I think our primary focus was assuring that we could supply natural gas that -- to provide to customers for their homes and to provide gas to run power plants that were needed to provide electricity to keep the heat on in people's homes during a governor's -- a gubernatorially declared disaster that was literally a matter of life and death for folks.

Q. BY MR. DOBROWSKI: Okay. So you didn't -- so Mr. Eugster did not tell you to limit purchases to $38.83 per MMBtu during Winter Storm Uri; correct?

A. I do not recall Mr. Eugster telling us or -- telling us not to buy gas above 38.83. I remember Mr. Eugster being concerned that -- that we would have the amount of gas that we needed to run

the power plants and supply the -- our distribution company to get gas into people's homes.

Q. What did he say that led you to believe that, sir? Do you recall?

A. I don't recall specific words, no, sir.

Q. Generally what did he tell you?

A. Generally my recollection is that we were discussing quantities of gas that we believed we needed to use that week or on a particular day. And he was asking were we able to get that gas and -- and ensuring that we were able to -- ensuring or keeping track of how we were -- how successful we were in being able to procure the gas we needed to run the power plants and supply homes.

I recall discussions around quantity and meeting that need is where his focus was.

Q. And during those discussions of quantity and meeting that need did you have discussions about the purchase price of the gas? And we're talking about Winter Storm Uri, the time frame; right?

A. So during times of Winter Storm Uri?

Q. Yes, sir.

A. Yes. You know, I think the communication with Mr. Eugster was different, you know, compared to, again, we said Winter Storm Uri defined that as

February 12th. And again, I think the communication that I had with Mr. Eugster was different, you know, if you went February 12th throughout the storm.

I don't recall communicating specific purchases and prices to him, you know, early or the first day of that storm.

But throughout the storm I think, as we discussed, we communicated quantities as well as the purchase price. I mean, as you said -- as you showed on Exhibit 75, there's a purchase price or offer price in that text.

Q. Okay. And during those conversations with Mr. Eugster he indicated to you that while price is important, volume to meet the need was the most important goal; right?

MS. VALKENAAR: Objection; form.

THE WITNESS: My recollection is that our primary concern, including from discussions with Mr. Eugster, that procuring the physical gas that we needed to supply customers' homes and run our power plants was our -- was our main focus.

Q. BY MR. DOBROWSKI: Okay. And indeed, as of February 13, this $75 per MMBtu was a reasonable price, wasn't it?

MS. VALKENAAR: Objection; form.

THE WITNESS: What I would say is $75 price that we are discussing in the text on February 13th is a different price than what was quoted on February 12th for that weekend.

Q. BY MR. DOBROWSKI: Well, I know. But if you look at Mr. Gold's text back to you at 4:17 p.m., Mr. Gold write -- Gold writes, "If gas burns have been bigger as we discussed, it seems like this is a reasonable price"; right?

A. I disagree. That's not what the text says. The text, as I read it on the exhibit, says if gas burns have been bigger as we discussed it seems like this is a reasonable purchase. It does not reference price.

Q. Okay. And then you -- the next line, you say, "Gas burns very high yesterday."

What did you mean by that?

A. I don't have the specific figures in front of me as we sit here. But as far as "yesterday," I think, you know, what I believe I was referring to would have been the amount of gas that we consumed on the day prior, which would have been February 12th.

Q. Okay. And then if you go back up, sir, in the middle of the page about, at 12:02 p.m. Mr. Eugster writes to us, that, "Yes, please keep us

in the loop before making any purchases."

Who was he referring to when he said keeping us in the loop, as you understood it?

A. I don't recall the specifics of -- of Cris's request. I would say from the -- the text message that you presented here, I would say the "us," based on who's copied on these texts, would refer to Cris Eugster and Gary Gold.

Q. Who was Mr. Gold and what was his position at CPSE?

A. At the time of Winter Storm Uri, Mr. Gold was our chief financial officer.

Q. Okay. So the chief financial officer for CPSE and Mr. Eugster, the chief operation officer, wanted to be informed of -- wanted to be informed before your group made any gas purchases, according to his text message of February 13; right?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

A. I would agree that the text labeled as 12:02 p.m. from Mr. Eugster says, "Please keep us in the loop before making any purchases." I don't recall -- well, again, that would have been, as you represented, the 13th was a Saturday, so we would have already bought the gas that we had forecasted to

use for the weekend.

The way the weekend traded everything was bought the day before on the 12th. So there wasn't -- you know, if there were any purchases to have been made on that day, my recollection is it would have been a same day type of purchase of gas, which is not -- it's not something that we frequently do, make same day gas purchases.

MR. DOBROWSKI: Okay. Object as nonresponsive.

Q. BY MR. DOBROWSKI: He does instruct you as your boss to keep him and Mr. Gold in the loop before making any purchases; true, sir?

A. I agree that is what is represented in that text, yes.

Q. And did you follow your boss's instruction after February -- on and after February 13th?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You may answer.

A. So my recollection is that this text message wasn't the only and final communication between Mr. Eugster and Mr. Gold and myself throughout the week, so --

Q. I didn't ask that. Do you remember my question?

A. No. Could you repeat it?
Q. Sure. No problem.
(The record was read.)
MS. VALKENAAR: Same objection.
THE WITNESS: So my recollection is that, as requested, I provided Mr. Eugster and Mr. Gold with information on purchase price and quant- -- offer price and quantity before we executed purchases.
My point -- or my earlier answer was there were other conversations with Mr. Eugster and Mr. Gold after this text message, as I recall. So I don't believe that this text message was the final direction that I was given from Mr. Eugster.
Q. BY MR. DOBROWSKI: And I'm not saying it was.
But is it fair to say, sir, that after February 13 for all purchases that CPSE made during Winter Storm Uri those purchases were approved by Mr. Gold and Mr. Eugster?
MS. VALKENAAR: Objection; form.
Q. BY MR. DOBROWSKI: You can -- purchase of natural gas.
MS. VALKENAAR: Same objection.
Q. BY MR. DOBROWSKI: You can answer.

A. I would say no, I don't think that Mr. Eugster and Mr. Gold approved every purchase of natural gas that was made.

Q. Did they approve the majority of those purchases?

A. I don't recall specific if they approved a majority. We had -- we -- there were specific transactions or proposed transactions that I didn't communicate with Mr. Eugster and Mr. Gold before our team executed on those -- on those deals.

Q. I'm not asking whether you communicated with them before. But had they approved the transactions?

MS. VALKENAAR: Objection; form.

THE WITNESS: I remember communications to make them aware. I don't recall specifically whether they provided direct approval or once they were made aware that we then moved forward with the transaction.

Q. BY MR. DOBROWSKI: In any transaction that you made them aware of prior -- or -- I'm sorry -- during Winter Storm Uri, can you recall a single transaction where either Mr. Gold or Mr. Eugster objected to the purchase but you went forward with the purchase for CPSE?

A. There were a lot of transactions for natural gas that were done that week. I don't recall a specific one where they -- I don't recall a specific one that meets your criteria, that they objected and we purchased anyway.

Q. Okay. So for -- so as you sit here today, your best recollection is that for every single natural gas purchase by CPSE during Winter Storm Uri Mr. Gold and Mr. Eugster were on board with the transaction; true?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

A. I don't recall Mr. Eugster and Mr. Gold approving every single transaction that we made. I recall that we discussed an approach or a strategy that they were aware of. We executed according to that strategy.

And then there were additional transactions that I recall or remember communicating with them again the circumstances or specifics around price and quantity.

Q. Okay. And for those additional transactions, did they approve them?

MS. VALKENAAR: Objection form.

Q. BY MR. DOBROWSKI: As best you recall?

MS. VALKENAAR: Same objection.

THE WITNESS: As best I recall, I don't remember if the word "approval" was used or not.

Q. BY MR. DOBROWSKI: Whether it was -- the word "approval" was used or not, was it your understanding that you could go forward with the transaction because they had either approved implicitly or you were following their general guidelines?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

A. My recollection is on those communications with Mr. Eugster and Mr. Gold, the primary concern and focus was on ensuring we had the quantity of gas that we needed. I do not recall a specific transaction that -- where they said no or wanted us to not move forward.

Q. Okay. And just to close the loop on this and we'll take a break.

Just as you sit here today, you can't think of a single purchase of natural gas, can you, during Winter Storm Uri whereby you ignored the instructions or guidelines of Mr. Eugster or Mr. Gold regarding the purchase of natural gas, can you?

MS. VALKENAAR: Objection; form.

THE WITNESS: To my knowledge, we -- I don't know the exact quantity of transactions that were -- a number of transactions that were done during that week, I don't recall the specific details of an individual transaction.

Q. BY MR. DOBROWSKI: No, what I'm asking you, sir, is, as you sit here today, do you recall a single transaction that whereby CPSE purchased natural gas that Mr. Eugster and Mr. Gold did not approve of? That's all I'm asking.

MS. VALKENAAR: Objection; form.

THE WITNESS: Could you repeat your question.

MR. DOBROWSKI: Read it back to him.

(The record was read.)

Q. BY MR. DOBROWSKI: During Winter Storm Uri?

MS. VALKENAAR: Object as to form.

A. I would say the initial transactions that were done on February 12th occurred before Mr. Eugster issued his request to be made aware of transactions, quantity and price.

Q. Okay. Other than those transactions, is it fair to say that you can think of no transactions whereby Mr. -- excuse me. Let me rephrase.

Other than the transactions engaged in

prior -- on or prior to February 12, you can't think of any purchases of natural gas by CPSE during Winter Storm Uri that Mr. Eugster and Mr. Gold didn't approve of, can you?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

MS. VALKENAAR: He's answered that.

THE WITNESS: I think Mr. -- my recollection is Mr. Eugster and Mr. Gold were aware after they -- Cris issued the request to be made aware, that they were aware of either the transaction or the strategy that we were going to use to -- to, you know, procure multiple transactions. So I don't recall a specific transaction -- I don't recall a specific transaction that was done that either wasn't, you know, per the strategy that we had discussed with Mr. Gold and Mr. Eugster or that was one that we had specifically communicated to them about.

MR. DOBROWSKI: Okay. Let's take a break. 10 minutes. Is that okay?

MS. VALKENAAR: Sure.

THE WITNESS: Sure.

THE VIDEOGRAPHER: Off the record at 10:51.

(A brief recess was taken.)

THE VIDEOGRAPHER: Okay. We're back on the record time is 11:04.

(Exhibit 76 was marked.)

Q. BY MR. DOBROWSKI: Mr. Pol- -- sorry.

Mr. Pollo, let me hand you Exhibit 76, sir. This is an e-mail -- I'm sorry -- a text message string between you, Miss Paula Gold-Williams, Cory Kuchinsky, Frank Almaraz, Gary Gold, Fred Bonewell, Paul Vinson, amongst others; right?

A. Yes, sir. I'd agree that it looks to be a text message between myself, Carolyn Shellman, Paula Gold-Williams, Cory Kuchinsky, Frank Almaraz, Paul Vinson, Fred Bonewell and Gary Gold.

Q. And it's dated February 15, 2021, at 10:11 p.m.; right, sir?

A. Yes, that is the date on the -- on the exhibit.

Q. So this is Monday night during Winter Storm Uri; right?

A. To my recollection, it sounds correct to your earlier representation of the 13th as Saturday, that would make the 15th Monday, yes, sir.

Q. Do you remember that was a holiday, Washington's birthday or something like that? Do you recall that?

A. It was a -- yeah, a federal holiday, as I recall.

Q. And, Mr. Pollo, can you tell me, Miss Shellman, what was her position in CPSE in February of 2021?

A. Miss Shellman, I don't recall her exact title, but in February of 2021 Miss Shellman essentially was our chief legal officer.

Q. And what about Paula Gold-Williams?

A. As I mentioned earlier, Paula Gold-Williams in February of 2021 was our president and chief executive officer.

Q. And what about Cory Kuchinsky?

A. In February 2021 Mr. Kuchinsky, I don't remember his exact title, but part of his responsibility was our enterprise risk department.

Q. And the position of Mr. Almaraz?

A. In February 2021 Mr. Almaraz was our -- I believe our chief administrative officer by title.

Q. And Mr. Bonewell?

A. Mr. Bonewell in February of 2021, I believe his title was our chief safety officer. And I believe at that time he was also our chief -- again, I apologize, I don't remember his title. But I believe he ran our -- our natural gas distribution

company.

Q. Okay.

A. It was in his chain of command.

Q. And here you write Paula, Paul Vinson and I met with Cris -- and who is Cris?

A. Cris would be Mr. Eugster.

Q. And Frank. Who's Frank?

A. Frank is referring to Mr. Almaraz.

Q. Fred. Who's Fred?

A. Mr. Bonewell.

Q. Gary is Mr. Gold?

A. Yes, sir.

Q. Carolyn and Cory to review our gas purchase strategy for tomorrow's activity in buying for gas day Wednesday; right?

Did I read that right?

A. Yes, I agree that's what the text says.

Q. So this appears to be a meeting of, frankly, the executive team at CPSE; is that a fair comment?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: Or at least of the majority of the executive team.

A. It included several members of our executive team. I don't remember exactly how many

were on the team at the time to be able to categorize it as a majority.

Q. Well, Mr. Bordovsky referred to this group as the head honchos; is this a fair characterization?

MS. VALKENAAR: Objection; form.

THE WITNESS: Obviously Miss Gold-Williams is our president and CEO so she was at the top of the organization chart.

I would agree that Miss Shellman, Mr. Almaraz, Mr. Bonewell and Mr. Gold were part of our -- our chief team, which was Paula's direct reports.

Q. BY MR. DOBROWSKI: What was the meeting about?

A. As I recall, we -- as the sentence you read in the text message referred to, that we were discussing our gas purchase strategy for the morning of Tuesday, which would have been to buy gas for, as the text says, gas day Wednesday.

Q. Why were you having a meeting with top executives at CPSE regarding gas purchasing for gas day Wednesday?

A. My recollection is that the trading day of Tuesday for gas day Wednesday would have been the first -- the first set of daily purchases following

the long weekend and the purchases we made on February 12th.

Q. Yeah. But why were you -- why was this group of people meeting about purchasing gas at that time?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

A. I believe one of the primary concerns we had was availability of gas and how much gas we were going to need to meet customers' needs. I think there was, you know, an awareness of what prices had done for the weekend. I think that team was interested in understanding, you know, what -- what we might see in the market on Tuesday for both prices and -- and available quantity.

Q. What had the prices done over the weekend?

A. I don't recall specific index prices or transactions. But as I recall, in general for the gas that was purchased or that we committed to purchase for the weekend, that the prices were generally between a hundred and fifty and $200 per MMBtu. That was for gas purchased for Saturday, Sunday, Monday, gas day Saturday, Sunday, Monday, and Tuesday.

Q. Were those purchases approved by Mr. Gold

or Mr. Eugster?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

A. Are you referring to the purchase on February 12th?

Q. I'm referring to the purchases you said during the weekend.

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: Beginning on the 13th.

A. The purchases that we committed to on the morning of February 12th would have occurred before Mr. Eugster made his request to -- to be kept in the loop based on the earlier text message regarding other transactions.

Q. Did you approve the purchases on the morning of the 12th for a hundred fifty, $200 per MMBtu?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

THE WITNESS: I did not directly authorize those transactions.

Q. BY MR. DOBROWSKI: Did you indirectly authorize them?

A. Not that I recall.

Q. Did you object to them?

MS. VALKENAAR: Objection; form.

THE WITNESS: I think my recollection is that there was a concern from all involved with CPS Energy around the prices on those transactions.

I think we also had a need at the time to procure natural gas to be able to run power plants and serve our customers' homes.

Q. BY MR. DOBROWSKI: Well, who made the purchases, as best you recall?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

A. As we discussed earlier, at the time of the winter storm, Mr. Bordovsky and Mr. Skaer were our primary traders.

Q. Who authorized the purchases?

MS. VALKENAAR: Objection; form.

MR. DOBROWSKI: Strike it. Let me withdraw.

Q. BY MR. DOBROWSKI: Did they have authority to make purchases of natural gas at the -- these prices?

MS. VALKENAAR: Objection; form.

MR. DOBROWSKI: Did they have authority? That's simply a yes or no. How can there be an objection to form on that? You got to be kidding me.

Q. BY MR. DOBROWSKI: So just to tell me, sir, did they or did they not have authority to make those purchases on behalf of CPSE at those prices?

MS. VALKENAAR: Objection; form.

MR. DOBROWSKI: I can't wait till we get to trial. I cannot wait.

THE WITNESS: I'd say Mr. Skaer and Mr. Bordovsky were authorized to make trades to purchase natural gas.

Q. BY MR. DOBROWSKI: For those prices, that is, between a hundred fifty to $200 per MMBtu, were they authorized?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer. And I'll remind you you're under oath.

A. As I said, they were authorized to make trades. They did execute trades for CPS Energy.

Q. And were they authorized to make these purchases, yes or no? If they weren't, tell me.

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

A. They -- they were authorized to make the trades -- or they were authorized to trade on behalf of CPS Energy.

Q. So they were authorized to make these

purchases at these levels of a hundred fifty to $200 per MMBtu; true?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer. She makes that objection because she hates this. You can answer.

MS. VALKENAAR: No, you have poor questions.

Q. BY MR. DOBROWSKI: Okay.

A. I don't recall for specific transactions, you know, which ones were done where there was a fixed price presented or whether how many of those transactions were quoted at an index price.

Q. What's an index price?

A. It's a price that is set by or published by I think Platts is the one that generally publishes the index prices.

Q. Why does CPSE utilize an index such as Platts for determining purchase price?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer, sir. I'm not -- believe me, I'm not laughing at you. Please.

A. I don't -- I don't think that CPS Energy is the only one that uses index prices. I think certain

transactions -- to my knowledge, certain transactions are quoted to us at that index price.

Q. No, no. And I -- I'm sure that CPSE is not the only one that utilizes the index price to determine purchase price.

I'm just asking, why does CPSE use it, so far as you know?

A. To my knowledge, if -- that's -- if that's the -- if our -- if the quantity of gas or purchase of gas that we're looking to execute is -- is quoted at an index price or quoted using index, it's one of the ways that we purchase gas.

Q. And why do you use that?

A. To my knowledge, that's one way that natural gas transactions are priced.

Q. In the industry?

A. I don't know that I'm the expert to speak for the industry. I would say that as we -- of the purchases that we make, an index-based price is one of the -- one way that those transactions are priced.

Fixed price is another way. Generally, it's one of those two approaches.

Q. And what I'm trying to get to is, why do you at CPSE utilize that index? What's the reason?

Let me revise -- let me ask it this way:

Is one of the reasons why you utilize the index price because you find it reliable?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

A. I would say we use -- one of the reasons that we are -- transacted natural gas purchases using an index price is that's a common way that it's quoted.

Q. It's a common way in the industry to quote gas utilizing an index price; is that what you're telling me?

A. I -- yes, I think -- I don't know exact statistics but a number of our natural gas transactions are based on an index price.

Q. Okay. And have you over the years found index prices such as Platts to be reliable?

A. I would say I don't really have an opinion on that.

Q. Okay. Have you found them to be accurate?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

A. I don't have firsthand, direct knowledge as a -- as a natural gas trader to understand -- or to make a qualified statement on whether those index prices are accurate or reliable.

Q. Okay. But you know that your gas traders have utilized the index price in making purchases on behalf of CPSE; correct?

A. As I said, our natural gas traders have made purchases of natural gas, you know, using an index price.

Q. Okay. Going back to Exhibit Number 76, sir, in the middle of it you wrote, after discussing your meeting, "We agree to the following procurement strategy"; right? And that's what it says.

Do you see that?

A. Right. I agree that those words are about midway throughout text. "We agree to the following procurement strategy."

Q. And that's -- procurement strategy is for the purpose of buying for gas day Wednesday; right?

A. To my recollection, I think we -- we used it for gas day Wednesday, as the text said, yes.

Q. Okay. And the procurement strategy was prices below $50 purchase total volume, which is about $31 million if prices are $50; right? That's part of the procurement strategy; right?

A. Agree that the text message says if it was -- if prices were less than or equal to $50 we would purchase our total volume.

Q. Okay. And -- and your total volume was how much -- oh, the 614,000 MMBtu?

A. My recollection is that the purchase -- the total volume that you -- I referred to in that text would be the 614,000 referenced earlier as our current forecast for Wednesday.

Q. That was 614,000 MMBtu; right?

A. The text message does say the current forecast for Wednesday was 614,000 MMBtu, yes.

Q. Okay. And so you're talking about the strategy for making the purchase of gas up to 614,000 MMBtu; is that correct?

A. That would be my understanding of rereading this text message, yes, sir.

Q. Okay. And you're saying -- then you go on to say, look, for gas price near a hundred dollars per MMBtu, you write, "Purchase 564,000 MMBtu and withdraw the other 50,000 from storage"; right?

A. I agree that what is written on the text is for prices near a hundred dollars purchase 564,000 MMBtu, withdraw the other 50,000 from storage.

Q. Okay. And you then go on and say hundred-dollar prices leveraging storage in this way yields about five-million-dollar cost avoidance.

What does that mean?

A. I presume that that would be the difference between -- or the difference, if you will, between -- the 5 million I believe would be the difference -- excuse me -- between -- or would be calculated as the hundred-dollar price that's mentioned in the text times the 50,000 MMBtu of natural gas.

Q. Okay. And then prices equal to or greater than a hundred fifty dollars, the strategy is to purchase 514,000 MMBtu and withdraw 100,000 from storage; right?

A. Agree that the text message says prices greater than a hundred or equal to a hundred fifty dollars, purchase the 514,000 MMBtu, withdraw 100,000 from storage.

Q. So this is information you're providing -- or you've agreed to -- strike that.

This is the strategy that the executives from CPSE had decided upon and were going to transmit this information to your traders; is that your understanding?

A. Could you repeat your question.

Q. Sure.

This procurement strategy was what was agreed upon between your group of executives at CPSE and was to be shared with your traders who were

supposed to follow these procurement strategy; is that correct?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

A. I don't specifically recall agreement and approval, so to speak. I recall that we met. We reviewed this strategy. I communicated, as this text indicates, to Miss Gold-Williams and the others that were copied, many of whom were in that meeting.

And then my recollection is that that strategy -- I don't recall. My belief is I probably would have passed that to Mr. Vinson.

Q. Well, what was the purpose of putting this strategy together, was to give direction to your gas purchasers; right? Your traders, Mr. Skaer and Mr. Bordovsky; right?

A. I think the purpose of this strategy was -- was to give a -- provide to Mr. Vinson, Mr. Bordovsky and Mr. Skaer guidance around how we were looking to execute purchases and utilize natural gas that we had in storage for gas day Wednesday.

Q. And part of that strategy was you authorized them, that is, you being the executives, the senior executives at CPSE, to make purchases above $38.83 per MMBtu; true?

MS. VALKENAAR: Objection; form.

THE WITNESS: I would say that as the strategy was laid out in this text we provided them guidance on how to plan to withdraw from storage to reduce the -- or offset, so to speak, the total quantity of gas that we were looking to buy.

Q. BY MR. DOBROWSKI: In addition to that, it wasn't just to advise them on what to withdraw from storage, this guidance, this policy specifically provides them with guidance to make purchases of gas at or above $38.83 per MMBtu; true, sir?

A. I think this -- and I think the primary focus of this strategy, again, was on how we wanted to introduce or use our storage, the quantity of gas we had in storage, in addition to making additional purchases that we'd have to make on Tuesday for gas day Wednesday to meet the needs of our customers.

Q. And those guidance, that policy that you set forth in here for those additional purchases authorized your traders to make purchases at or above $38.83 per MMBtu; true?

MS. VALKENAAR: Objection; form.

THE WITNESS: I think our traders were being asked to make -- to purchase the quantity of natural gas that we needed during a gubernatorially

declared disaster to meet our customers' needs.

Q. BY MR. DOBROWSKI: Is that what I asked you?

MR. DOBROWSKI: Object; nonresponsive.

Read him back the question.

Try answering the question, sir, so we can stop wasting time.

(The record was read.)

THE WITNESS: As I said, my recollection is the primary focus of the strategy was around leveraging storage.

Q. BY MR. DOBROWSKI: I'm not asking you that question, sir. Can you listen to my --

MR. DOBROWSKI: Object as nonresponsive.

Read him the question.

Please answer the question that I'm asking.

(The record was read.)

THE WITNESS: As I said, I think we were directing our -- what we -- what our traders needed to do was buy the amount of gas that we needed.

MR. DOBROWSKI: Can you -- object as nonresponsive.

Please answer my question. If you cannot answer it, tell me you cannot answer it. But I would like an answer to my question, yes or no.

Please read him back the question.

(The record was read.)

THE WITNESS: I think this strategy that's laid out in the text message contemplated prices that could be anywhere from less than $50 to over $200.

Q. BY MR. DOBROWSKI: Okay. So in other words, under this policy, your traders were authorized to make purchases of natural gas on Tuesday for next day gas on Wednesday at or above $38.83 per MMBtu; is that correct, sir?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

A. I would say our traders were authorized to buy the amount of gas that we needed to power our power plants and provide gas to our customers' homes.

Q. Including purchasing natural gas at prices above a hundred dollars; right?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

A. I think our -- my recollection is our focus, again, was on buying the physical gas that we needed. That was the primary concern.

Q. I didn't ask that question, did I, sir? I didn't ask you what your primary concern was, did I? Did I?

MS. VALKENAAR: Paul --

Q. BY MR. DOBROWSKI: You can answer the question.

MS. VALKENAAR: -- you asked a direct question.

MR. DOBROWSKI: Object as nonresponsive.

MS. VALKENAAR: Don't be harassing to the witness.

MR. DOBROWSKI: Please read him back the question. We can get through this all -- we're going to do this all day, sir. And we're going to -- I'm going to ask the judge to give me more time with you if you keep this up.

Please just try and answer my questions and we'll be done a lot faster.

Please read him back the question.

(The record was read.)

THE WITNESS: As I said, we were looking to buy the amount of gas that we needed. The strategy contemplated that prices could go up to above $200.

Q. BY MR. DOBROWSKI: So the answer to my question is yes?

A. It does say greater than or equal to $200.

Q. So the answer to my question is yes; right, sir?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

A. Again, I don't think the strategy specifically says -- certainly doesn't reference the price that you're mentioning. We were giving direction to our traders to buy gas from the market in conjunction with withdrawing from storage based on what the market prices were.

Q. Okay. So let's try some of the prices you do mention.

You -- this strategy, which was approved by the senior executives of CPSE on February 15, 2021, provided guidance to your gas purchasers to make purchases of natural gas above $200; right, sir?

MS. VALKENAAR: Objection; form.

THE WITNESS: My recollection is the direction that was given to our traders during the winter storm was to procure the amount of gas that we needed to run our power plants and supply our customers.

Q. BY MR. DOBROWSKI: Did I ask that question? Did I ask that question?

MS. VALKENAAR: Objection; form.

MR. DOBROWSKI: Stop.

MS. VALKENAAR: If you want to ask a

question, ask a question.

MR. DOBROWSKI: What I want him to do is answer the question --

MS. VALKENAAR: You don't need to be harassing.

MR. DOBROWSKI: -- and stop trying to deflect. I know these answers are painful.

MS. VALKENAAR: He's answering the question.

MR. DOBROWSKI: No, he's not.

MS. VALKENAAR: Yes, he is.

MR. DOBROWSKI: So let's go back to it again.

Read it back to him.

(The record was read.)

THE WITNESS: You know, as I said, the direction we had to our trader was to buy the gas that we needed. The different market prices that are mentioned were based on how much we were planning to withdraw from storage based on where market prices were.

MR. DOBROWSKI: Object as nonresponsive.

Read him back the question.

(The record was read.)

MS. VALKENAAR: Same objection.

Q. BY MR. DOBROWSKI: You can answer. Is it right or wrong? Am I right or wrong? Is my question correct or not?

A. I don't know how to categorize your question as right or wrong.

Q. Well, here's the question, just so it's clear: This policy that you and the senior executives at CPSE agreed to on the evening of February 15, 2021, authorized your gas traders to make purchases of natural gas at prices -- I'm sorry -- at or above prices equal to $200 per MMBtu; is that correct or not, sir?

A. I think that this policy directed our traders to withdraw quantities of gas from storage based on where market prices were -- were trading on Tuesday morning. I think the direction to our traders as far as -- was to buy the gas that we needed.

Q. At prices at or above $200 per MMBtu; true?

A. I don't think there was a specific direction on a price. Our direction was to buy gas that we needed to run our power plants and serve our customers' homes.

Q. But this specifically, this e-mail, directs them about what purchase to make at or above $200 per

MMBtu; true?

MS. VALKENAAR: Objection; form.

THE WITNESS: I think what that text message or this policy says if prices are above to use the $200, if they're greater or equal to $200, I would say this text message and this -- or this policy says buy gas up to 425,000 MMBtu and withdraw the rest from storage.

Q. BY MR. DOBROWSKI: So it authorized the traders to make purchases at or above $200 per MMBtu up to 425,000 MMBtu; is that correct, sir?

A. My recollection is our traders were authorized to buy the amount of gas that we needed to run our power plants and serve our customers' homes during a gubernatorially declared disaster. That gas and that electricity was needed literally to -- matter of life or death for folks.

Q. Did I ask that question? Did I ask you that question?

MR. DOBROWSKI: Object; nonresponsive.

MS. VALKENAAR: Object as sidebar.

MR. DOBROWSKI: Read the question back.

We are wasting so much time. If you would listen to my question, please, sir, answer my question. Not the one you want to answer or you've

been coached to answer.

Please read -- or please answer my question. If you don't understand my question, let me know. But it seems to me you're a fairly intelligent fellow, certainly intelligent enough to answer the question. You wrote this e-mail and so I need the answers to my question.

So please repeat the question.

And I'm going to ask for more time and get my fees paid for this because this is ludicrous.

Go ahead.

MS. VALKENAAR: Paul, he's answered the question.

MR. DOBROWSKI: No, he's not. He hasn't answered it once. Come on, Lauren. Stop it. Please. You should -- go on, let's...

MS. VALKENAAR: But he has answered the question.

MR. DOBROWSKI: No, he hasn't.

Let's go ahead and read it back.

Because the judge is going to see this, and I guarantee you he is not going to be happy.

(The record was read.)

THE WITNESS: I think my answer is the same. This policy directs our traders to buy the gas

that we needed at -- based on different market prices or thresholds placed on prices that are in that text, we intended to buy less gas from the market and utilize the gas that we had in storage.

MR. DOBROWSKI: Object; nonresponsive.

Q. BY MR. DOBROWSKI: I'm asking about a particular portion of this policy that you put in an e-mail on the 15th.

And my question to you, sir, is: Isn't it true that this policy gives guidance to your traders at CPSE that they are authorized to make purchases at or above $200 per MMBtu for up to 425,000 MMBtu; true?

A. Again, as I reread the text, it looks to me that it tells our traders to buy gas. The amount of gas that we forecast, which was the 614,000 MMBtu, and then based on market prices we would buy less gas and supplement with storage.

MR. DOBROWSKI: Object as nonresponsive.

Q. BY MR. DOBROWSKI: Do you not understand my question? Are you having trouble understanding my question, sir?

MS. VALKENAAR: Paul, move on.

MR. DOBROWSKI: No, I'm not moving on. We're going to get this right because this man

refuses to answer it and --

MS. VALKENAAR: The document speaks for itself.

MR. DOBROWSKI: No, we're going to get this on the record, and you're going to answer the question. And if you can't answer the question, say you can't answer the question.

But are you having some cognitive issue, sir, that you can't understand my question?

MS. VALKENAAR: Paul, stop with the harassing comment.

MR. DOBROWSKI: I'm not, but I'm sick and tired of him playing games.

So please just try to answer my question; all right?

Read it back.

Q. BY MR. DOBROWSKI: Let me know if you don't understand it. I'm asking you specifically about the provision in your e-mail that you wrote where it begins prices at or equal -- at or greater to $200; okay?

Do you understand that? That's where we're focused.

A. Okay.

Q. Okay. And after that it says, "Begin

purchasing activity but stop at 425,000 MMBtu," open paren, "85 million which equates to our target minimum quantity minus the maximum 189,000-dollar storage withdrawal."

Do you see that?

A. Yes.

Q. And for the benefit of the ladies and gentlemen of the jury, what that instruction and policy guidance provides is to authorize your traders at CPSE to make purchases of natural gas at or above $200 per MMBtu up to 425,000 MMBtu; true, sir?

MS. VALKENAAR: Objection; form.

THE WITNESS: My answer really is the same. It says to buy gas if prices are above or equal to $200. We're not going to buy the full 614,000 at that price. We're going to buy -- we're going to withdraw it from storage for the balance.

Q. BY MR. DOBROWSKI: Okay. And so what that means for the benefit of the ladies and gentlemen of the jury is that the traders were authorized to make purchases of natural gas at or above $200 per MMBtu for that amount of gas; true, sir?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

MS. VALKENAAR: Paul, he's answered that

that's not what this policy was.

THE WITNESS: The traders are authorized --

Q. BY MR. DOBROWSKI: You can answer it.

MS. VALKENAAR: It's not what the text message says.

MR. DOBROWSKI: Stop. You know what the form objection is. Say either "objection; form" or don't say anything.

Please answer my question.

And stop coaching him.

THE WITNESS: Our traders were authorized to buy the amount of gas that we forecasted we would need.

Q. BY MR. DOBROWSKI: As set forth in this e-mail with respect to in accordance with the policy approved by CPSE executives; right?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

A. This text message, as I recall and reread it, is dictating primarily or -- what we are planning to withdraw from storage.

Q. I'm not talking about the storage portion. I'm talking about the purchase portion of this e-mail. And this e-mail provides policy guidance by the senior executives of CPSE authorizing the traders

to make purchases of natural gas at or above $200 per MMBtu; correct, sir?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

A. Again, my recollection --

Q. Is that correct or not? Is that correct or not? Just answer yes or no, please. If it's incorrect, say it's incorrect. If it's correct, say it's correct.

A. My recollection is the direction we provided our gas traders was to buy the gas we needed.

Q. Did -- is my --

MR. DOBROWSKI: Object; nonresponsive.

Read him back the question.

MR. WOODS: I just to want to put on the record that Energy Transfer is going to join in Enterprise's request for more time and/or a repeat of the deposition.

MS. VALKENAAR: Let's take a break.

(The record was read.)

THE WITNESS: My recollection is that the direction we gave our traders was to buy gas at prices where at certain thresholds we were going to buy less gas and withdraw from storage.

Q. BY MR. DOBROWSKI: And one of those thresholds that you authorized your traders to purchase gas at was a price of $200 per MMBtu or above; true or not?

MS. VALKENAAR: Paul, he has answered the question.

MR. DOBROWSKI: No, he has not. No, he has not.

MS. VALKENAAR: He's talked about the prices.

MR. DOBROWSKI: No, he has not. Stop interrupting. Please, you've got an objection, make the objection; otherwise, he needs to answer my question.

MS. VALKENAAR: You guys are saying you're going to ask for more time.

MR. DOBROWSKI: You're doggone right I am. I'm going to -- listen --

MS. VALKENAAR: I don't think you have the basis to do that. He's answered the question the best he can --

MR. DOBROWSKI: No, he has not answered the question.

MS. VALKENAAR: -- over and over and over again. In fact, if you don't want --

MR. DOBROWSKI: No, he's not. Lauren, you're wrong.

THE REPORTER: Okay. I can't really get all of this at the same time.

MR. DOBROWSKI: Stop. Stop, Lauren. You're interrupting the deposition. You know what the rules are.

Q. BY MR. DOBROWSKI: Please answer the question, sir.

MR. DOBROWSKI: And you can have your break as soon as he answers this question.

MS. VALKENAAR: He's answered it.

MR. DOBROWSKI: No, he hasn't. No, he hasn't. And he knows it.

MS. VALKENAAR: And for the record, CPS Energy objects to any additional time requests. You've had the opportunity to move on. The fact you're not doing it is on your --

MR. DOBROWSKI: No, I'm not moving on, because your -- the man wants to -- doesn't want to answer questions that are harmful to your case.

Q. BY MR. DOBROWSKI: So, please, sir, were -- was one of the thresholds that they were authorized to make purchases at of natural gas at a price equal to or above 200 MMBtu -- $200 per MMBtu?

A. Based on this text message, the $200 MMBtu threshold dictated how much gas we withdrew from storage.

Q. Okay. And they were allowed to make purchases at or above $200 per MMBtu per that message; right?

A. As I read this message, above -- at or above $200, it gives them direction on how much gas to withdraw from storage.

Q. And how much gas -- go ahead. I'm sorry.

A. As I said earlier, they were authorized to buy the amount of gas that we need to run our power plants and to serve our customers' home.

Q. And how much natural gas were they authorized to purchase if the price was at or above $200 per MMBtu?

A. As this text message says, if the gas prices were above or equal to $200 per MMBtu, we're planning to buy up to 425,000 MMBtu.

Q. And did your gas purchasers after this memo purchase gas at a price of $200 or more, to your knowledge, per MMBtu?

A. To my knowledge, our gas traders executed several trades on Saturday morning. I don't remember the exact prices. I do know that I recall that at

different parts in the storm, again, not sure if it was Tuesday or later in the week, but prices exceeded $200.

Q. Okay. And when was it decided by -- at CPSE that it would not pay the prices it had agreed to?

MS. VALKENAAR: Objection; form.

And I'll instruct you not to answer to the extent --

MR. DOBROWSKI: I just want when.

MS. VALKENAAR: -- that that covers any conversations with attorneys or work product related to the litigation.

Q. BY MR. DOBROWSKI: No, I'm asking for a date. I'm not asking for the content of your discussions with your attorneys. I just want to know, what was the date that you found out CPSE was not going to pay the price of $200 or above per MMBtu?

A. I don't recall a specific date. My recollection is that the earliest discussions on disputing invoices occurred before the winter storm.

MR. DOBROWSKI: Okay. We'll take a break.

MS. VALKENAAR: Do you all want to break for lunch?

MR. DOBROWSKI: No, I want to go to 12:30, if that's okay with you?

THE VIDEOGRAPHER: Off the record. 11:51.

(A brief recess was taken.)

THE VIDEOGRAPHER: We're back on the record. Time is 12:03.

(Exhibit 77 was marked.)

Q. BY MR. DOBROWSKI: Okay. Let me hand you Exhibit 77, sir.

This is a February 16, 2021 text message between you -- or from you to Miss Paula Gold-Williams, Miss Shellman, Mr. Kuchinsky, Mr. Almaraz, Mr. Vinson, Mr. Bonewell and Mr. Gold.

Do you see that?

A. Yes, sir. I see a text message dated February 16th, as you said, my name, Miss Shellman, Miss Gold-Williams, Mr. Kuchinsky, Mr. Almaraz, Mr. Vinson, Mr. Bonewell, Mr. Gold were all included.

Q. And did you ever refer to them as the chiefs, that group of people?

A. This group of people specifically, no.

Q. Who did you refer to as the chiefs?

A. The chiefs, we refer to the chiefs, it was Paula's direct reports team.

Q. Who are they or were they? When you say,

"Paula," you mean Miss Gold-Williams?

A. Miss Gold-Williams yes, sir.

Q. Yeah.

A. To the best of my recollection, at the time her direct reports of chiefs would have been Mr. Eugster, chief operating officer; Mr. Almaraz, chief administrative officer; Mr. Gold as chief financial officer; Miss Shellman as chief legal officer. I don't know if that was her exact title. Mr. Bonewell who was the -- as I said earlier, I don't recall his exact title, but it was chief safety officer and gas solutions officer, I believe.

Q. Uh-huh.

A. That's what I recall off the top of my head.

Q. Okay. Yeah.

A. I don't know that this is an accurate list.

Q. No problem.

And on this e-mail you sent on February 16 at 9:20 a.m., you write, "Quick update on the gas market for tomorrow. Prices were in the 300 to 350 range on a very limited trading. It looks like a $400 trade just occurred. So far we have purchased" -- well, let me just stop there.

Do you have any evidence that the gas

prices were manipulated by any of the gas suppliers?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You can answer.

A. Could you repeat your question, please?

Q. Sure.

Do you have any evidence that indicates that the gas suppliers manipulated the price of natural gas during Winter Storm Uri to increase it?

A. To my knowledge, I don't have personal evidence.

Q. Okay. And when you say here that prices are in the 300- to 350-dollar range on very limited trading, how did you know that? Were you looking at a screen or something or was that something you got from your traders?

A. I don't recall the specifics of -- for this particular text message. It could have come from the traders, Mr. Bordovsky and Mr. Skaer. It could have come from Mr. Vinson. I know they have -- were in communication with different suppliers through ICE Chat or text message or phone calls.

I don't know if they were looking at a screen at that point in time or know given -- I know at different times of the storm folks were displaced, you know, unable to travel to and from the office

because of the ice. So they -- I don't know the specific sources of that.

Q. Actually, what I'm asking is you. Did you have a screen that showed the prices at various delivery points or anything like that?

A. I don't recall having a screen in my -- on my particular computer at the time that was displaying that information, no.

Q. Okay. Whether it was on your computer or some other device, did you have access to the prices that you're referencing here other than through conversations with your subordinates?

A. I do not recall specific displays at the time. I recall conversations with primarily Mr. Vinson, you know, where the pricing information was being relayed back and forth. But I don't recall specifically looking at a screen myself, no.

Q. In addition, you go on and write, "So far we have purchased a 50,000 and 7,000 MMBtu block at an index plus a dollar twenty-five price."

Do you see that?

A. Yes, sir, I do see that.

Q. What index are you referencing?

A. I'd say the text is not specific. My recollection would be it was depending on that

specific block and I don't recall the details of that 50,000 or that 7,000 block. But I would say it would either be Waha index or Houston Ship Channel index, most likely.

Q. Why -- why were you utilizing index plus a dollar twenty-five price?

MS. VALKENAAR: Objection; form.

THE WITNESS: I don't have direct knowledge of the communication between our gas traders and the trader on the other side that arrived at that -- at that particular detailed price.

Q. BY MR. DOBROWSKI: Okay. You then talk about a call at 9:30.

Do you recall what was discussed during that call with the people on this e-mail?

A. Based on this text message, no, I do not recall what was discussed at the 9:30 call.

(Exhibit 78 was marked.)

Q. BY MR. DOBROWSKI: Okay. Let me hand you Exhibit 78.

A. Thank you.

Q. Exhibit 78 appears to be a series of text messages between you, Mr. Pollo; Mr. Eugster and Mr. Gold and Mr. Kuchinsky.

Do you see that, sir?

A. I do see the four individuals you mentioned: myself, Mr. Eugster, Mr. Gold, Mr. Kuchinsky.

Q. Okay. I'd like you to look at the text message you wrote at -- on February 17 at 11:40 a.m. Just read that to yourself and I'll have a question for you.

A. (Witness complies.)

Okay.

Q. Okay. And -- I'm sorry. And then the next one -- I'm sorry, let me -- and then the next one at 3:28 p.m.

A. (Witness complies.)

Okay.

Q. Based on those two e-mails -- sorry -- text messages, based on those two text messages, did CPSE purchase gas on February 17, 2021, for $500 per MMBtu for 80,000 MMBtu?

A. Based on these text messages alone, I would say I don't -- there's not enough information to confirm whether we made that transaction or not. I don't recall specifics. We -- again, I don't -- I know that was, as the text message says, that was the quantity of gas, 80,000 MMBtu, mentioned in the first one at $500.

There's not enough information in this text to confirm your statement that we made a transaction at that -- at that price and that quantity.

Q. How about the 50,000 MMBtu transaction listed at 3:28 p.m. text message, did you -- do you recall whether that --

A. Again, based solely on this text message, no, I do not recall whether that transaction was executed or not.

Q. Okay. And then if you look at the e-mail -- text message after that from Mr. Kuchinsky, he asks about a running tally of gas costs and says his last number he has is $507 million.

Does that -- and actually, if you read that e-mail and go down and over to the next page.

A. (Witness complies.)

Q. And let me know if that confirms that you purchased, not you, but CPS purchased gas at $500 per MMBtu?

A. I would say again, based on this series of text messages alone, I don't think there's enough information to confirm whether that transaction occurred. We need to look at our detailed transaction logs.

(Exhibit 79 was marked.)

Q. BY MR. DOBROWSKI: Okay. Let me hand you Exhibit 79, which appears to be a text message string between you and Mr. Vinson, Mr. Bordovsky and Mr. Skaer beginning February 18, 2021.

And I'd just like you to read the first two texts.

A. (Witness complies.)

Okay.

Q. And here you're authorizing the purchase of 3400 MMBtu of same day gas at $44; right?

A. Yes. This question from Mr. Vinson about buying 3400 MMBtus of gas, same day gas of $44, and I responded yes, I was okay with that.

Q. So when did you determine the $44 was not an appropriate price per MMBtu?

MS. VALKENAAR: Objection; form.

THE WITNESS: I think I answered a similar question before the break.

As I recall, we did not have any -- there was no discussion about disputing invoices or prices until after the storm.

Q. BY MR. DOBROWSKI: Why was it disputed after the storm?

MS. VALKENAAR: Objection; form.

And I instruct you not to answer to the

extent that calls for any privileged communications with counsel or discussions related to anticipation of litigation work product.

THE WITNESS: I don't think I can answer that question without providing all those communications, as I recall, were done either with an attorney or at the direction of an attorney.

Q. BY MR. DOBROWSKI: Can you look at the second text message on Exhibit 79, sir.

You responded to Mr. Vinson's question about making the purchase at $44 per MMBtu. You say, "Yes, if it will help to prevent an overdraw of our storage."

What were you referencing there?

A. Well, I don't recall specifics of that conversation. I would say the -- what it appears to be -- our concern or one of the things we were looking at was how much gas we were withdrawing from storage and if our gas consumption or our storage withdrawal looked to be larger than we had expected. Looks like this transaction was around buying some same day gas to help to prevent us or allow us to stay within -- in what our storage withdrawal limits were, you know, by augmenting that with some additional same day gas that we would buy.

Q. And if you go down to the e-mail from Mr. Bordovsky at February 18, 2021, at 5:36 p.m., he wrote, "We executed the second 250,000 inground storage purchase with Enterprise this afternoon."

Can you explain what that -- what that means to the ladies and gentlemen of the jury, as you understood it?

A. As I understood it, referring to that 250,000 inground purchase with Enterprise, as I understood it, we had heavy withdrawals on our storage. So to restore our storage balance, in talking with Enterprise Pipeline, they directed us to Enterprise Products to look at buying a large quantity of gas that Enterprise Products had in storage so that we could -- we were able to execute on that transaction.

My recollection is we were essentially going to do a -- what I would call a book transfer. They were going to credit our storage account immediately with the amount of gas that we bought from Enterprise Products to add to our CPS storage balance that -- at the -- I think it's the Wilson County facility that Enterprise Pipeline runs.

Q. Well, what I'm confused about is, it ended -- he writes, "It ended up being at a price of

$20 per MMBtu instead of the earlier $31 per MMBtu."

So if you can explain to me why there was a difference between the purchase of that gas at $21 per MMBtu and the other natural gas you purchased from Enterprise and others at much higher rates at or around February 18?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: What's the distinction?

A. Could you repeat that?

Q. Sure. I'm sorry.

I'm just trying to figure out why this gas is so cheap comparably to the other gas that we were talking about before the break where you were quoting prices at 300 and 400 and $500 her MMBtu. Can you explain it to me as a non-gas person?

MS. VALKENAAR: Objection; form.

THE WITNESS: So that specific price of $20, I was not directly involved in that negotiation or discussion between our traders and Enterprise Products.

My recollection is -- you know, is that gas prices moved throughout the week. You know, it wasn't $20 throughout the week. Obviously it wasn't $400, you know, every day of the week either. So prices moved up. It started high. With the weekend,

moved higher. And then the very tail end of the storm or as we came out of storm, my recollection is that prices were starting -- you know, started to move down.

Timing on the text message you referred to on February 18th at 5:00 p.m. or 5:30 p.m. is near the end of the window that we discussed earlier as the winter storm window.

Q. BY MR. DOBROWSKI: Yeah, but I mean, it's still within that window.

So my question is: Why didn't you pay them $38.83 instead of $20 per MMBtu since CPSE says the appropriate price is $38.83?

MS. VALKENAAR: Objection; form.

THE WITNESS: As I answered before, I wasn't involved in the specific negotiation of this transaction. So I don't know what price was offered to us by Enterprise Products versus what we accepted.

Q. BY MR. DOBROWSKI: But you ultimately wrote Enterprise a letter saying that you weren't going -- CPS wasn't going to pay them more than $38.83; do you recall that, per MMBtu?

A. I recall that we sent a letter to Enterprise Products to inform them that we were disputing the invoice and along with that dispute, we

issued a payment of a conceded amount.

Q. And so my question to you is, so in other words, you did not pay the price that was higher, but you were glad to take advantage of Enterprise when it was less than $38.83; right, sir?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: At least that's what this e-mail indicates; right?

A. The text message you referred me to, I would say it states that we did buy 250,000 MMBtus from Enterprise as a price of $20 per MMBtu.

Q. Which we can agree is less than $38.83 per MMBtu; right?

A. Yes, I would agree $20 is less than 38.83.

Q. Okay. Glad that we can agree on that.

(Exhibit 80 was marked.)

Q. BY MR. DOBROWSKI: Let me hand you Exhibit 80, sir. And this is a text message or a text message string between you and Mr. Bordovsky.

Do you see that?

A. I see myself, Mr. Bordovsky, Mr. Skaer, Mr. Vinson.

Q. Yeah. And if you go at the bottom, he writes, Mr. Skaer says, on February 19, "All we can do is try our best to minimize costs on every single

transaction. I think we did our best."

Do you see that?

A. I see a text message from Mr. Skaer at 3:30 p.m. that says, "All we can do is try our best to minimize costs on every single transaction. I think we did our best."

Q. You can just answer yes or no, sir.

A. I'm sorry.

Q. In any event, did you agree with him? Did you believe your -- that your traders had done their best to minimize cost on every transaction during Winter Storm Uri?

A. I would say I don't have direct knowledge of every single transaction they did. I think, you know, they did -- I think they did as good a job as they could under the circumstances in buying and procuring the gas we needed.

You know, we were trying to -- as I said earlier, our primary concern was buying the gas that we needed. To the extent, you know, we could minimize cost on individual transactions, I believe that's what they tried to do.

I don't believe that, you know, the market at that time or the ability to procure gas was -- was a very liquid market at that time.

Q. Let's --

MR. DOBROWSKI: Object as nonresponsive.

Q. BY MR. DOBROWSKI: All I'm asking is, do you believe, as you sit here, that your traders, Mr. Skaer and Mr. Bordovsky and Mr. Vinson, tried their best to minimize costs on every transaction during Winter Storm Uri?

Strike that. Let me rephrase.

Did you -- do you -- as you sit here today, do you believe that Mr. Skaer, Mr. Bordovsky and Mr. Vinson did their best to minimize costs on every single transaction for the purchase of natural gas during Winter Storm Uri?

A. Based on my recollection, I think they did their best to procure the gas we needed at the best price we could get under the circumstances.

Q. So how -- so another way that CPS is trying to minimize its costs is by unilaterally declaring that it's not going to pay the bills it agreed to; right?

MS. VALKENAAR: Objection; form.

BY MR. DOBROWSKI: I mean, that's another way of minimizing costs is by telling people you're going to buy something at a certain price and then not paying it; right?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: You would agree with that, wouldn't you, sir?

A. I would not agree with that.

Q. Well, that's what you're doing; right? You're re- -- CPS is refusing to pay the amounts it agreed to during Winter Storm Uri. We can agree on that; right?

MS. VALKENAAR: Objection; form.

THE WITNESS: It's my understanding CPS Energy is following the process that's in the NAESB to dispute an invoice, which I believe is the action we took.

MR. DOBROWSKI: Objection; nonresponsive.

Read him back the question.

(The record was read.)

Q. BY MR. DOBROWSKI: CPS is refusing to pay the amount it agreed to pay for natural gas acquired during Winter Storm Uri from clients such as mine, Enterprise Products?

A. I think we are disputing the invoice that we received. We issued payment. So to the extent that a dispute would be considered a refusal to pay, I guess you could look at it that way. I think our view is different.

Q. Well, you and I can agree that Enterprise didn't cause Winter Storm Uri. Please tell me we can agree on that.

A. I would agree, yes.

(Exhibit 81 was marked.)

Q. BY MR. DOBROWSKI: Okay. And let me hand you this document, sir, and we'll take a break for lunch.

This is Exhibit 81; right?

A. Thank you.

Q. And can you -- it's titled "Cold weather natural gas impacts presented by Kevin Pollo, interim VP energy supply and market operations, February 22, 2021 informational update."

Do you see that?

A. Yes, sir.

Q. And did you create this on -- on or about February 22, 2021?

A. Yeah, my recollection is -- I don't have specific dates -- but on or about February 22nd.

Q. Shortly after Winter Storm Uri; right?

A. Yes, sir. If we agree the 19th was the end of the winter storm, yes, February 22nd is shortly thereafter.

Q. And what was the purpose of this PowerPoint

presentation, sir?

A. I believe this was compiled to provide our board of trustees with some information on the winter storm.

Q. Board?

A. Yes, sir.

Q. Keep going. I interrupted.

A. But I don't recall presenting that to the board on February 22nd.

Q. Okay. But the purpose of this was to provide the board of trustees for CPSE with information regarding Winter Storm Uri?

A. To the best of my knowledge, yes.

Q. And did anybody else assist you with this PowerPoint, Exhibit 81?

A. I'm sure there were others on my team that helped pull some of this information together, yes.

Q. And because this was -- the purpose of this was to provide information to the board of trustees you made sure that everything in here that was stated was accurate; right?

A. To the -- I would say to the best of our knowledge, yes, the information we presented was accurate.

Q. Okay. And if you could look at Bates

stamp 8489. It's actually page Arabic 4.

A. Okay.

Q. It's titled "February 2021 cold weather event."

Do you see that?

A. Yes, sir.

Q. And at the bottom, "Extreme cold weather across the U.S. and into south Texas drove strikingly high demand for energy and natural gas."

Was that true?

A. Yes, sir.

Q. Okay. And we can agree that the gas suppliers Enterprise and Energy Transfer didn't cause that to occur; right?

A. The extreme cold weather?

Q. That, and the strikingly high demand for energy and natural gas.

A. Yes, I would agree that they didn't cause that.

Q. Okay. And if you go to the next page.

"Natural gas demands our community needs."

At the bottom you wrote, "Our peak gas demand during this event was more than 30 percent higher than previous cold weather events."

Was that accurate?

A. Yes. Yes, sir.

Q. And we can agree that neither Energy Transfer nor Enterprise caused that to occur; right? That is, the gas demand being 30 percent higher than previous cold weather events; right?

A. Yes, I would agree Enterprise and Energy Transfer did not cause our demand to be 30 percent higher than previous.

Q. Right. Right.

And then if you go to the next page, page 6, Bates stamp 8491, titled "Natural gas supply impacts," you write, "Supply challenges. Frozen wellheads."

What did that refer to?

A. Frozen wellheads I believe would have referred to instances where production at certain -- or certain wells were unable to produce gas due to the ambient temperature conditions. I couldn't describe for you exactly, you know, the mechanics of what that means in terms of the frozen wellhead, but...

Q. Well, you're giving even more detail than I wanted.

All I'm asking you, sir, is, that you're writing here, you're saying supply challenges, and

what you're informing the board of trustees is that, look, the availability of natural gas supply was diminished due to frozen wellheads for one reason; right?

A. Yes.

Q. Okay. And another reason that supply of natural gas was reduced was due to loss of power to processing, slash, transport facilities.

Do you see that?

A. I do see that.

Q. Is that right? Is that another one of the reasons for the diminution in supply of natural gas during Winter Storm Uri?

A. Yes, that -- that's my recollection that was one of the causes --

Q. And then --

A. -- or contributors.

Q. I'm sorry.

And then another cause, as you write, was various mechanical equipment failures.

Do you see that?

A. Yes, sir, I do.

Q. Okay. Can you explain what you're talking about about various mechanical equipment failures? Do you have any examples?

A. I don't have specific examples. My recollection is at various points during the -- during Winter Storm Uri we may have received communication from a supplier or -- mentioning that -- I don't know what it was, if it was some piece of their facility had failed for whatever reason. It took them period of time to restore that, you know, before they could resume production.

Q. And that was as a result of the cold weather; right?

MS. VALKENAAR: Objection; form.

THE WITNESS: I don't recall specific reasons for all of the different failures that may have occurred.

Q. BY MR. DOBROWSKI: Okay. But what happened is is that -- if you go to the graph on the left, is that production of natural gas plunged; right?

A. This chart does show a reduction in natural gas production, yes.

Q. Okay. And at the bottom you write, "U.S. natural gas production fell to a four-year low" -- I'm sorry, let me repeat.

At the bottom you write, "U.S. natural gas production fell to a four-year low during this winter event which led natural gas prices to soar."

Do you see that?

A. I see that, yes.

Q. And that was a true statement?

A. I think the increased demand we talked about earlier and the reduction in supply was a factor in prices.

Q. Okay. But specifically on this page you say, "U.S. natural gas production fell to a four-year low during the Winter Storm Uri."

And that led natural gas prices to soar; right?

A. I agree that's what that slide shows. I think the story is broader than just --

Q. Go ahead.

A. -- supply.

Q. It's broader than just that one slide is what you're saying?

A. I think, again, as we talked about, the presentation starts out talking about demand and moves into supply.

Q. Right. And so both of those items, supply and demand, cause the prices to spike is what you're saying; right?

A. I think those were contributors, yes.

Q. Okay. And Winter Storm Uri caused the

spike in demand. We've already talked about that; right?

A. Yes.

Q. And Winter Storm Uri caused the production to decrease as well; right? All of these three items were Winter Storm Uri related; true?

A. I -- I don't think all of those items are solely due to Winter Storm Uri, no.

Q. Okay. But by and large, frozen wellheads were due to Winter Storm Uri; right?

A. I think Winter Storm Uri is a contributor. I can't speak, again, how much of that may have also been due to different weatherization efforts that may or may not have happened before the storm.

Q. Well, a weatherization effort doesn't matter unless you have a Winter Storm Uri; right?

A. I mean, I didn't disagree that Winter Storm Uri was a contributor. I said I didn't know that it was the sole reason that all three of those bullets happened.

Q. Okay. But it was a contributor to each of these three bases on which you wrote causing supply challenges; right?

A. To my knowledge, in one way or another I think Winter Storm Uri, to my knowledge, was a

contributor to those issues.

Q. It impacted those issues?

A. I think it was -- yeah. I don't know that it was the sole driver. But it impacted.

Q. And then if you go to the next page you see on the right it's titled "Natural Gas Prices"; right?

A. Yes, I see that title.

Q. Okay. And spot natural gas prices surged to $600 as deep freeze cuts production and fuels record demand.

Do you see that?

A. I do.

Q. Was that something you wrote or did you -- did that come from a -- from a different publication?

A. I'd say from the slide it looks like that was taken from a different publication.

Q. Okay. But you put it on there because you felt that helped explain why there was such a large increase in natural gas prices; right?

A. My -- my recollection and belief is we showed that just to provide awareness as to what prices did. I don't know that we were -- I think it was more awareness is why that particular statement was included on that slide.

Q. But you put -- sorry, were you finished?

A. Yeah, I am, sir.

Q. But you put it there because it accurately encapsulated the reasons for why spot natural gas prices surged; right? I mean, you weren't misleading the board of trustees of CPSE, were you?

MS. VALKENAAR: Objection; form.

THE WITNESS: I think we put it there to show a representation of where prices went.

Q. BY MR. DOBROWSKI: Okay. And then you put the NGI's daily Houston Ship Channel prices.

What is the NGI -- what does NGI mean? Natural gas index?

A. I don't recall that full acronym. I think it was the source that we -- that provided the chart.

Q. Right. And it shows Houston Ship Channel daily natural gas price snapshot.

Do you see that?

A. Yes.

Q. And why was that relevant to this presentation?

A. My recollection is the relevancy of that to the presentation is what information that's circled in red with the bold red arrow that shows we experienced a 16,000 percent increase in gas prices during the storm compared to what they were just a

day -- days before the storm occurred.

Q. Right. And what you used was this index known as the Houston Ship Channel price index; right? Natural gas price index; right?

A. To my recollection that's -- yeah, I think that's the number that was used to show the -- or calculate the 16,000 percent increase.

Q. Okay. And you write, "Natural gas prices experience staggering price spikes across the state"; right?

A. Yes, that is on the page.

Q. So it wasn't just CPSE who had to bear the brunt of the these increased prices, it was utilities around the state; right?

MS. VALKENAAR: Objection; form.

THE WITNESS: I don't know what all entities experienced it but -- or experienced the -- I would agree that CPS Energy was likely not the only one paying these or exposed to those gas prices.

MR. DOBROWSKI: Okay. Can we go ahead and take a lunch break, please?

MS. VALKENAAR: Sure.

THE VIDEOGRAPHER: Okay. Off the record. Time is 12:41.

(At 12:41 p.m., a luncheon recess was

taken, the deposition to be resumed at 1:30 p.m.)

AFTERNOON SESSION

(At 1:20 p.m., the deposition was resumed, the same parties being present.)

THE VIDEOGRAPHER: Okay. We are on the record. Time is 1:20.

(Exhibit 82 was marked.)

Q. BY MR. DOBROWSKI: Mr. Pollo, let me hand you Exhibit 82. And if you could turn -- well, this is a text message string amongst you, Mr. Vinson, Mr. Skaer, Mr. Bordovsky. And the first one starts at February 17, 2021, at 7:00 a.m.

Do you see that?

A. Yes, sir.

Q. Okay. If you turn to page Bates-stamped 10261.

A. (Witness complies.)

Q. And if you would just read to yourself that -- those text message, those text messages down to 4:18 p.m. on that page, I'd appreciate it. I got a question for you.

A. (Witness complies.)

Okay.

Q. Okay. So my question to you is first, at 3:58 p.m. Mr. Skaer writes, "Stanton just offered 15,000 same day STX map for $400 slash" -- what does GD represent or mean, HSC flat?

A. I'm not sure why Mr. Skaer used that acronym, or two letters.

Q. Okay. And in any event, Mr. Vinson writes in reply, "Kevin, we need to talk about this one."

Do you see that?

A. I do.

Q. Did you -- do you recall talking to Mr. Vinson about this potential purchase?

A. I don't recall specifically that purchase, no.

Q. Okay. And Mr. Skaer writes at 4:05 p.m., "Now offering 20,000."

Did you understand that to mean Enterprise was offering 20,000 MMBtu for $400 per MMBtu?

A. Yeah, reading the text I would make the assumption that the 20,000 was referring to the -- or an increase of the 15,000 that Mr. Skaer referred to in the earlier text.

Q. Okay. And that they were offering -- excuse me.

Enterprise was offering 20,000 MMBtu for $300 per MMBtu; is that right?

A. I'm sorry, could you say that again?

Q. Sure.

At least if you read the text messages from Mr. Skaer at 4:05 p.m. and 4:18 p.m., it appears -- is it fair to say that EPO ended up selling to -- and CPSE ended up purchasing 20,000 MMBtu for $300 per MMBtu?

A. From reading Mr. Skaer's text at 4:18, that's the conclusion I would draw, is that we -- we did purchase with Enterprise Products 20,000 for $300.

Q. Okay. And that was consistent with the policy that the executives at CPSE had issued to the traders, was it not?

MS. VALKENAAR: Objection; form.

THE WITNESS: I would say no.

Q. BY MR. DOBROWSKI: It's not consistent? Why?

A. I think, as we talked about, the text message that we were referring to earlier discussed storage withdrawal. It was not -- we talked about at certain prices where that text message was informing us of what we were going to withdraw from storage,

so...

Q. But it had to do with the purchase price for natural gas, was it not? Did it not?

A. Are you referring to the text from the earlier exhibit?

Q. Yeah, the one with the executives.

You know what, let me try and make it easier. I'm sorry, I thought it would be unforgettable, but let me see if I can borrow this real quick.

Yeah. 76. That's the one I'm referencing.

And all I'm asking you is, isn't the purchase of 20,000 MMBtu at $300 per MMBtu consistent with directives and guidance that is set forth in Exhibit 76? That's all I'm asking.

A. So, yeah, it was a text message informing our president and CEO of a strategy or a plan for buying gas on Tuesday morning for gas day Wednesday.

I think -- as we talked about earlier, I think the large focus of that was at different price thresholds how much we were going to plan to withdraw from storage.

MR. DOBROWSKI: Object as nonresponsive. That's not my question.

Do you need it read back, sir?

THE WITNESS: Yes, please.

MR. DOBROWSKI: Please read it back to him.

(The record was read.)

MR. DOBROWSKI: Strike it.

Q. BY MR. DOBROWSKI: Let me ask it this way: Was Mr. Skaer authorized to make that purchase of 20,000 MMBtu for $300 per MMBtu on the 17th?

A. I would say yes.

Q. Thank you.

(Exhibit 83 was marked.)

Q. BY MR. DOBROWSKI: Let me hand you Exhibit 83.

Do you know who Orlando Flores is?

A. He's a CPS Energy employee.

Q. Did he report to you or was he part of your team?

A. No, he was not.

Q. Okay. Just quick question, though.

This is an e-mail from him and you're not on it, but my question, if you just read the paragraph in it.

A. (Witness complies.)

Q. And this is an e-mail from Mr. Flores dated February 25, 2021, to Josie Castrejana at Energy Transfer, amongst others.

A. Okay.

Q. And do you see that Mr. Flores writes, "We continue to pay all obligations in full and intend to continue to pay invoices when due."

Do you see that?

A. I do see that.

Q. Okay. Does that refresh your recollection that the decision to not pay invoices over $38.83 per MMBtu was made after February 25, 2021?

MS. VALKENAAR: Objection; form.

THE WITNESS: I don't know the exact date. My recollection is, I think we discussed earlier, is that any discussion -- my knowledge of discussions around disputing invoices occurred after the storm.

Q. BY MR. DOBROWSKI: I know, and that's why I'm trying to use this to narrow it down.

Do you believe that the decision was made not to pay more than $38.83 occurred before the 25th?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: If you know?

A. I -- I don't know.

Q. Okay. Did you ever have any discussions with anybody from Enterprise or Energy Transfer about CPSE's decision to only pay $38.83 per MMBtu during Winter Storm Uri?

A. Not to my recollection.

(Exhibit 84 was marked.)

Q. BY MR. DOBROWSKI: Okay. Let me hand you Exhibit 84.

This is a letter that you wrote, Mr. Pollo, to Enterprise Products on March 22, 2021.

Do you see that?

A. Yes.

Q. Okay. And in there you provide -- or -- yeah, you provide on behalf of CPS Energy that you were disputing the charged amount of approximately $144 million; right, sir?

A. Yes, we --

MS. VALKENAAR: Objection; form.

THE WITNESS: We disputed the invoice that we received.

Q. BY MR. DOBROWSKI: Okay. And the second paragraph, second-to-last sentence, you write, "CPS Energy hereby submits payment of $36,488,218.94, hereinafter the," open quotation mark, "conceded amount," closed quotation mark.

Do you see that?

A. Yes, sir.

Q. And you write, "The conceded amount is supported by the attached documentation."

And if you look at the attachment all it shows is the -- well, explain to me what the attachment shows. How's that?

A. When you refer to attachment, I -- I'm looking at page 1 of 2 and 2 of 2, which --

Q. Yeah. EPO 1693 and 1694; right, sir?

A. Yes, that's what I'm looking at. Thank you.

Q. Okay.

A. So this -- the attachment is a listing of different transactions, to my knowledge, of what occurred during February 2021.

It lists the receipt point, the delivery date of the gas, the conceded price that we paid, the pipeline contract it was transported under, the volume of gas and then what the sum of the conceded amount, which it should equate to the conceded price multiplied by volume.

Q. Okay. But there is no explanation of why the conceded price is appropriate, is there?

MS. VALKENAAR: Objection; form.

THE WITNESS: I believe the attachment provides the details on how we calculated conceded amount.

Q. BY MR. DOBROWSKI: I know how you

calculated the conceded amount. But there is no explanation for -- in there about why the $38.83 price is appropriate, is there?

MS. VALKENAAR: Objection; form.

Q. BY MR. DOBROWSKI: Well, if there is, show it to me.

A. The 38.83 as he listed in the attachment is the conceded price for certain transactions.

Q. Right. But there's no explanation for why -- in that attachment for why that amount is appropriate.

A. I would say there's -- there's no additional documentation for any of the prices beyond what's listed in the conceded price.

Q. Okay. Fair enough.

(Exhibit 85 was marked.)

Q. BY MR. DOBROWSKI: And then if you would look -- even though I know this was a prior exhibit. Let me hand you Exhibit 85 -- actually, it may not have been.

This is a preliminary official statement of CPSE. And if you look on the second page, sir, and you go to the last full paragraph that begins, "To determine the lawful price," if you would just read that to yourself, I got a question or two.

A. (Witness complies.)

Okay.

Q. And my first question is: It talks about a comprehensive analysis that CPS Energy had conducted.

Do you see that?

A. Yes, I see those -- that statement.

Q. Were you a participant in this comprehensive analysis?

MS. VALKENAAR: Objection; form.

And I instruct you not to answer to the extent it reveals attorney-client --

Q. BY MR. DOBROWSKI: All I'm asking is, did you participate? You don't have to tell me -- I don't want to know any of the substance. Just yes or no. Prior to March 23, 2021.

A. I was not a direct participant in the -- in that process or that analysis.

Q. How about an indirect participant?

A. I don't recall specifics, but I may have responded to questions from counsel or that were directed by counsel to provide requested information.

Q. Okay. Did you ever see the comprehens- -- the results of the comprehensive analysis? Just answer yes or no.

A. No.

Q. Okay. To this day, have you ever seen the results of the comprehensive analysis? Yes or no only.

A. No.

Q. So you wouldn't know the results of the analysis other than what's set forth in this document; fair?

A. Yes.

(Exhibit 86 was marked.)

Q. BY MR. DOBROWSKI: Okay. Let me hand you Exhibit 86.

And this is --

A. Thank you.

Q. -- an e-mail from Mr. Jimmy -- Kuo? Kuo?

A. Kuo I believe is how you pronounce it.

Q. Okay. And it talks about the EPRM hedge activity report for the month ended February 28, 2021.

What -- what is the EPRM hedge activity report?

Wait. Did I give you the wrong one? Did I give you the wrong one? Sorry.

A. So the EPRM refers to our -- or this report is a report that's done on a monthly basis that provides information on the financial natural gas

hedging activities for CPS Energy.

Q. And did CPS Energy engage in financial hedging activities for natural gas prior to or during hurr- -- hurricane -- prior to or during Winter Storm Uri?

A. Yes.

Q. Okay. And if you look at the last page. Is that hedging activity located in this document?

A. I mean, I think this is a -- a summary report, if you will, of the results of our hedging activity, yes.

Q. Okay. And if you look in the middle of the document there's a section titled "Estimated hedge impact on natural gas costs includes the disputed amount for February of 2021"; right?

A. Yes.

Q. Okay. Can you explain what these bar charts mean?

A. My understanding of what the bar charts are showing is if you just take the distribution, the two top bars, showing what are natural gas costs would have been -- looks like dollars per MMBtu to the -- to the right of the chart.

Q. Yeah.

A. But what it was with the results of our

hedging activity and what the cost would have been without any hedging activity.

Q. Okay. So because of the hedging activity -- the hedges -- I see. They decreased the actual spend by 5.2 percent. If you look to the right? For February of 2021? At least that's what it says; right?

A. That is what it says, yes.

Q. Okay. I get it now. Okay.

Did CPS modify the -- its hedging strategy before or during the storm because of the storm in February of '21, if you know?

A. I don't recall we made any adjustments or channels to our program during February 2021.

Q. Could you have, if you know?

A. I'd say yes, we could have with the proper approvals through our governance processes.

Q. Okay. Okay.

MR. DOBROWSKI: You know, why don't we take a break, if that would be all right for -- give me 10 minutes. I want to go through this and see if I can't chop out a bunch of it.

MS. VALKENAAR: Sure.

MR. DOBROWSKI: If that's okay with you all.

THE VIDEOGRAPHER: Off the record. Time is 1:43.

(A brief recess was taken.)

THE VIDEOGRAPHER: Okay. We're back on the record. Time is 1:56.

Q. BY MR. DOBROWSKI: Mr. Pollo -- sorry.

Mr. Pollo, attached -- this is Exhibit 59.

My question for you is --

MS. VALKENAAR: Do you have a copy, Mr. Dobrowski, or not?

MR. DOBROWSKI: No, because I assumed you'd bring your own exhibits.

MS. VALKENAAR: Oh, is this from a prior deposition?

MR. DOBROWSKI: Yes, ma'am.

MS. VALKENAAR: Was this from --

MR. DOBROWSKI: Guinn.

MS. VALKENAAR: Oh, let me see if -- if I have a copy of it here.

MR. DOBROWSKI: It's 59.

MS. VALKENAAR: Okay. I'm good. Sorry.

Q. BY MR. DOBROWSKI: Okay. 59. My only question is: It talks about -- and I'm sorry, this is an e-mail from Mr. Guinn to you dated February 11, 2021; right?

A. Yes.

Q. Okay. And this talks about storage physical. At the end it says, "Savings versus market substantial."

What does that mean to you?

A. I don't recall specifics. I don't know offhand what the cost of gas was, you know, that was purchased that was in storage was -- would have been bought before the storm, in all likelihood, at a price that was much less than a hundred and fifty dollars and above.

(Exhibit 87 was marked.)

Q. BY MR. DOBROWSKI: Okay. Let me hand you Exhibit 87, sir.

This is a text from you to Mr. Eugster and Mr. Gold dated February 12, 2021; right?

A. Yes.

Q. At 9:25 in the morning; right?

A. Correct.

Q. And you write, "Gas prices have jumped. Currently trading a hundred to a hundred fifty dollars."

Do you see that?

A. Yes, sir.

Q. And is that per MMBtu?

A. Yes.

Q. And so on the 12th, in the morning, which was a Friday, you're letting Mr. Eugster and Gold know that gas prices had -- were trading above a hundred dollars per MMBtu; right?

A. Yes.

Q. And then you say, "We are assessing total costs for the weekend but we are looking at potentially 300 million or maybe greater at those prices."

Do you -- why -- can you explain that math to me? Why was -- are you talking just for that weekend? It's going to cost $300 million based on the hundred to hundred fifty per -- per MMBtu purchase price?

A. My recollection of the circumstances described by this text is this was Friday morning.

Q. Right.

A. As you said. So we were buying gas for the four-day weekend. So gas day Saturday, Sunday, Monday, Tuesday.

So the math, if you will, that resulted in the 300-million-dollar figure in the text would have been the total volume of gas that we had forecasted to consume and therefore purchase for all four days

at prices in that range of a hundred, hundred fifty dollars. I don't -- I don't remember the exact math or who made that calculation. But that was the initial estimate based on volume and those prices.

Q. So you're letting Mr. Eugster and Mr. Gold know, hey, these gas prices are -- have really gone up and as of February 12th my estimate is that it's going to cost us potentially $300 million if these prices persist; right?

A. I think -- or my recollection is based on trades that we had that had been made at those prices and the volume that we committed to purchase, that that's -- would have been around the $300 million of total cost, if you will.

Q. Okay. So you're -- by -- by the morning of the 12th, which is at the beginning of the winter storm, you were putting Eugster, your boss, and Mr. Gold, the CFO, on notice that these funds are going to be expended; right?

A. I was letting him know that the -- well, one, where the gas market had moved and the scale of -- of the dollars involved.

Q. Right.

A. Yes.

Q. Okay. And that this is what we've

committed to, $300 million in purchases as of February 12th?

A. Yes.

(Exhibit 88 was marked.)

Q. BY MR. DOBROWSKI: Let me hand you Exhibit 88.

This is an e-mail string involving you, Mr. Eugster and Mr. Gold. You know what, I'm wrong. It's only you and Mr. Eugster. And -- but that is dated the next day, the 13th of February, at 10:52 a.m.; right, sir?

A. Yes, February 13th, 10:52.

Q. Okay.

A. A.m.

Q. Okay. And you've advised them that you had an offer at a hundred forty dollars per MMBtu and that this is the cheapest offer that we have seen; right?

A. That is what is described in the text, yes.

Q. And then you say "others," and I assume you mean other offers are the in hundred and seventy-five to 225-dollar range; right?

A. Yes, that's what's in the text.

Q. And you write, "I recommend we purchase."

Are you talking about the 10,000 MMBtu at a

hundred forty dollars per MMBtu; is that what you're recommending be purchased?

A. That is my take or understanding from reading the text, yes.

Q. Okay. And do you know if that transaction was entered into by CPSE?

A. I don't have specific knowledge of whether that exact transaction was executed or not.

Q. Did -- did Mr. Eugster object to you -- to going forward with that transaction, if you recall?

A. I do not specifically recall.

Q. Okay. Can you look at Exhibit 89 and just explain -- oh, no, actually it's Exhibit 16. Already marked. Let me hand it to you.

Can you just explain that document. It's from Mr. Bordovsky dated February -- you know what, I just realized something. You're not even on this. Scratch that. I don't see your name. Nope.

Do you understand these numbers that are on this page, Exhibit 16, in terms of the February 13 to 16 projected gas purchase plan? That's the only one I care about.

A. Not directly familiar with how Mr. Bordovsky generated those numbers, but it looks to me like a forecast of consumption by day -- or the

daily consumption we were forecasting for that weekend period.

(Exhibit 89 was marked.)

Q. BY MR. DOBROWSKI: Okay. Let me have you look at Exhibit 89.

Exhibit 89 is an e-mail from Paul Vinson to you attaching the -- a document titled "February 2021 cold weather event"; right?

A. Yes.

Q. And this was prepared by the people on your team; right?

A. If you could give me a minute to look at it.

Q. Yeah. Sure. If you see right there.

A. Yes, this document should have been prepared by my team.

Q. And it's as of February 12, 2021, if you look at the second page at the top; right?

A. Yeah, the date on the second page of the document, I guess the one labeled 2150.

Q. Okay.

A. Yeah, it's February 12th, is the date.

Q. Okay. If you go to the last page, it says, "Prepay and monthly base load storage are acquired before first of the month and are based on a monthly

index price."

Okay. Monthly index price. What index, if you know?

A. I would say it depends on the specific transaction. It could be either the Waha index or Houston Ship Channel.

Q. And then it goes on to say, "The balance of the need gas is purchased on a daily basis at either a fixed price or a daily index price."

Do you see that?

A. Yes.

Q. So just so that I understand this.

The way CPSE operated its business, although it did a prepurchase of monthly gas needs, it specifically chose to purchase some amount on a daily basis; is that right?

A. Yes.

Q. Okay. And that was on an as-needed basis; in other words, you would buy as much as you needed on the daily basis?

A. Typically that's what we do, yes.

Q. Okay.

A. As you said -- or as we talked about, in the winter storm that's what we were doing, is buying the amount of gas that we needed.

Q. Right. But I'm just saying in general this wasn't an unusual situation of you buying gas on a daily basis. This was something that you actually planned to do before February 1; right? You -- you purchase -- you didn't intend to purchase all of your gas needed for the month prior to the month; right?

A. Yes, we did not purchase prior to the month all of the gas that we were likely to use throughout the course of the month.

Q. Right. And that was a business decision that CPSE made; right?

A. Yes.

Q. Why -- why was that? I mean, what I'm really trying to understand, sir, is, why did CPSE -- or -- strike that.

Was that your team the one that was involved in that decision making about how much to purchase for the month and then on the daily basis? I think -- I assume it was; right?

A. Yes, my team would have done that.

Q. Okay. And so -- but why did your -- did you do it that way as opposed to why not buy all of the gas you needed for the month?

A. I would say, for one, the total amount of gas that we will need for the month obviously isn't

known until -- until you consume it. You know, we look at -- our business is heavily dependent on which of our power plants are running drives our need or our consumption of gas to supply to the power plants.

And then, you know, our distribution company that, you know, provides gas service to homes or businesses will vary quite a bit from day to day as well. So we have -- we do see variability in the daily usage where some days maybe relatively less gas burned and other days maybe a different amount, a higher amount.

Q. But if -- CPSE could have chosen to purchase all the gas it wanted to prior to the month of February 2021; right? Theoretically?

A. Could you repeat that?

Q. Well, could you have entered contracts to -- before the beginning of February 2021 to purchase more gas than you actually purchased before the month began?

A. Yes.

Q. Okay. Do you know how much more?

A. How much more?

Q. Gas you could have purchased?

A. No, I don't.

Q. Okay. Okay.

And then we're at the last page of Exhibit 89.

And it says here, "Storage and fuel capacity will be used to cover colder than expected temperatures, loss of any gas supply through well freeze-offs, et cetera."

Do you see that?

A. Yes, sir.

Q. What does that mean, "Storage and fuel capacity will be used to cover colder than extended" -- "expected temperatures, loss of gas supply through well freeze-offs, et cetera"?

A. One of -- one of the uses of, you know, our storage is to provide some gas that we can pull out of storage to cover certain operational needs, as this has talked about, you know, colder than expected, you know, maybe consuming a little bit more than we forecasted. So we can use storage to help offset that.

When you look with this paper in conjunction with our -- or in consideration of the winter storm, I think both of those items need to be taken together, which is storage and fuel capacity.

We also have certain of our combustion turbines generating resources that can run on either

natural gas as our typical fuel, or fuel oil. So our -- that statement is referring to us converting those generators to run on fuel oil which obviously would have reduced our need to fuel those from natural gas.

Q. Couldn't you do that -- or couldn't you do that during the winter storm?

A. We absolutely did.

Q. And you did?

A. Yes, sir. Generators that were able to run on fuel oil, I don't remember exactly when in the storm we converted them to fuel oil, but once we converted them, we, I believe, kept them on -- my recollection is we kept them on fuel oil through the duration of the storm 24 hours a day.

Q. Okay. Can you look at Exhibit 47.

A. (Witness complies.)

Q. And look at page -- you'll see at the first page, it's an e-mail string between you, Mr. Skaer, Mr. Bordovsky and Mr. Vinson.

Do you see that?

A. Yes, it looks like a text string, yes, sir.

Q. I'm sorry. Text messages as of February 13, 2021; right?

A. Yes.

Q. And if you look at page Bates stamp 10239, sir.

A. Okay. Hold on.

Q. Sure. Let me know when you get there.

A. Okay.

Q. You'll see at the top the text message string is February -- dated February 13, 2021, at 2:22 p.m.; right?

A. 2:22 p.m., yes, sir.

Q. Yes.

A. I see that.

Q. Okay. And in there Mr. Bordovsky writes that Stanton -- did you understand who Stanton was, that he was from Enterprise?

A. I do recognize the name as one of Enterprise Products traders.

Q. Okay. And Mr. Stanton Brown, Mr. Brown is offering to -- 40,000 MMBtu at an offer of, first, a hundred and fifty dollars per MMBtu and then drop to a hundred and thirty-five dollars per MMBtu.

And this is on Saturday the 13th; right?

A. Yes, sir, Saturday the 13th.

Q. Okay. And then do you see your response at 3:36 p.m.?

A. Yes.

Q. Okay. And why did you -- here it says, "I've spoken with Cris and Gary."

Is that Mr. Gold and Mr. -- how do you pronounce his last name again?

A. Eugster.

Q. Eugster.

A. To my knowledge, yes, that should be Mr. Eugster and Mr. Gold.

Q. Okay.

"And at this point I think we would like to see if we can get some additional data on managing the generation burns before we commit to additional purchases."

Do you see that?

A. Yes, sir.

Q. Okay. Did you have a discussion with Mr. Eugster and Mr. Gold about that decision?

A. Which decision?

Q. The decision to wait to get additional data before making additional purchases from Enterprise on February 13?

A. From the context of the text message, I don't recall specifically what I spoke to Cris and Gary about. I don't remember if it was on the generation side or -- or the gas purchase transaction

or -- mentioned in the earlier text.

Q. Okay. But at least here did you pass on the Enterprise offer?

A. From this set of texts, I don't know if we ultimately transacted with Mr. Brown or not. It would appear as of 3:36 p.m. we did not.

(Exhibit 90 was marked.)

Q. BY MR. DOBROWSKI: Okay. Could you look at Exhibit 90 and this is a series of -- oh, Christ, it's out of order. I apologize.

This is actually February 11, sir.

A. Okay.

Q. Sorry about that.

With -- this is a series of e-mails -- text messages between you, Mr. Eugster and Mr. Gold. And, Mr. Pollo, if you could look at the first page and through the middle where you have your text at 1:33 p.m. And then I've just got a couple questions.

A. (Witness complies.)

Just the top part of the page?

Q. Through here (indicating).

A. Okay. Yeah.

Q. Just let me know when you're ready.

A. Okay.

Q. And my question to you is, does that relate

to the purchase of gas or is this relating to the purchase of something else?

A. Due to the reference to go ahead and market in 100 megawatt on-peak strip.

Q. It's electricity?

A. Right. Yes, this should be referencing an electricity purchase.

(Exhibit 91 was marked.)

Q. BY MR. DOBROWSKI: Never mind. Put it aside.

Let me have you look at Exhibit 91.

And, here, Mr. Pollo, if you would, the e-mail that I really need you to look at, and you'll see it, is at the bottom of the page from Mr. Gold on Saturday, February 13, 2021, at 4:27 p.m. And then it carries over to the second page and you'll see that you're copied on that e-mail.

A. Okay.

Q. Right?

And it's subject is titled "Gas Purchase and Liquidity." Do you see that?

A. Yes, sir.

Q. All right. And if you would read that e-mail to yourself.

A. (Witness complies.)

Okay.

Q. Okay. And then go to the next e-mail immediately below that from you dated February 12, Friday, February 12, at 4:27 p.m.

Do you see that?

A. Yes, sir.

Q. And you're sending it to Paula Gold-Williams, amongst others; right?

A. Yeah, there's several folks copied in the e-mail itself. Looks like it was addressed to Paula, from the citation.

Q. Right.

Specifically you say, "Paula, attached is the summary information that you requested during our morning meeting on today's gas purchases."

Do you recall that meeting?

A. I don't recall specifics, no, sir.

Q. Okay. Well, in any event, attached to this document at Bates stamp 27149 is the memo we looked at earlier -- excuse me, sir -- earlier today, which is found in -- there it is. I'm sorry. Oh, here it is. No, that's not it.

Can I have those, please. I thought I had it here real quick. Bear with me.

Yeah, which is found in Exhibit 89 that we

talked about earlier; right?

A. Okay.

Q. And you sent this to Miss Gold-Williams on February 12th; right, sir? That is, Exhibit Number 91; right?

A. It looks like a version of that memo was sent to Miss Gold-Williams, yes.

Q. Right. And if you go to the memo at page 27151 you'll see there's -- I'm sorry. 27150. You'll see there's a section titled "Gas Supply Outlook"; right?

A. Yes, sir.

Q. And then if you turn to the next page there's a list of pricing; right?

A. Yes.

Q. And what you're showing there is the price -- or the gas purchase cost for the prepaid gas, the monthly base load gas and daily purchases; right?

A. The table is -- yeah, shows those three categories.

Q. Okay. And how much were the purchase -- daily purchases? Sir, what was the price for daily purchases?

A. Based on the table on this page, it's

listed as a hundred sixty-nine dollars and six cents.

Q. Okay. And did Miss Gold-Williams write back to you when she got this document and say, wait, we can't be paying that, we should only be paying $38.83?

A. No.

Q. Okay. So as of at least -- or -- strike that.

So as early as Friday, February 12th, 2021, Miss Gold-Williams was on notice that the price of daily purchases for gas was a hundred sixty-nine dollars per MMBtu; right, sir?

A. Based on this -- the e-mail that was sent to her, yes.

Q. And then if you go to the next page, what is -- that page represent, sir?

A. This is the one that's not labeled?

Q. Yeah, it's the one that doesn't have a Bates stamp or a label.

A. Looks to me to be a calculation on cost to run our generators at a hundred and sixty-dollar gas price, an estimated sales price and then, you know, based on that product cost and sales price, looks to calculate a -- a loss on that sale.

Q. How much of a loss?

A. This is showing $1,530 loss per megawatt hour.

Q. Right. Which resulted in an estimated loss of approximately $58,752,000; right?

A. Based on the numbers that are provided here, yeah, the 400 megawatts running 24 hours a day in four days.

Q. Okay. And then if you could turn to the next page, sir, there's a document that, on the left-hand side, lists the four-day incremental cost as $470,692,640.

Do you see that, in yellow?

A. I do see the four-day incremental cost numbers.

Q. What does that reference, if you know?

A. I don't. I did not prepare this spreadsheet.

Q. That's fine. Okay.

If you now go back to page Bates stamp 27146.

A. (Witness complies.)

Q. I'd like you to look at page 2 -- yeah, it's the second page of Exhibit Number 91. It's the e-mail that Mr. Gold wrote.

A. Okay.

Q. To -- to several people, including you, copying you; right?

A. Yes, sir, I'm copied on that e-mail.

Q. Yeah. And who are the other people -- well, I won't waste your time.

In any event, he writes, "Team," this is on February 13th, at 4:27, Mr. Gold writes, "Team, see the memo to Paula"; right?

A. Yes, sir.

Q. And in the first paragraph, if you would just read that to yourself, let me know when you're done.

A. (Witness complies.)

Okay.

Q. What is the reference to 60, 70-ish million, if you know?

A. I don't recall for certain. I would say, reading the e-mail, I think it would refer to the gas costs that Gary mentions in the sentence before that.

Q. Okay. And then if you go to the second paragraph, he writes that as long as -- "assuming the average gas price of a hundred sixty-ish" -- "a hundred and sixty-dollars-ish and assuming a 10 heat rate for the plants at the top of the stack making these sales, as long as power prices are above

1600-ish, we should be making money."

So is he saying that in the midst of this crisis CPSE should actually be making money, not losing it, as you understood it?

A. As I read the text -- or -- I'm sorry, the e-mail, I think what Mr. Gold is referring to is just based on that gas price of a hundred sixty-dollar-ish and the heat rate of our plants, you know, the production costs for us would have been 1600-dollar-ish, so if we had excess generation to sell, ERCOT prices were above that, then we should -- the revenue would be greater than the cost.

Q. Okay. And then in the next paragraph, he says, "From a distribution's perspective, I think the incremental cost allocated to the gas customers is significant relative to the normal gas distribution budget."

What did you understand that to be?

A. We have our generating units that use natural gas and we have our distribution company that gas customers, or retail gas customers, if you will. So when we references a distribution perspective, my understanding is he's talking about our gas customers that we use our gas -- or retail customers of ours for homes and businesses.

Q. Okay. Is this hundred and sixty to a hundred seventy-ish million dollars referencing a revenue figure or a cost figure?

A. Based on Mr. Gold's statement in paragraph 3, second line down, it looks like he's referring to -- he says, "A portion of this incremental gas cost that goes to the distribution book could be hundred sixty to hundred seventy-ish million."

So my understanding, it would be cost.

Q. Okay. And he further writes at the bottom of his e-mail that, "It is likely we have not seen the last of the big dollars. Today ESMO" -- that's your team; right?

A. Yes, sir.

Q. -- "had to buy more gas at a hundred and forty dollars per MMBtu because the gas burns have been even bigger than they estimated."

Are the gas burns the amount of gas that is burned by CPSE to run its plants, or what is it? What's the gas burns?

A. I believe when he's referring to gas burns he's referring to the total amount of gas that we use which would include power plants and the distribution.

Q. Direct distribution? Okay. I got it.
A. Yes, sir.
Q. Okay. He say -- he writes, "The weather is also getting colder than the previous forecast. It now appears it could stretch" -- "it could stretch" -- "could last" -- "the cold stretch could last until Friday. It is not out of the question that we could see a couple more days of large gas purchase dollars"; right? And that's what happened; true?
A. I would say what -- what happened is, yes, gas prices remained extremely high for gas day Wednesday, Thursday. I don't remember offhand what prices were for Friday, but they were still above normal, or prestorm levels.
Q. Okay. So -- but at least based on Gold's memo that wasn't unexpected?
MS. VALKENAAR: Objection; form.
MR. DOBROWSKI: Strike it.
Q. BY MR. DOBROWSKI: Based on Gold's memo, that was what he predicted?
A. I -- I don't -- didn't read his e-mail to be a prediction.
Q. Well, he's letting you know that there -- that it is likely that there are going to be big

dollar purchases; right?

A. He said it's likely we have not seen the last of the big dollars.

Q. And then the last sentence is, "It is likely we're going to see large gas purchases"; right?

A. He said it's not out of the question that we can see couple more days of large gas purchase dollars.

Q. Okay. If you look in the e-mail of his, in the part this is highlighted, why did he -- or what did you understand he was recommending with respect to the -- strike that all.

Who's the settlements team and what does it do?

A. The settlements team is part of the financial services organization and they -- they handle our settlements with the ERCOT wholesale market. So as we -- all the cost and revenues that flow back and forth between us and ERCOT for energy sales go through the settlements team.

The settlements team is also involved in working with my team, the ESMO team, to process our natural gas invoices.

Q. The invoices?

A. Yes, sir.

Q. And then if you look at the highlighted provision, he said, "There needs to be daily visibility on the ERCOT settlements for the rest of this month. I believe these settlements are going to be significant in helping us determine the liquidity that we will need to take care of collateral calls on the gas payments or the final gas purchase payments that will occur in March."

Do you see that?

A. I do see that.

Q. Is -- is one of the reasons, one of the main reasons why CPSE took the position in March not to pay the full amount due because they did not have the liquidity to make the purchase -- to pay for the gas it had contractually agreed to purchase?

MS. VALKENAAR: I'm going to object as to form.

And instruct you not to answer to the extent that your response would include attorney-client communications or information related to attorney-client work product.

THE WITNESS: Could you repeat your question.

Q. BY MR. DOBROWSKI: Yeah.

Did -- is one of the reasons that CPSE refused to pay the full amount agreed upon for the gas purchases in -- during Winter Storm Uri due to liquidity issues?

MS. VALKENAAR: Same objection and instruction.

THE WITNESS: I think you need conversations -- or my recollection is -- recollection is any conversations I had on that topic of our disputed invoices is either with counsel directly or at the direction of counsel, so I don't believe I can answer your question.

Q. BY MR. DOBROWSKI: Well, did you have any discussions with anyone in CPSE without attorneys about the topic of nonpayment to the gas suppliers because CPSE did not have the liquidity to pay them?

MS. VALKENAAR: I object as to form and same instruction.

To the extent that you can answer without having a disclosure of privileged information either attorney-client or work product, I would instruct you not to answer on those bases.

Q. BY MR. DOBROWSKI: And just to be clear, I'm not asking about communications with your lawyers or in front of your lawyers or where your lawyers

were in attendance; okay? Just talking about CPSE personnel.

A. Rephrase your -- or not rephrase. Could you restate your question, please?

Q. Sure.

And all I'm asking about is, in any conversation with CPS employees without counsel, inside or outside, did you discuss that one of the reasons why CPSE was refusing to pay the full amount of the gas purchase price that had been agreed to during Winter Storm Uri was due to CPSE's liquidity or lack thereof?

MS. VALKENAAR: I'm going to object as to form and same instruction.

To the extent that you can discuss any positions that CPS Energy has taken related to disputing invoices without disclosing privileged information, you may do so. But do not disclose information --

MR. DOBROWSKI: Well, wait a second. I'm not talking about facts -- I mean, excuse me. I'm not talking about legal advice. I'm talking about a fact.

Q. BY MR. DOBROWSKI: So just so we're clear, I don't want to hear about legal advice; okay?

Subject to her objection, please answer.

A. I do not recall having any conversations with personnel within CPS Energy about liquidity -- being -- about liquidity being an issue as far as a basis for our dispute.

Q. Okay. Could you look at Exhibit 39. And look at page Bates stamp 10246.

A. (Witness complies.)

Okay.

Q. If you look at the top, just read that to yourself and read through the rest of the page.

A. (Witness complies.)

Q. Tell me when you're done.

A. Okay.

Q. In your e-mail on February 14, 2021, at 11:31 a.m., you essentially write that, "In general my opinion is we likely will be hesitant to buy more gas."

Why did you tell Mr. Bordovsky, Mr. Skaer and Mr. Vinson that?

MS. VALKENAAR: Sorry, Paul, what page number are you on?

MR. DOBROWSKI: It's -- sorry. Here, just take mine. It's Exhibit 39.

MS. VALKENAAR: I have 246 was all I need.

Thank you.

THE WITNESS: I don't recall the specific circumstances of -- at 11:31 a.m. on February 14th when that text was sent.

(Exhibit 92 was marked.)

Q. BY MR. DOBROWSKI: Okay. Let me show you Exhibit 92.

And this is an e-mail from Mr. Vinson to you. And my only question is, Mr. Pollo: Do you see in here Mr. Vinson is writing you and telling you about gas well freeze-offs?

Do you see that?

A. Yes. Gas well freeze-offs are mentioned in the e-mail.

Q. Okay. And do you remember, we looked at that presentation you made on February 22 mentioning gas well freeze-offs?

A. Yes.

Q. Okay. And does this refresh your recollection that you received that kind of information from Mr. Vinson?

A. Yes.

Q. And did that impact supply of natural gas, that is, the gas well freeze-offs?

MS. VALKENAAR: Objection; form.

THE WITNESS: Could you be more specific in your question about supply?

Q. BY MR. DOBROWSKI: No, I can't.

A. Could you restate or repeat?

MS. VALKENAAR: Just read it back to him.

(The record was read.)

Q. BY MR. DOBROWSKI: Did gas well freeze-offs impact the supply of natural gas?

A. I think as we discussed earlier in the day, gas well freeze-offs or wellhead freeze-offs were one of the factors of supply, yes.

Q. Could you look at Exhibit 29 and go to page 10829.

A. (Witness complies.)

Okay.

Q. And if you tell me when you get there.

A. I'm there.

Q. And if you would look at about halfway down the page at two -- on February 16, 2021, 4:13 p.m., you'll see a text message from Paul Vinson saying, "Just talked to Enterprise. They have storage back on and a Yoakum plant is partly up. Pressure should start improving."

Do you see that?

A. Yes, sir, I do.

Q. And what did you understand that to mean?

A. From reading the text, as we sit here today, my understanding would be that since there's reference to storage, that the Enterprise that's being referred to is the pipeline. We're talking about Pipeline pressures.

Q. Okay. Who is Keith Albers or what was his role in February of 2021?

A. Keith Albers' role during February 2021 was a real-time manager.

Q. What did he do?

A. Mr. Albers runs our team of real-time energy controllers that mans our 24/7 control room that monitors --

Q. Go ahead.

A. -- our -- monitors the dispatch of our generating units as well as our -- CPS Energy's natural gas transportation and distribution system.

Q. And on February 16, 2021, at 6:15 p.m., Mr. Albers writes, "What fuel SWAG for tomorrow to use?"

Do you see that?

A. Yes, sir.

Q. And SWAG means scientific wild-ass guess; right?

A. I wouldn't have direct knowledge of what Mr. Albers was saying, yes, sir.

Q. Well, are you familiar with that term, "SWAG"?

A. I have heard that term used for SWAG before, yes.

Q. Okay. And what did you understand he was asking?

And if you read, Mr. Vinson replies, "Hundred sixty-five million for four fourteen if we're under MMBtu."

And then if turn the page, Mr. Bordovsky said he gave $400 dispatch price to Pete this afternoon.

A. Based on this particular context, I'm not sure exactly what Mr. Albers was referring to.

Q. Okay. Well, if you go down, keep going down on this next -- on the page 10830.

A. Okay.

Q. You'll see, Mr. Pollo, you write, "We need to discuss what dispatch price to use."

Mr. Albers writes, "Call me with price. We are bidding tomorrow shortly. $400 is in there."

And you write back, "Please leave the current WACOG for now."

WACOG, is that weighted average cost of gas?

A. Yes, sir.

Q. Okay. What did you mean by that?

A. From reading this, the text string, I believe what the particular last three -- I guess the ones dated 6/17, 641, 642.

Q. Right.

A. I believe that discussion was around dispatch price, which is the gas price that we use as the -- to form the energy offer curves to dispatch our generating needs, gas-fired generating needs.

Q. Okay. All right. Sorry. I misunderstood. My fault. Okay. Okay.

MR. DOBROWSKI: Here's what I'm going to do, if it's all right with you, Lauren, I'm going to pass the witness and while Enterprise is asking questions, I'm going to go through whatever else I have there to see if I have anything left. If I do, I'll pick it up after he's done. Hopefully he'll cover everything. Okay.

MR. WOODS: Let's take a break.

MR. DOBROWSKI: Sure.

MR. WOODS: So I can switch.

MR. DOBROWSKI: I'll get out of the way.

THE VIDEOGRAPHER: Okay. Off the record. The time is 2:45.

(A brief recess was taken.)

THE VIDEOGRAPHER: Okay. We're back on the record. Time is 2:55.

EXAMINATION

BY MR. WOODS:

Q. Good afternoon, Mr. Pollo.

A. Good afternoon.

Q. You understand -- or my name's Robert Woods, and I represent Energy Transfer.

Do you understand that?

A. Yes, sir.

Q. And when I say "Energy Transfer," I could be referring to Houston Pipeline or Oasis, the two defendants in this lawsuit?

A. Yes, sir.

Q. And if I refer to them collectively as Energy Transfer, you'll know what I'm saying?

A. I assume it'll be one or either.

Q. Now, could you state your title at CPS again for the record?

A. Vice president of energy supply and market operations.

Q. And is part of your role as vice president of energy supply and market operations, is part of that involve -- does part of that role -- does part of that role involve reviewing weather forecasts?

A. I would say I don't review weather forecasts every day. But I do see them frequently.

Q. Is that the responsibility of members of your team?

A. Yes.

Q. And whose responsibility primarily is it to review weather forecasts with respect to natural gas?

A. With respect to natural gas, I would say primarily our gas traders, Mr. Bordovsky and Mr. Skaer, at the time of February 2021 would have been reviewing daily weather forecasts.

Q. And what weather forecasting information did CPS have available to it prior to enduring Winter Storm Uri?

A. Utilized a contractual third-party contract. Contract that provides us with various types of weather forecasts. We utilize available public information, National Weather Service, local news broadcasts, other publicly available information. It could be as various Internet weather providers. We look at several different forecasts

and pieces of information about weather.

Q. Okay. When you say "several different forecasts," can you be specific about which ones that you or your team would rely on for forecasting the weather prior to and during Winter Storm Uri?

A. I don't have specific knowledge of what individuals were looking at on specific days. I would say our typical process would be our third-party contractor services is one of the primary ones, along with National Weather Service.

Q. And what is the name of the third party contractor?

A. DTN. I don't know their full -- full name or exactly the -- the proper business name. DTN is how we refer to them or how I'm familiar with them.

Q. And what do -- what documents or information do they supply to CPS that you're aware of?

A. To my knowledge, I don't know that they provide specific documents. We have access to their service which provides daily weather forecasts, I believe for period of time that covers hourly forecasts. They have -- a part of that I think is also their 15-day weather view.

(Exhibit 93 was marked.)

Q. BY MR. WOODS: Okay. I'm going to hand you what I've marked as Exhibit 93.

A. Thank you.

Q. And is Exhibit 93 an e-mail dated February 10th, 2021?

A. Yes, it is.

Q. So this is before Winter Storm Uri had arrived in Texas?

A. Yes, based on the February 12th start date that I think we identified earlier.

Q. Okay. And who is David Detelich or however you pronounce that last name?

A. Mr. Detelich is a member of my team. I don't remember his exact title at the time. I think it was principal -- I think it's principal QSE operations support. So David is one of our analysts.

Q. Okay. What is his primary job responsibility?

A. His primary job responsibility is to work with my team, really with -- his focus is on the ERCOT wholesale energy market.

Q. Okay. And this e-mail is titled "Short-term cold weather outlook gas supply planning"; true?

A. Yes, that -- that is the subject that's

listed.

Q. And you received this e-mail?

A. My name is on the address list, yes.

Q. And if you read Mr. Detelich's e-mail, second sentence says, "Our forecast shows temperatures below freezing," continues on from there.

When he says "our forecast," what did you understand he was referring to?

A. I don't really have -- I don't have specific knowledge of what he was exactly referring to.

Q. But whatever it was, that was forecast that CPS was relying on for its gas supply planning; fair?

A. I believe it would be certainly one of the -- it would be a forecast that we were using for planning, yes, is my belief.

Q. And he states that it looks like it could get as cold as February 2011.

Do you see that?

A. I do.

Q. And, in fact, Winter Storm Uri was significantly worse than February 2011; true?

A. I -- I don't recall the temperature statistics from February 2011 to be able to make that

comparison, as we sit here today.

Q. Okay. And he states, "In 2011, temperatures stayed below freezing for around 55 hours."

Do you see that?

A. Yes.

(Exhibit 94 was marked.)

Q. BY MR. WOODS: Hand you what I've marked as Exhibit 94.

A. Thank you.

Q. And do you see that Exhibit 94 is an article from KSAT in San Antonio?

A. Yes, that's what it appears to be.

Q. That's a journalism outlet that you are familiar with?

A. It's one of our local TV stations.

Q. Okay. Now, if you turn to page 6 of this document.

A. (Witness complies.)

Okay.

Q. And in looking at the entry titled February, Friday, February 19th.

A. Yes.

Q. Underneath there you see that KSAT reports that San Antonio spent 107.5 hours under freezing

temperatures.

You see that?

A. Yes, I see that.

Q. Okay. Any reason to doubt that that's true?

A. I don't know the -- recall the exact number. I think it was in that range, around a hundred and seven hours. I don't know that to be exactly correct.

Q. Okay. But any reason to doubt that KSAT's misreporting that?

A. I don't have any reason to doubt that.

Q. Okay. So let's go back to Exhibit 93, the e-mail from Mr. Detelich.

And you see that he states that, "In 2011, temperatures stayed below freezing for around 55 hours"; true?

A. I see that, yeah, it's in Mr. Detelich's e-mail.

Q. His prediction is it could get as cold as 2011 but maybe a little shorter in duration; fair?

A. Mr. Detelich made that statement at the beginning of his e-mail, yes.

Q. Okay. But as we just saw from the KSAT article, Winter Storm Uri was actually significantly

longer in duration than the winter weather in February 2011; true?

A. That's my understanding.

Q. So would you agree as of February 10th, 2021, that CPS Energy's prediction for the duration of Winter Storm Uri was an underestimate?

MS. VALKENAAR: Objection; form.

THE WITNESS: I -- you know, I -- I would say that the information that you're asking me about is Mr. -- from Mr. Detelich's e-mail.

Q. BY MR. WOODS: Okay. He works for you; right?

A. He does.

Q. He works at CPS?

A. He does.

Q. And he refers to it as "our forecast"; true?

A. That is how he referred to it, yes.

Q. Okay. So would you agree that CPS's forecast of the duration of Winter Storm Uri was an underestimate?

A. Based on the information that we're talking about, I would say that Mr. Detelich's statement was different from what actually happened.

Q. Yeah. And it was an underestimate of how

long temperatures would remain below freezing; true?

A. Mr. Detelich's -- the information in Mr. Detelich's e-mail was -- yeah, did not show the number of hours below freezing that actually happened.

(Exhibit 95 was marked.)

Q. BY MR. WOODS: Now I'm going to hand you what I've marked as -- where's my exhibit stickers?

I'm going to hand you what I've marked as Exhibit 95.

And on this one, even after we finish looking at it, set it to the side because we may come back to this one. Exhibit 95.

And I'll represent to you that Exhibit 95 is a chart of natural gas transactions produced by CPS in this case and it's organized by date. So it starts on February 10th and then it goes day-by-day at each page.

Do you see that?

A. Yes, I see the different dates.

Q. Okay. And then you see on February 10th the first page of 2021?

A. Okay.

Q. Do you see that CPS Energy purchased natural gas for rates that were below $4 per MMBtu?

A. Assume you're referring to the column that looks to be labeled as DLVD, which I presume is delivered, but I can't speak to that for sure, that -- that column?

Q. Yeah.

A. "DLVD rate"?

Q. Yeah. Is it your understanding that that's the price that CPS Energy paid for the natural gas on each one of these line items?

A. Look at this real quick.

So I certainly did not prepare this document. My understanding would be that that column labeled as DLVD rate would be the purchase price.

Q. Okay. And they are all for February 10th of 2021 below $4 per MMBtu; true?

A. Yes.

Q. Okay. And do you -- did CPS Energy go and purchase any natural gas on February 10th of 2021 that would be delivered during the course of Winter Storm Uri?

MS. VALKENAAR: Objection; form.

THE WITNESS: So February 10th I believe would have been Wednesday. I -- I don't have direct recollection of the specific transactions that we made on that date. It may have been or may not have

been for delivery during the winter storm.

Q. BY MR. WOODS: Okay. And you understand that it's possible on a Wednesday to buy gas that would be delivered, say, the next Monday; is that fair?

A. Not being a direct gas trader, I would assume it's possible, but I'm not aware of that. I don't believe we -- my recollection is we've not done that frequently. But I don't know that it's -- or unable to do that.

Q. All right. I -- like I said, set that chart to the side because we'll come back to it. I'm going to show you another exhibit.

A. Okay.

(Exhibit 96 was marked.)

Q. BY MR. WOODS: I'm going to hand you what's been marked as Exhibit 96.

And you see that this is a series of text messages that begin on February 10th of 2021 at 9:14 in the evening?

A. Yes.

Q. Okay. So this is the same day that we just looked at from Mr. Detelich's e-mail in the afternoon; true?

A. Yes, both are February 10th.

Q. Okay. And you sent the first text message; fair?

A. Based on the exhibit that you've handed me, I would agree with that. I don't know if there are other text messages before or after.

Q. Okay. But you sent the first one that's here on the page?

A. On this page, yes.

Q. Okay. And one of the recipients is the CEO of CPS, Paula Gold-Williams?

A. Miss Gold-Williams is listed, yes.

Q. And so is the COO of CPS Cris Eugster?

A. Yes.

Q. And you also see Frank Almaraz listed there?

A. Yes.

Q. And I believe there's also just a reference where it just says general counsel is referenced?

A. Yeah, I see the -- that reference. I'm not sure why it's there.

Q. Okay. But fair to say that some of the most senior members of CPS Energy are on this text message?

A. Yes.

Q. Okay. And you state, "Good evening, I

apologize for the late text but wanted to update you on the cold weather outlook for early next week."

That's how you start your text message?

A. I apologize, I was reading it.

Q. That's how you start your text; right? You say, "Good evening, I want to apologize for the late text but I want to update you on the cold weather outlook for early next week."

A. Yes, that is how it started.

Q. And that cold weather being referred to is Winter Storm Uri; true?

A. The -- yeah, early -- the early next week that's referenced would have been a portion of Winter Storm Uri.

Q. And as we established earlier in your deposition, it would not have been your common practice to be texting the senior leadership of CPS Energy at 9:14 in the evening; fair?

A. I would agree it's not common.

Q. Okay. Now, you state in this text message that, "Monday and Tuesday are the primary concerns"; right?

A. That statement is included in the text, yes.

Q. Okay. And what were you basing that on?

A. I don't have specific recollection of the basis for that. I would presume it was the -- our weather -- combination of forecasts, our weather forecasts, our energy usage forecast and -- and the ERCOT outlook.

Q. Okay. And is it fair to say that you were trying to give the senior leadership of CPS a heads-up that the weather forecast is looking worse than was predicted earlier by CPS?

MS. VALKENAAR: Objection; form.

THE WITNESS: From reading the -- rereading the text, I would say I was communicating what the current outlook was. There's a statement that it was different from what we -- what had been communicated earlier.

Q. BY MR. WOODS: And specifically that the temperature outlook had been moved down, meaning that it was going to be colder than expected; fair?

A. I would agree that that statement about temperature outlook moving down would refer to colder weather.

Q. And you state here that ERCOT has a load forecast above prior winter record; true?

A. Yes, that statement is in the text.

Q. Okay. So is it fair to say that you were

trying to alert the senior management of CPS that the weather during Winter Storm Uri is going to be colder than expected and that the demand for power is going to be higher than it's ever been before; true?

MS. VALKENAAR: Objection; form.

THE WITNESS: Can you restate your question?

MR. WOODS: Could you read it back to him.

(The record was read.)

THE WITNESS: From reading the text, it looks like the focus of the information was Monday and Tuesday, not the entirety of Winter Storm Uri. The energy demand that's mentioned in the e-mail is higher than what had been previously seen, yes.

Q. BY MR. WOODS: Okay. Let's look back at the chart of price. It's Exhibit 95.

So the text message that we just looked at was in the evening on the 10th; right?

A. Yes, the timestamp is 9:14 p.m.

Q. And it was predicting that the weather would be colder than expected. We already discussed that; right?

A. Again, as I said, the focus of that text appears to be on Monday and Tuesday.

Q. Okay. And can you identify for me on

Exhibit 95, on February 11th, the next day, since this text message was sent at 9:14 in the evening, any actions listed there that CPS took to purchase natural gas or additional natural gas for Monday or Tuesday of the following week when according to you those days would be the primary concerns?

MS. VALKENAAR: Objection; form.

THE WITNESS: My -- my understanding of this spreadsheet is the layout is based on the gas day and when gas flowed, not the day it was purchased.

Q. BY MR. WOODS: Let me ask the question differently, then.

What actions did CPS Energy take the next day, on February 11th, 2021, after your text message exchange with the senior leadership to address the gas supply needs for Monday and Tuesday, the days that you predicted to be the, quote, primary concerns?

A. I don't recall specifically what we did.

Q. Did you make any purchases of additional natural gas for delivery on those days?

A. I don't recall specific transactions.

Q. So as the manager of energy supply and market operations you don't know?

MS. VALKENAAR: Objection; form.

THE WITNESS: I would say there were a lot of transactions that occur on a daily basis, particularly with Winter Storm Uri, and I don't recall and know the details of every transaction that we do.

Q. BY MR. WOODS: As the manager of energy supply and market operations, you didn't take the information that you had sent to the senior management of CPS Energy and go and order your team to take precautions for the weather that was coming on the following Monday and Tuesday?

MS. VALKENAAR: Objection; form.

THE WITNESS: My answer was I didn't recall the specific actions that we took.

Q. BY MR. WOODS: Did you take any specific actions?

A. To my recollection, yes, we took precautions, took steps to prepare for Winter Storm Uri, but I don't recall the exact actions, activities that we undertook, you know, on the night of February 10th or specifically on the morning of February l1th.

Q. So you didn't go to Bruce Bordovsky or Ken Skaer, the traders, and say, "Hey, just in case

we need extra gas on Monday and Tuesday be sure to buy some extra"? You didn't do that, did you?

MS. VALKENAAR: Objection; form.

THE WITNESS: I don't recall specific conversation between myself and Mr. Bordovsky or Mr. Skaer.

Q. BY MR. WOODS: Did you do -- did you or your team do any sensitivity analysis to determine what could happen if the weather was worse than you had forecasted?

MS. VALKENAAR: Objection; form.

THE WITNESS: I -- I don't have specific knowledge of what every member of my team may have looked at in terms of different analyses.

Q. BY MR. WOODS: So sitting here today, you can't identify any sensitivity analysis you did to see what would happen if the weather was worse than expected?

MS. VALKENAAR: Objection; form.

THE WITNESS: I don't recall specifics, no.

(Exhibit 97 was marked.)

Q. BY MR. WOODS: Hand you what I've marked as Exhibit 97.

A. Thank you.

Q. And you see that Exhibit 97 is a series of

text messages involving you beginning on the morning of February 10th, 2021?

A. Yes.

Q. Okay. And if you look down below, the fourth text message down, at 7:56 a.m., you see the text message written by Benny Ethridge?

A. At 7:56?

Q. Yes, sir.

A. Yes.

Q. And who's Benny Ethridge?

A. In February 2021, Benny Ethridge, Mr. Ethridge was our senior vice president for power generation.

Q. And he is telling you and others, including the COO of CPS Energy, Cris Eugster, that it looks like cold weather starts Saturday with worst by Monday.

Do you see that?

A. I do.

Q. Okay. And, in fact, Winter Storm Uri lasted all the way till the following Friday; true?

A. That's what we talked about earlier, is Winter Storm Uri ended roughly around February 19th.

Q. Okay. Now, look two text messages down below that, Mr. Ethridge sends another text and he

gives some predictions of the high and low temperatures for the day; true?

A. It's what it appears to be, yes.

(Exhibit 98 was marked.)

Q. BY MR. WOODS: Okay. Keep that in front of you. But I'm going to hand you what's marked as Exhibit 98.

And I'll represent to you, Mr. Pollo, that Exhibit 98 are the actual observed temperatures by the National Weather Service for San Antonio.

So if you pull up Exhibit 98 and Exhibit 97 kind of side by side here and let's go through them day by day.

Do you see that Mr. Ethridge predicts that the high on Saturday would be 40 and the low 25?

A. Those are the numbers in Mr. Ethridge's text.

Q. Yeah.

MS. VALKENAAR: I'm sorry, Robert, where did Exhibit 98 come from?

MR. WOODS: It's just the National Weather Service.

MS. VALKENAAR: And this is what the actual reported temperatures were?

MR. WOODS: Yes.

MS. VALKENAAR: When was this pulled?

MR. WOODS: These temperatures are from February 2021.

MS. VALKENAAR: No, I know. When was the Exhibit 98 -- since it hasn't been produced, I'm just not familiar with how that data -- if you're going to ask him questions --

MR. WOODS: Sure.

MS. VALKENAAR: -- I'm trying to understand.

MR. WOODS: I mean, you can look it up on the Internet.

MS. VALKENAAR: When was this pulled up?

MR. WOODS: Last couple of days.

Q. BY MR. WOODS: All right. So let's look at Saturday, which Saturday would have been the 13th of February; right?

A. I believe that's what we agreed to earlier.

Q. All right. And Mr. Ethridge is predicting a high of 40 and a low of 25?

MS. VALKENAAR: Objection; form.

THE WITNESS: Those are the numbers in Mr. Ethridge's text. I wouldn't say that that -- I couldn't agree that that's a classification or classify that as Mr. Ethridge's forecast. I would

agree those are the numbers he's put in his text.

Q. BY MR. WOODS: Sure. Well -- and you see that the actual temperatures on Saturday was a high of 32 and a low of 29; right?

A. Based on the information you handed me on Exhibit 98, I -- that's the numbers that are on the page.

Q. Okay. Any reason to doubt the National Weather Service's records of temperatures for San Antonio?

A. I don't doubt the National Weather Service's records. My concern with the information that you handed me is the only indication that it's National Weather Service's data was your statement. There's nothing on the exhibit labeled as National Weather Service.

Q. Sure. Well, I'll represent to you it's from the National Weather Service and we'll just -- subject to that representation, we can keep going.

So let's look at, then, on Sunday, Mr. Ethridge texts out to senior leaders at CPS that Sunday is a high of 35 and a low of 25; right?

A. Those are the numbers in Mr. Ethridge's text.

Q. Okay. But the real low on Sunday was

actually 13 degrees; right?

A. Based on the represented National Weather Service data, yes.

Q. So he's off by more than 10 degrees?

MS. VALKENAAR: Objection; form.

THE WITNESS: I'd say the numbers in Mr. Ethridge's text are different.

I also observe that the time line of the text messages that -- that you -- are in Exhibit 97 is earlier than the other text stream that we said the temperatures were moving downward. So this was -- would be information that I believe we updated and superseded later on in the day.

Q. BY MR. WOODS: All right. Agree or disagree that he says on Sunday the low will be 25, but according to the National Weather Service the actual low is 13 degrees?

MS. VALKENAAR: Objection; form.

THE WITNESS: I thought I said it earlier, but I agree that Mr. Ethridge's text says 25 for Sunday and the National Weather Service database on the exhibit you handed me said 13.

Q. BY MR. WOODS: Okay. So it's different by more than 10?

A. Yes. 13 and 25.

Q. Okay. Now, let's look at the 15th, which is Monday. Mr. Ethridge's text says 20 degrees, but the actual observed temperature, low temperature was 9 degrees; right?

A. Agree Mr. Ethridge's text said 20 and the National Weather Service represented data says 9.

Q. Okay. And then finally, let's look at Tuesday. Mr. Ethridge's text says a low of 33, but the actual low was 12, according to the National Weather Service?

A. Similar answer, I agree Mr. Ethridge's text says 33 and the represented National Weather Service data says 12.

Q. And that's a difference of more than 20 degrees; fair?

A. 12 and 33, yeah, it's more than 20, difference between those two numbers.

Q. Okay. So the difference between Mr. Ethridge's numbers and the National Weather Service numbers on Sunday for the low is greater than 10, for Monday is greater than 10 and for Tuesday is more than 20 degrees; true?

MS. VALKENAAR: Objection; form.

THE WITNESS: Could you restate the question?

Q. BY MR. WOODS: Yeah, I'm just adding up the differences between the lows between Mr. Ethridge's texts and the National Weather Service data. And on Monday the difference is greater than 10 -- well, let me restate that. Sorry.

On Sunday the difference is greater than 10, Monday it's greater than 10 and on Tuesday the difference is greater than 20; fair?

MS. VALKENAAR: Objection; form.

THE WITNESS: There's certainly a difference in numbers between Mr. Ethridge's text and the National Weather Service data.

Q. BY MR. WOODS: Okay. And we can just do the math; right?

A. Yeah.

(Exhibit 99 was marked.)

Q. BY MR. WOODS: All right. I'll hand you what has been marked as Exhibit 99.

A. Thank you.

Q. All right. You see that Exhibit 99 is a text message stream starting on February 11th of 2021 at 8:57 in the morning?

A. No.

Q. You know what, I turned to the wrong page. Sorry.

It's a text message stream beginning at 8:08 in the morning?

A. Yes.

Q. And it's involving Mike Hale and Kyle Sanchez and you?

A. Yes.

Q. Who is Mike Hale?

A. Mike Hale, I believe in February 2021 his position was day-ahead manager.

Q. Okay. And then who's Kyle Sanchez?

A. Kyle Sanchez is a contractor that works for us. His position is a meteorological data coordinator.

Q. All right. And if you turn to the next page and you look at the text message starting at 8:59 a.m.

A. Okay.

Q. It's written by Kyle Sanchez. You see that he states that, "AccuWeather does post hourly forecasts."

Now, is that -- is he referring to just like the app or the website AccuWeather that you or I could access on our phone or our computer?

MS. VALKENAAR: Objection; form.

THE WITNESS: I don't know specifically

what Mr. Sanchez was referring to.

Q. BY MR. WOODS: But -- so as one of the three people in this text message, you don't know what he was referring to when he said, "AccuWeather does post hourly forecasts"?

A. He made a reference to AccuWeather. I don't know that I can answer the question you asked as to what specific information that he may access or that you or I could access, which I thought was your question.

Q. All right. Well, let's turn back to the previous page and look at the text message at 8:56 in the morning that you sent.

You asked Mr. Hale and Mr. Sanchez, "Does AccuWeather post hourly forecasts that we can use to show how their forecasts correlate to what is displayed with the iPhone?"

What did you mean by that?

A. So from looking at the context of the text messages, my understanding is AccuWeather is the provider of the weather data that you can access on just the general weather app that's on your iPhone.

iPhones are standard issue at CPS Energy. So I think that's a quick source of data for folks to just hit the weather app.

So looks like my question was referring to AccuWeather posting hourly forecasts. In rereading the text, I would assume that I was asking about the AccuWeather website and how does that correlate to the information that Apple is showing on the iPhone.

Q. Okay. And that's like a website anybody can access, you or me or just anybody you may have mentioned?

A. Yes, we do not have a paid subscription with AccuWeather, so it would have been their public website.

Q. Okay. So you think it's fair to say that as manager -- or -- sorry -- as vice president of energy supply and market operations, that one of the sources of data you were looking to for the weather forecast for Winter Storm Uri was the AccuWeather website or app on an iPhone?

MS. VALKENAAR: Objection; form.

THE WITNESS: Could you restate the question?

Q. BY MR. WOODS: Yeah.

Well, in your role as VP energy supply and market operations, was one of the sources of data that you were using to predict the weather during Winter Storm Uri the AccuWeather website or the

AccuWeather app on an iPhone?

MS. VALKENAAR: Objection; form.

THE WITNESS: I don't specifically recall looking at the AccuWeather website personally. My recollection is DTN and National Weather Service were the sources of data that I typically use.

Q. BY MR. WOODS: Okay. But in this text message stream you're specifically asking to know more about the AccuWeather hourly forecasts; true?

A. As I reread the text string, it appears to me that I was asking can we correlate from the AccuWeather website to the information that is on the iPhone weather app.

Q. Now, for Mr. Sanchez, was he the only employee or direct contractor of CPS with a meteorological background?

MS. VALKENAAR: Objection; form.

Q. BY MR. WOODS: -- at the time of Winter Storm Uri?

A. At the time of Winter Storm Uri, Mr. Sanchez wasn't a direct employee of ours. He was, as I said, served in a contractor role.

Q. Okay. Was he the only contractor for CPS with a meteorological background at the time of Winter Storm Uri?

MS. VALKENAAR: Objection; form.

THE WITNESS: As I said, DTN is the third party service that we use. We have access to contact and discuss with their meteorologists on staff as well.

Q. BY MR. WOODS: Okay. Did you have any conversations with those meteorologists about Winter Storm Uri?

A. I don't recall personal conversation between myself and -- and DTN's meteorologist, no.

Q. Okay. But you did have conversations about the weather during Winter Storm Uri with Mr. Sanchez; true?

A. I had conversations I'm sure with Mr. Sanchez and several others throughout the company.

Q. But to be clear -- okay.

Well -- let's -- and you're -- you're aware that at the time of Winter Storm Uri Mr. Sanchez did not have a college degree; fair?

MS. VALKENAAR: Objection; form.

THE WITNESS: I don't remember his specific graduation date.

Q. BY MR. WOODS: Okay. Are you -- sitting here today, you're telling me that you don't know one

way or the other whether Mr. Sanchez had a college degree at the time of Winter Storm Uri; you haven't read any of the articles about that?

MS. VALKENAAR: Objection; form.

THE WITNESS: I'm saying, as I sit here today, I don't recall. And since I don't recall specifically, I don't feel appropriate to make a guess as to the accuracy of the information.

Q. BY MR. WOODS: Okay. So just to be clear, you didn't have any conversations with any of the meteorologists at DTN, you did have conversations with Mr. Sanchez but you don't know whether he had a college degree during Winter Storm Uri; true?

A. There was a lot in that statement. Could you repeat it or go through it more slowly?

Q. Yeah. Let's take it one by one.

You didn't have any conversations with the meteorologists at DTN about the weather during Winter Storm Uri; true?

A. I personally do not recall having a conversation. I can't speak for the other members of my team as we sit here.

Q. Okay. So the answer is no?

A. Me personally, no.

Q. And then for Kyle Sanchez, you did have

conversations with him about the weather during Winter Storm Uri; true, like we just looked at one?

A. Certainly there's at least this text stream, yes.

Q. And you are -- your testimony, sitting here today, is you don't know whether he had a college degree at the time of Winter Storm Uri?

MS. VALKENAAR: Objection; form.

THE WITNESS: I don't recall the date of his graduation.

(Exhibit 100 was marked.)

Q. BY MR. WOODS: All right. I'm going to hand you what's been marked as Exhibit 100.

A. Thank you.

Q. And Exhibit 100 is a PDF that was e-mailed out to certain personnel at CPS Energy, including you, on February 14th, 2021; right?

A. Yes.

Q. And it looks like it was a document that someone maybe scanned on a printer and then e-mailed out to the folks on the recipient list?

A. Yes, I would agree with that.

Q. Okay. And the document is titled D-A-P for Monday, 2/15/2021.

What does D-A-P stand for?

A. D-A-P, in this instance, stands for day-ahead plan.

Q. Okay. Fair to say that this document is used for trying to plan CPS Energy's operation through the upcoming day?

A. The day-ahead plan is used to plan our -- our energy position in the ERCOT wholesale market.

Q. Okay. Let's see.

Now, if you'd look with me at the document Bates-labeled 11741 down in the corner, so it's the second-to-last page with the chart on it.

A. Okay.

Q. And you see there in the bottom for San Antonio there's a weather forecast; right?

A. Yes.

Q. Okay. Now, if you have Exhibit 98 handy, which is data from the National Weather Service, can you pull that back up for me, please.

A. Okay.

Q. So this D-A-P that we are looking at that's Exhibit 100 is in the midst of Winter Storm Uri; true? It's on the 15th?

A. It was e-mailed out on the morning of February 14th, 7:03 a.m.

Q. Sorry. 14th.

You would agree with me that that's during the course of Winter Storm Uri?

A. Yes.

Q. And it's planning for CPS Energy's operations on the 15th, which is also during Winter Storm Uri?

A. As I said, it's planning for the ERCOT -- our position in the ERCOT wholesale energy market.

Q. Now, if you look with me at the data on the daily planning chart forecast for Tuesday, February 16th, you see that the predicted high is 37 degrees?

A. I do.

Q. And you see that the actual observed temperature according to the National Weather Service for the same days of 26 degrees; right?

A. On Exhibit 98, yeah, it does show the maximum temperature on the 16th to be 26.

Q. Yeah. So that's a difference of more than 10; right? 37 and 26?

A. I would agree, yes.

Q. Okay. Let's look at Wednesday.

You see that the high is predicted to be 43 on the CPS document, but the National Weather Service notes that the actual observed high was only -- let

me see. Strike that for one second.

All right. Sorry. Go to Thursday.

You see that on Thursday CPS Energy predicts a high of 43 but the actual observed temperature on Thursday, the high was actually 32; right?

A. No, I would not agree that that's CPS Energy's forecast. I believe that is a forecast from DTN.

Q. Does CPS Energy have any other forecasts other than the one from DTN?

A. As I said, we use DTN's forecast. You categorize it as CPS Energy's. I just wanted to point out on this chart that this is, I think, taken directly from DTN's information or website.

Q. And the high of 43 on Thursday is what's appearing in CPS Energy's daily planning document; right?

A. 43 on Thursday, yes, sir.

Q. And the actual observed temperature was 32; fair?

A. I would agree that, again, Exhibit 98 shows 32 as the maximum temperature of the 18th.

Q. Okay. So like the forecast that we looked at before from CPS, this forecast on the daily

planning document has more than one day where CPS Energy's temperature prediction is off by more than 10 degrees; fair?

MS. VALKENAAR: Objection; form.

Hey, Robert, I'm unable to replicate Exhibit 98 online. Do you have the URL link?

MR. ALI BHAI: Right here.

MS. VALKENAAR: I'll circulate it.

THE WITNESS: I'm sorry, could you repeat the question?

Q. BY MR. WOODS: So like the weather forecasting predictions that we looked at earlier from Mr. Ethridge that were off more than 10 degrees on multiple days, you would agree with me that the chart looked at here, the daily planning document for February 15th, 2021, also has multiple days where CPS Energy's predicted temperatures are off by more than 10 degrees; true?

MS. VALKENAAR: Objection; form.

THE WITNESS: This day-ahead plan from February 14th is a snapshot in time so that forecast from DTN is refreshed every day. So we look at an updated forecast every morning.

So, you know, if you look at the next day from when this plan was created on Monday, the high

was 26, the low of 11, which is -- looks to be within two degrees of what was in the National Weather Service actual data.

Q. BY MR. WOODS: But you would agree with me that the prediction on this daily planning chart for CPS on Thursday was off from the National Weather Service's observed temperature by more than 10 degrees; right?

MS. VALKENAAR: Objection; form.

THE WITNESS: I would say the information presented on the morning of February 14th for a forecast on February 18th, that number was -- or differed by more than 10 degrees between what's on Exhibit 100 and the information on Exhibit 98.

MS. VALKENAAR: Ali, just real quick. Thank you so much for sending the link, but it doesn't have -- it's not a populated chart that we see in Exhibit 98.

MR. ALI BHAI: Sure.

MS. VALKENAAR: Can you send what you put into the qualifier to make Exhibit 98, is what I'm trying to understand.

MR. ALI BHAI: Okay. Okay. Sure.

MS. VALKENAAR: Thank you.

Q. BY MR. WOODS: All right. Mr. Pollo, could

you pull back up Exhibit 95, the big chart of transactions.

A. Okay.

Q. And as we looked at before, it started on February 10th and it goes through -- the printout that I gave you goes through the 19th.

A. Okay.

Q. Okay. For all of these natural gas transactions that are in Exhibit 95, when CPS agreed to these natural gas transactions, was it intending to pay in full?

MS. VALKENAAR: Objection; form.

THE WITNESS: As I mentioned earlier, my recollection is we did not -- there was never -- it was not discussion on disputing invoices until after the winter storm.

Q. BY MR. WOODS: Okay. So at the time that CPS entered into these transactions it was intending to pay in full; true?

MS. VALKENAAR: Objection; form.

THE WITNESS: I don't know that I can speak on behalf of CPS Energy as an entity.

Q. BY MR. WOODS: So as the vice president of energy supply you can't say one way or the other?

A. Well, as I said, I don't recall discussion

of potential disputes of invoices until after the winter storm ended.

Q. Well, that wasn't my question.

My question was: At the time that CPS entered into these transactions, was it intending to pay in full?

A. I may not be understanding your question, but I believe you're asking me to speculate on what others in the company may or may not have done and I don't think I can do that.

Q. Okay. So there may have been other people at CPS who at the time these transactions were entered into who were not intending to pay the counterparty in full; is that fair?

MS. VALKENAAR: Objection; form.

THE WITNESS: Not to my knowledge.

Q. BY MR. WOODS: Okay. So you're not aware of anyone at CPS who had the intent not to pay for any of those transactions in full at the time that they were entered into?

A. Could you restate that? Just want to make sure I'm answering the right question.

Q. Sure.

MR. WOODS: Do you mind reading that back to him.

(The record was read.)

THE WITNESS: I'm not aware that anyone at CPS Energy was contemplating not paying the invoices in full at the time of the winter storm.

Q. BY MR. WOODS: And are you aware of anyone at CPS Energy who believed that the prices that CPS agreed to in these transactions were anything but fair and reasonable at the time they were entered into?

MS. VALKENAAR: Objection; form.

THE WITNESS: Could you repeat that.

MR. WOODS: Do you mind reading it back?

(The record was read.)

THE WITNESS: I think I can only speak for myself and I would say that at the time my recollection is that I thought the prices were excessive and unprecedented when you look at the history of the gas prices.

Q. BY MR. WOODS: Okay. So at the time you entered into these transactions, you believed that the prices were excessive?

A. I wasn't the direct trader so my knowledge of -- of prices, certainly at the beginning of the winter storm, occurred after our traders had made or committed to many of the purchases.

Q. Wasn't my question, though, sir.

My question was: Did you believe at the time these transactions were entered into that the prices were excessive?

MS. VALKENAAR: Objection; form.

THE WITNESS: I think my answer's the same. At the time of the winter storm, I thought the prices were, as I said, excessive and unprecedented compared to what we had seen.

Q. BY MR. WOODS: That's what you were thinking at the time you entered -- that CPS entered into these transactions?

MS. VALKENAAR: Objection; form.

THE WITNESS: I think I've already answered your question, but...

Q. Respectfully, I don't think so. So I can ask it again.

Your testimony is that the prices -- that you believed at the time that these transactions were entered into that the prices were unprecedented and excessive; right? That's what you said?

A. I believe that's what I said.

Q. Okay. And was that your belief at the time CPS entered into these transactions?

MS. VALKENAAR: Objection; form.

THE WITNESS: I'm not really sure how else to answer your question, but...

Q. BY MR. WOODS: Mr. Pollo, my question is -- well, let's -- let's get a couple of things straight.

So you already told me that you think these prices are unprecedented and excessive. We're in agreement that that's what you think; right?

A. Yes.

Q. Okay. Now I want to know, did you think that at the time that CPS entered into these transactions? So, you know, right as they're agreeing to one of these prices, were you privately thinking, I believe that that price is excessive?

MS. VALKENAAR: Objection; form.

THE WITNESS: Since I wasn't directly trading, I don't know that there's -- I don't know that I can correlate my personal thoughts to the timing of any of the individual transactions.

Q. BY MR. WOODS: So you don't know, sitting here, one way of the other whether you thought at the time that these trades were entered into that the prices were excessive or not?

MS. VALKENAAR: Objection; form. He's answered that several times.

THE WITNESS: I believe I've answered the

question.

Q. *BY MR. WOODS: At the time that CPS Energy agreed to pay, for example, $140 per MMBtu for natural gas, did you believe that that price was excessive at the time CPS entered into that transaction?

MS. VALKENAAR: I'm going to object as to form. He's answered that.

I'm going to instruct you not to answer.

He's answered this line of questioning fully.

THE WITNESS: Can we take a break?

MS. VALKENAAR: Sure. Do you mind? He just asked if we can take a break. I think we've been going over an hour.

MR. WOODS: Okay. Well, I need to ask him about the -- the follow up to the last question about the $140, which is this one. And then I'm happy to take a break.

(Discussion off the record.)

(Exhibit 101 was marked.)

Q. BY MR. WOODS: All right. Mr. Pollo, I'm going to hand you what's been marked as Exhibit 101.

A. Thank you.

MR. WOODS: I feel like there's some risk

at some point that one of us is going to mark an exhibit for the second time but I just think we're going to have to do that.

MS. VALKENAAR: High risk. We'll all try our best.

MR. WOODS: Some of these text message strings, they start to run together.

Q. BY MR. WOODS: All right. Mr. Pollo, you see that Exhibit 101 is a series of text messages on February 13th of 2021 involving you, Bruce Bordovsky, Ken Skaer and Paul Vinson; true?

A. Yes.

Q. Okay. And Bruce and Ken are natural gas traders that work for Mr. Vinson; correct?

A. At the time of Winter Storm Uri, yes, Mr. Bordovsky and Mr. Skaer were our gas traders that reported to Mr. Vinson.

Q. And then Mr. Vinson reported to you; right?

A. Yes.

Q. Now, if you turn to me -- or turn with me to the second page Bates-labeled 10232.

A. (Witness complies.)

Q. And I'm specifically looking at the text that you sent on the 13th at 10:57 a.m., third one from the bottom.

A. Okay.

Q. Okay. And you state here, "Let's purchase the 20,000 at $140."

And are you saying let's purchase 20,000 MMBtus of natural gas at $140 per MMBtu in that text?

A. I would presume that that's what I was referring to, yes.

Q. Okay. And on February 13, 2021, at 10:57 a.m. when you said let's purchase the 20,000 MMBtus at $140 per MMBtu, did you believe that $140 per MMBtu was an excessive price for natural gas?

A. I -- I don't believe I can recall the exact timing of that -- those thoughts in my head versus, you know, this particular timing of this text.

Q. Okay. And when you stated let's purchase the 20,000 MMBtus at $140 per MMBtu the intention was that CPS Energy would, in fact, pay $140 per MMBtu for 20,000 MMBtus of gas; true?

MS. VALKENAAR: Objection; form.

THE WITNESS: As I said, my recollection is that there was no discussion on potential disputing of invoices until after the storm was over.

Q. BY MR. WOODS: So the answer to my question is yes?

A. Could you repeat your question.

(The record was read.)

MS. VALKENAAR: Objection; form.

THE WITNESS: I think -- I know we were primarily focused on purchasing the gas that we needed. I don't recall that my -- certainly my team and I were not discussing whether we were going to dispute the invoice or not, no.

Q. BY MR. WOODS: Okay. And just to be clear, and, you know, you weren't planning to agree to pay a hundred and forty dollars per MMBtu but actually only pay a lesser amount; right? That wasn't something that you were contemplating at the time?

MS. VALKENAAR: Objection; form.

THE WITNESS: At the time we were not. My -- my recollection is there were no conversations, certainly with -- with my team about potentially disputing invoices.

MR. WOODS: All right. We can take a break.

MS. VALKENAAR: Okay.

THE VIDEOGRAPHER: Okay. Off the record. Time is 4:05.

(A brief recess was taken.)

THE VIDEOGRAPHER: Okay. Going back on the

record. Time is 4:19.

Q. BY MR. WOODS: Mr. Pollo, what did you do to prepare for your deposition today?

A. I met with my legal team.

Q. For how long?

A. I had I think three or four meetings that were generally about two hours long.

Q. Okay. On different days?

A. Yes, sir.

Q. Did you review any documents in preparation for your deposition?

A. I was shown a couple of documents during the meeting with the legal team.

Q. Okay. Did you review any documents on any of the breaks today during your deposition?

A. No.

Q. If you don't mind pulling up Exhibit 91 in front of you.

A. Okay.

Q. And Enterprise's counsel, Mr. Dobrowski, he asked you about this document earlier. If you look at the second page, which starts on the first page, it's an e-mail from Gary Gold where he says, "See memo to Paula."

A. Okay.

Q. And in there, in the second kind of whole paragraph, we looked at a statement earlier in your testimony that Mr. Gold is stating that, "Assuming gas prices of $160-ish and assuming a 10 heat rate for the plants at the top of the stack making these sales, as long as power prices are above 1600-ish, we should be making money."

Do you recall being asked about that statement earlier?

A. Yes, we discussed that paragraph, I recall.

Q. Okay. Okay.

And during the course of Winter Storm Uri power prices were often well in excess of $1600 per megawatt hour; true?

A. Yes.

Q. And so that means that at least if gas prices were in that one hundred and sixty dollar range, according to Mr. Gold, his prediction was that CPS would be making money; fair?

MS. VALKENAAR: Objection; form.

THE WITNESS: No.

Q. BY MR. WOODS: Okay. What -- why do you disagree with that?

A. The first thing, our first obligation with our power plants is to serve our electricity

customers. So Mr. Gold's reference to "at the top of the stack" means, you know, we have any generation left over after serving our own customers' needs.

So if we're producing power that is -- can be sold to ERCOT at $9,000, whatever the price was, but we're also buying load from ERCOT at $9,000, that same price, we're not making any money. We're still running our gas units at the cost of $1600.

Q. Understood.

And one of the reasons why CPS Energy had to buy load from ERCOT is that some of its power plants went offline during the storm; true?

MS. VALKENAAR: Objection; form.

THE WITNESS: We did have some power plants that had issues during the storm. Some -- some were -- had to -- were offline. Others that were producing but at reduced load.

Q. BY MR. WOODS: And what were the causes of why those were offline or producing at a reduced load?

A. I couldn't give you the specifics plant by plant. We had a variety of reasons why -- why the power plants weren't producing at full load.

Q. Okay. Well, just to best of your understanding, what were those reasons?

A. Some were mechanical failures. Some were identified as weather-related. Some of the issues were due to insufficient gas pressure.

Q. Okay. So just to focus on three of them that you identified there. You said mechanical issues was one, weather was two, and then three was gas pressure. There might be more but those are three that you listed.

A. Those are three, yeah. Again, I don't think that's an exhaustive list.

Q. Okay. And as VP of energy supply and market operations, is it your understanding that Energy Transfer delivered all the gas that CPS purchased from it?

A. Without seeing our detailed delivery records, I couldn't attest whether that's a true statement or a false statement. I know we had large varie- -- or quantity of volume of gas that was not delivered to us. I don't remember the specific suppliers that were involved.

Q. Okay. Well, let's go back to those three reasons that you identified for reasons why CPS Energy's power plants were either not functioning or not functioning at a full capacity during Winter Storm Uri.

So the first one, mechanical issues. Did Energy Transfer cause any of those mechanical issues?

A. No.

Q. And the second one you identified was the weather. Obviously Energy Transfer didn't cause the power plants to trip off -- that tripped off because of the weather; right?

A. I would agree Energy Transfer did not have a role in that.

Q. Okay. And then assuming that Energy Transfer really did deliver all the gas that CPS purchased from it, so there wasn't anything that Energy Transfer promised to deliver that didn't make it to CPS, assume with me that that's true, then Energy Transfer also didn't cause any of CPS's power plants to stop functioning or not function at full capacity due to gas pressure; right?

MS. VALKENAAR: Objection; form.

THE WITNESS: As I said, I don't recall whether Energy Transfer successfully delivered or did not all the quantity of gas that was -- that we committed to buy or that they promised to deliver.

Q. BY MR. WOODS: Okay. But assuming they did, then they didn't have any responsibility for CPS's power plants not functioning due to gas

pressure; right?

MS. VALKENAAR: Objection; form.

Q. BY MR. WOODS: That would have been a different pipeline company or different gas supplier's fault, potentially?

MS. VALKENAAR: Objection; form.

THE WITNESS: Yeah. I don't recall. I recall specific issues on different pipeline. I don't recall positively or negatively whether we saw pressure issues that related to Energy Transfer. I can -- I know some of the issues we saw were on a different pipe.

Q. BY MR. WOODS: Okay. But assuming that Energy Transfer -- let's just imagine a world where Energy Transfer would promise to deliver to CPS 400 units of gas -- I'm just making this up -- but let's just imagine this is the case.

They, in fact, deliver 400 units of gas, that's no shortfall in the amount, that will mean Energy Transfer wasn't responsible for the lack of gas pressure at any of those power plants; right?

MS. VALKENAAR: Objection; form.

Q. BY MR. WOODS: I know -- I know -- I know you've stated, and I hear you, that you don't know -- you haven't gone to look to see if Energy Transfer

has actually, you know, really did that.

But I'm just telling you, assume with me that that's true, that would mean that Energy Transfer is not responsible for CPS's energy -- CPS Energy's power plants not functioning because of the lack of gas pressure; right?

A. I don't directly agree with that statement, no. I think delivery of gas does not equate to necessarily ensuring or -- adequate pressure in a pipeline. I mean, I think there's more to it than just these 400 units were delivered so therefore we can assume there wasn't a pressure problem. I don't think you can draw that direct correlation.

Q. You would agree with me that if CPS Energy's power plants were fully functioning, they were all fully functioning, that CPS Energy would have had more capacity to sell power back to the ERCOT grid at the very elevated electricity prices available during Winter Storm Uri?

MS. VALKENAAR: Objection; form.

THE WITNESS: I don't have specific numbers off the top of my head of what our position was hour by hour, day by day. We would not have had some of the issues we would have had I think additional generation certainly that would have been available

to serve our load. I don't know that that would have created enough generation throughout the event to have excess power to sell.

Q. BY MR. WOODS: You're aware that during Winter Storm Uri CPS Energy did sell power at highly elevated electricity prices to the ERCOT grid; right?

MS. VALKENAAR: Objection; form.

THE WITNESS: At times during the winter storm, my recollection is we -- we had what I would call a net long position where we had excess generation that was sold to -- to ERCOT.

Q. BY MR. WOODS: And to be clear, some of that electricity that at times CPS Energy sold to ERCOT was generated using natural gas; right?

MS. VALKENAAR: Objection; form.

THE WITNESS: Yeah, we were generating off of a variety of fuel sources during the winter storm. Essentially all of the fuel sources that we had available. So nuclear, coal, natural gas. As I mentioned earlier, fuel oil.

Q. BY MR. WOODS: Okay.

A. Wind, solar.

Q. Well, you mentioned natural gas. Just to be clear, the answer to my question is, yes, during the times that CPS Energy was selling excessive

generation to ERCOT, some of that excessive generation had been generated using natural gas; right?

MS. VALKENAAR: Objection; form.

THE WITNESS: I would say some of our total generation was produced with natural gas. I can't tell you I recall specifically which fuel type or which generator was allocated, if you will, to ERCOT sales.

MR. WOODS: Lauren, I was going to show him an exhibit and I'm pretty sure it was used with Ken or Bruce but I'll confess to you, I don't have the number. So I can either remark it or I can show it to you and you can flip through the binder and find it. It's your call.

MS. VALKENAAR: Let's see if I recognize the document for efficiency's sake.

MR. WOODS: Sure. Maybe -- no, I just handed you the wrong one. Sorry.

MS. VALKENAAR: That one I don't recognize as being previously marked.

MR. WOODS: Yeah. Sorry. There we go. That's the one I was looking for. This one. So it would have been I think at Ken's.

MS. VALKENAAR: I don't think so. I could

be wrong, so let's mark it.

(Exhibit 102 was marked.)

Q. BY MR. WOODS: Okay. Mr. Pollo, I'm going to hand you what's marked as Exhibit 102.

A. Okay. Thank you.

Q. And you see that this is a text message from Ken Skaer to you on February 16th of 2021, which is during Winter Storm Uri?

A. Okay.

Q. Okay. After you received this text message, did you have any conversations with any of your superiors about what Mr. Skaer had said in this text message?

A. I don't recall any specific conversations on this, the contents of this text message, no.

Q. Okay. Do you recall any further discussions with Mr. Skaer about this text message?

A. I don't recall specific conversations, no.

Q. Okay. Did you take any actions or make any decisions based on the information or opinions expressed by Mr. Skaer in this text message?

A. My -- you know, my recollection is that at the time of the winter storm our focus was trying to buy the physical gas that we needed. Energy Transfer was able to supply gas to Rio Nogales, one of our

combined cycle, natural gas-fired power plants, and also had served a delivery point on the north side of our city which we needed to deliver gas to during the extreme cold weather. So I think in many cases we had to buy gas from Energy Transfer.

Q. Understood. Appreciate that.

Just to get back to my question, though. My question was: Did you take any actions or make any decisions based on the facts or opinions that Mr. Skaer expressed in this text message during Winter Storm Uri?

A. I don't recall specific decisions or actions that came out of that text message, no.

Q. Okay. And I'm going to preface this by saying I'm not asking you to disclose any -- the substance of any communication that you had with counsel or at the direction of counsel that would disclose attorney-client information or work product.

My question is only, do you know whose idea it was to dispute natural gas prices above $38.83 per MMBtu?

MS. VALKENAAR: I'm going to object.

And instruct you not to answer to the extent -- because I don't think you can disclose that without getting into privileged information, assuming

you know.

THE WITNESS: I -- I don't -- I don't know whose decision it was.

Q. BY MR. WOODS: Let me ask it another way. See if it draws a similar objection.

Do you know whether it was anyone who is an employee of CPS Energy that decided to dispute natural gas prices above $38.83 per MMBtu that were incurred during Winter Storm Uri?

MS. VALKENAAR: I have to assert the same objection and instruct you not to answer.

MR. WOODS: I think he can answer does he know. I think he can -- I think he can probably hold who.

THE WITNESS: Could you repeat your question.

Q. BY MR. WOODS: Do you know?

MS. VALKENAAR: Do you know -- what is the...

Q. BY MR. WOODS: Do you know whose idea it was to dispute prices above 38.83 per MMBtu; yes or no? Do you know who it was?

A. No.

Q. All right. Just a few more questions, Mr. Pollo.

Has anyone at CPS Energy, to your knowledge, taken responsibility for underestimating the severity of Winter Storm Uri?

MS. VALKENAAR: Objection; form.

THE WITNESS: Could you repeat that, please.

Q. BY MR. STAFFORD: Sure.

Has anyone at CPS Energy, to your knowledge, taken responsibility for underestimating the severity of Winter Storm Uri?

MS. VALKENAAR: Objection; form.

THE WITNESS: To my knowledge, I would say that individuals at CPS Energy have identified ways to do things differently in the future.

Q. BY MR. WOODS: Has anyone, to your knowledge, stood up and taken responsibility for underestimating the severity of Winter Storm Uri?

MS. VALKENAAR: Objection; form.

THE WITNESS: To my knowledge, I think Miss Gold-Williams, for one, I think has made, in different forums, public apologies to the community. That's about all I can attest to.

Q. BY MR. WOODS: Okay. Similar question.

Has anybody at CPS Energy, to your knowledge, taken responsibility for underestimating

the amount of natural gas needed to run CPS Energy's power plants or distribute natural gas to its natural gas customers?

MS. VALKENAAR: Objection; form.

THE WITNESS: Could you repeat your question, please?

Q. BY MR. WOODS: Yeah.

Has anyone at CPS Energy, to your knowledge, taken responsibility for underestimating the amount of natural gas needed to run CPS Energy's power plants or distribute gas to its natural gas customers during Winter Storm Uri?

MS. VALKENAAR: Same objection.

THE WITNESS: I don't believe I can point to a specific individual.

Q. BY MR. WOODS: Okay. So you don't recall anyone saying, you know what, I made a mistake, I contributed to that, I'll do better next time?

MS. VALKENAAR: Same objection. I think he's answered. I also think the premise of your question --

MR. WOODS: Just objecting to form.

THE WITNESS: I don't have specific knowledge of that conversation or any conversation of that type.

Q. BY MR. WOODS: Has anyone at CPS Energy, to your knowledge, taken responsibility for the failure to purchase sufficient volumes of natural gas before the market prices for natural gas rose dramatically during Winter Storm Uri?

MS. VALKENAAR: Objection; form.

THE WITNESS: I guess I don't know that I agree with the premise of your question that we failed to buy quantities of natural gas.

Q. BY MR. WOODS: Well, you certainly failed to buy the quantities of natural gas before the market prices rose dramatically during the storm; right? If you had bought all the gas earlier, the prices were lower; right?

MS. VALKENAAR: Objection; form.

THE WITNESS: I would say I think before the winter storm we purchased the quantities of gas that we consumed.

Q. BY MR. WOODS: Respectfully, Mr. Pollo, I believe that CPS Energy clearly purchased natural gas during Winter Storm Uri after prices had already risen dramatically; right? I don't think that's disputed.

A. I think the statement that we purchased natural gas during the winter storm at very high

prices is not disputed.

Q. Okay. With that in mind, if you could, for the ladies and gentlemen of the jury, can you answer the question, has anyone at CPS Energy, to your knowledge, taken responsibility for failing to purchase sufficient quantities of natural gas for delivery during Winter Storm Uri before the market price for natural gas rose dramatically during the storm?

MS. VALKENAAR: Objection; form.

THE WITNESS: I think by stating or asking the question regarding a failure implies that we did something outside of our process and I don't believe that was the case.

Q. BY MR. WOODS: Do you think your process, as you describe it, was a successful strategy during Winter Storm Uri?

MS. VALKENAAR: Objection; form.

THE WITNESS: Could you repeat that? I want to make sure I heard it right.

Q. Yeah.

Well, when I asked you whether or not anyone at CPS Energy had taken responsibility to -- for the failure to purchase sufficient volumes of natural gas in advance of Winter Storm Uri, so before

the market prices rose dramatically, and you said -- your answer said, you referred to your process. So you basically said that wasn't our process.

And I'm asking you, do you believe that the process that you were referring to was a successful strategy during Winter Storm Uri?

MS. VALKENAAR: Objection; form.

Q. BY MR. WOODS: I mean, you guys had to go out and buy next day gas at extremely high prices; right?

A. As I said earlier, we bought gas, daily gas, at I think what was viewed to be excessive prices, you know, given the winter storm and the disaster that befell the state. I don't think we had a choice but to buy that gas.

Q. Do you agree that there were ways to prevent having to do that if you had just taken different actions earlier on?

MS. VALKENAAR: Objection; form.

THE WITNESS: Could we have done something different? Potentially. But I think -- I think there's a range of -- you know, it's information leading into the storm wasn't perfect foresight, either as far as looking at what happened after the fact, could we have done something different?

I think in many cases most -- I think you can look back and say many people could have done things differently. But I think part of that also assumes that everyone would have had perfect knowledge of -- of exactly how the event would unfold. And I would say I don't think that perfect knowledge existed.

We didn't know going into the storm, for example, that gas that we expected to buy, whether it was gas we bought before the storm or during the storm wouldn't get delivered during the storm. So that was something I don't -- you know, that we didn't foresee, you know, that gas that we bought wouldn't show up.

Q. BY MR. WOODS: Has anyone at CPS Energy, to your knowledge, taken responsibility for the gas power plants going offline or not functioning at full capacity during Winter Storm Uri?

MS. VALKENAAR: Objection; form.

THE WITNESS: To my direct knowledge, no.

Q. BY MR. WOODS: Are there things that you wish you had done differently during Winter Storm Uri?

MS. VALKENAAR: Objection; form.

THE WITNESS: I think -- again, I think

regardless of Winter Storm Uri or any other significant event, I think you always look at what happened and could there be things you could do differently the next time around. Yeah, I think that's a natural reaction.

Q. BY MR. WOODS: Yeah. Obviously, you know, hindsight is 20/20, but some mistakes were made; right?

MS. VALKENAAR: Objection; form.

THE WITNESS: Yeah, I don't agree with the premise that mistakes were made.

Q. BY MR. WOODS: You don't think CPS Energy made any mistakes during Winter Storm Uri?

MS. VALKENAAR: Objection; form.

THE WITNESS: I think that's an extremely broad question and I don't believe that I have the knowledge to speak for everything that happened within the entire company to agree or disagree with your statement.

Q. BY MR. WOODS: Well, did you and your team make any mistakes during Winter Storm Uri?

MS. VALKENAAR: Objection; form.

THE WITNESS: I don't recall to point to a specific mistake. You know, again, I think are there things that we would do differently? You know, I

think there are -- there are things that we have, you know, looked at that we think we would do differently, you know, going forward or for winter preparation, but I don't think that was in response to an identified mistake.

Q. Okay. What are the things that you're going to do differently the next time a winter storm comes?

A. I mean, one of the things that we did after Winter Storm Uri involved additional storage. We had contracts expiring so we went out looking for additional storage capacity.

Q. Anything else?

A. I -- I -- there's things I think that -- we've made some changes I think in our hedging program. I don't know if that was specifically in response to Winter Storm Uri, but we have looked at -- looked at that and made some adjustments to our, you know, going forward hedge position is another example.

Q. If you could go back and do it again, would you and your team have purchased natural gas in larger quantities earlier?

MS. VALKENAAR: Objection; form.

THE WITNESS: I don't know that I can

directly answer that. I think there -- it depends -- certainly part of that depends on operational considerations, and I don't know that we can go -- have all the knowledge to go through today.

And I think, as I said, a couple of things that would have affect -- that did affect the outcome compared to what we planned for was gas that we assumed we bought, had bought and committed to buy that wasn't delivered, you know, I think -- I think that's one of the main things.

MR. WOODS: All right. We'll pass the witness.

MS. VALKENAAR: We'll reserve our questions for trial.

THE VIDEOGRAPHER: Off the record. Time is 4:52.

(Whereupon, the proceedings were concluded at 4:52 p.m.)

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CAUSE NO. MDL-2022-CI-02879

IN RE: CPS ENERGY LITIGATION	IN THE DISTRICT COURT 407TH JUDICIAL DISTRICT BEXAR COUNTY, TEXAS

CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS OPERATING, LLC, Plaintiff, CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY), Defendant.	IN THE DISTRICT COURT 334TH JUDICIAL DISTRICT HARRIS COUNTY, TEXAS

****

REPORTER'S CERTIFICATE

ORAL AND VIDEOTAPED DEPOSITION OF

KEVIN POLLO

AUGUST 17, 2022

****

I, PAMELA SUE PETERSON, Certified Shorthand Reporter in and for the State of Texas, hereby certify to the following:

That the witness, KEVIN POLLO, was duly sworn by the officer and that the transcript of the

deposition is a true record of the testimony given by the witness;

That the deposition transcript was submitted on September 6, 2022 to the witness or to the attorney for the witness for examination, signature and return to Hanna & Hanna, Inc. by September 26, 2022;

That the amount used by each party at the deposition is as follows:

PAUL J. DOBROWSKI (03h50m)
Attorney for Enterprise Products Operating, LLC
ROBERT WOODS (01h57m)
Attorney for Energy Transfer
ALI SHAN ALI BHAI (00h00m)
Attorney for Energy Transfer
CHERYL LAFOND (00h00m)
Attorney for CPS Energy
LAUREN A. VALKENAAR (00h00m)
Attorney for CPS Energy
DYLAN FEDDERMAN (00h00m)
Attorney for CPS Energy
MEGAN STURM (00h00m)
Attorney for CPS Energy

That pursuant to information given to the deposition officer at the time said testimony was taken, the following includes counsel for all parties of record:

MR. PAUL J. DOBROWSKI, Attorney for Enterprise Products Operating, LLC;
MR. ROBERT WOODS, Attorney for Energy Transfer;
MR. ALI SHAN ALI BHAI, Attorney for Energy Transfer;
MS. CHERYL LAFOND, Attorney for CPS Energy;
MS. LAUREN A. VALKENAAR, Attorney for CPS Energy;
MR. DYLAN FEDDERMAN, Attorney for CPS Energy;

I further certify that I am neither counsel for, related to, nor employed by any of the parties or attorneys to the action in which this proceeding was taken, and further that I am not financially or otherwise interested in the outcome of this action.

Further certification requirements pursuant to Rule 203 of TRCP will be certified to after they have occurred.

Certified to by me on this 6th day of September, 2022.

Pamela Sue Peterson

PAMELA SUE PETERSON, CSR
Texas CSR 8924 - Expires 10-31-23
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FURTHER CERTIFICATION UNDER RULE 203 TRCP

The original deposition was [redacted] returned to the deposition officer on September 26, 2022;

If returned, the attached Changes and Signature page contains any changes and the reasons therefore;

If returned, the original deposition was delivered to PAUL J. DOBROWSKI, Custodial Attorney;

That $3,924.90 is the deposition officer's charges to ENTERPRISE PRODUCTS OPERATING, LLC, for preparing the original deposition transcript and any copies of exhibits.

That the deposition transcript was delivered in accordance with Rule 203.3, and that a copy of this certificate was served on all parties shown herein on September 26, 2022 and filed with the Clerk.

Certified to by me this 26th day of September, 2022.

Ruth Hilliard

Hanna & Hanna, Inc.
Firm Registration No. 10434
8582 Katy Freeway, Suite 105
Houston, Texas 77024
(713) 840-8484 - (713) 583-2442

ERRATA SHEET

CHANGES AND SIGNATURE

Oral Deposition of: KEVIN POLLO

Date: AUGUST 17, 2022

PAGE	LINE	CHANGE	REASON
See Exhibit A			

JOB NO.: 25209

CAUSE NO. MDL 2022 CI 02879

	§	IN THE DISTRICT COURT OF
	§	
	§	
	§	407TH JUDICIAL DISTRICT
In re CPS ENERGY LITIGATION	§	
	§	
	§	BEXAR COUNTY, TEXAS

CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS OPERATING, LLC,	§	IN THE DISTRICT COURT OF
	§	
	§	
Plaintiff/Counter-Defendant,	§	
	§	
v.	§	334TH JUDICIAL DISTRICT
	§	
CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY),	§	
	§	
Defendant/Counter-Plaintiff.	§	HARRIS COUNTY, TEXAS

CAUSE NO. 2021-CI-05138

CPS ENERGY,	§	IN THE DISTRICT COURT OF
	§	
	§	
Plaintiff/Counter-Defendant,	§	
	§	
v.	§	407TH JUDICIAL DISTRICT
	§	
HOUSTON PIPE LINE COMPANY, LP and OASIS PIPELINE, LP,	§	
	§	
Defendants/Counter-Plaintiffs.	§	BEXAR COUNTY, TEXAS

EXHIBIT A TO ERRATA SHEET FOR THE DEPOSITION OF KEVIN POLLO TAKEN ON AUGUST 17, 2022

Page: Line	Correction and Reason
13:15	Change "generating" to "generation units." Reason: Transcription error.
17:11	Change "or" to "our". Reason: Transcription error.
23:22	Delete "no" before "direct involvement". Reason: Clarification.
34:10	Change "March 31" to "May 21". Reason: Conformance with quoted exhibit.
38:3	Change "as" to "at". Reason: Transcription error.
40:24	Add "electricity" before "market." Reason: Clarification.
43:1	Change "second Exhibit 75" to "second exhibit, Exhibit 75". Reason: Clarification.
43:25	Change "38.83" to "$38.83." Reason: Clarification.
47:2	Delete "not" before "outside". Reason: Clarification.
54:14	Change "say" to "they". Reason: Transcription error.
55:23	Change "38.83" to "$38.83/MMBtu". Reason: Clarification.
57:1	Add "beginning on" before "February 12th." Reason: Clarification.
58:14	Change the period after "price" to a comma and, after "price," add "and he is referring to the transaction at $25/MMBtu that is referenced in the 4:15 p.m. text message." Reason: Clarification.
62:6	Change "specific" to "specifically". Reason: Transcription error.
78:13	Change "agree" to "agreed". Reason: Conformance with quoted exhibit.
87:17	Change "had to our trader" to "gave to our traders". Reason: Transcription error.
98:24	Change "Saturday" to "Tuesday". Reason: Transcription error.
99:22	Change "before" to "after". Reason: Transcription error.
112:11	Change "as" to "at". Reason: Transcription error.
138:21	Change "are" to "our". Reason: Transcription error.
139:14	Change "channels" to "changes". Reason: Transcription error.
143:21	Change "market" to "prices". Reason: Clarification.

155:3	Change "go ahead and market in" to "Day Ahead Market and". Reasons: Conformance with exhibit and transcription error.
161:22	Change "we" to "he". Reason: Transcription error.
161:24	Delete "we" before "use". Reason: Transcription error.
173:7	Change "ones dated 6/17, 641, 642" to "text messages at 6:17, 6:41, and 6:42." Reason: Transcription error.
173:12	Change "needs" to "units" in both instances. Reason: Clarification.
211:14-15	Change "it was not" to "there was no". Reason: Clarification.
232:7	Change "Mr. Stafford" to "Mr. Woods". Reason: Transcription error.

I, KEVIN POLLO, have read the foregoing deposition and hereby affix my signature that same is true and correct, except as noted above.

Kevin Pollo

KEVIN POLLO

STATE OF TEXAS:

COUNTY OF Bexar:

Before me, Norma P. Villarreal, on this day personally appeared KEVIN POLLO, known to me, or proved to me under oath or through ID or other document, to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 26th day of September, A.D., 2022.

NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

NORMA PATRICIA VILLARREAL
Notary Public-State of Texas
Notary ID #12510878-3
Commission Exp. OCT. 21, 2025
Notary without Bond

My Commission Expires: 10-21-2025

JOB NO.: 25209

Exhibit A-94

Sealed

Exhibit A-95

Sealed

Exhibit A-96

Sealed

Exhibit A-97

Sealed

Exhibit A-98

Sealed

Exhibit A-99

Sealed

Exhibit A-100

Sealed

Exhibit A-101

Sealed

Exhibit A-102

Sealed

Exhibit A-103

Sealed

Exhibit A-104

Sealed

Exhibit A-105

Sealed

Exhibit A-106

Sealed

Exhibit A-107

Sealed

Exhibit A-108

Sealed

Exhibit A-109

Sealed

Exhibit A-110

Sealed

Exhibit A-111

Sealed

Exhibit A-112

Sealed

Exhibit A-113

Sealed

Exhibit A-114

Sealed

Exhibit A-115

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Exhibit A-116

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Exhibit A-117

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Exhibit A-118

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Exhibit A-119

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Exhibit A-120

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Exhibit A-121

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Exhibit A-122

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Exhibit A-123

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Exhibit A-124

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Exhibit A-125

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Exhibit A-126

Sealed

Exhibit A-127

Sealed

Exhibit A-128

Sealed

Exhibit A-129

Sealed

Exhibit A-130

Sealed

Exhibit A-131

Sealed

Exhibit A-132

Sealed

Exhibit A-133

Sealed

Exhibit A-134

Sealed

Exhibit A-135

Sealed

Exhibit A-136

Sealed

Exhibit A-137

Sealed

Exhibit A-138

Sealed

Exhibit A-139

Houston Pipe Line Company LP
1300 Main Street
Houston, TX 77002

May 22, 2018

City of San Antonio
Acting by and through the
City Public Service Board
Attention: Paul Vinson
145 Navarro
San Antonio, Texas 78296

Re: Storage Confirmation "103180303"

Dear Mr. Vinson:

Reference is herein made to that certain Master Intrastate Gas Storage Agreement dated effective as of April 1, 2012 (the "Contract"), Houston Contract No. 103180300, between HOUSTON PIPE LINE COMPANY LP, as Operator, and CITY OF SAN ANTONIO acting by and through the CITY PUBLIC SERVICE BOARD, as Customer, covering certain intrastate natural gas storage services by Operator for Customer at Operator's Storage Facility.

In accordance with the provisions of the Contract, the parties hereby confirm the following volume(s), Receipt Point(s) and Delivery Point(s), price(s) and term to be applicable under this Confirmation:

Type of Service:	Firm Intrastate Storage Service
Term:	July 1, 2018 – June 30, 2021
Maximum Storage Quantity (MSQ):	2,000,000 MMBTU
Maximum Daily Injection Quantity (MDIQ):	30,000 MMBtu per day
Maximum Daily Withdrawal Quantity ("MDWQ"):	April – October: 55,000 MMBtu per day November through March: 40,000MMBtu/d: (MSQ greater than or equal to 1,350,000 MMBtu) 30,000 MMBtu/d: (MSQ less than 1,350,000 and greater than or equal to 650,000 MMBtu) 20,000 MMBtu per day: (MSQ less than 650,000 MMBtu)

CPSE Response in Opp to ET MSJ
Exhibit A-139
MDL-2022-CI-02879
exhibitsticker.com

Firm Service Rates:

A. Capacity Reservation Fee:	$130,000.00 per Month.
B. Injection Commodity Fee:	$0.0 per MMBtu for Intraday injections.
C. Injection Fuel Fee:	1.75% of the volumes injected.
D. Storage Fee	$0.0
E. Withdrawal Commodity Fee:	$0.0 per MMBtu for Intraday withdrawals.
F. Withdrawal Fuel Fee:	N/A.

Delivery Point(s): HPL Meter # 098-7367 located at the interconnect of Operator's pipeline with Operator's Storage Facility.

Note: The Delivery Point is subject to Customer's MDWQ.

Withdrawals and Injections: Withdrawals and injections shall be scheduled from/to Customers Firm Intrastate Transportation Agreement dated July 1, 2007.

Receipt Point(s): HPL Meter # 098-7367 located at the interconnect of Operator's pipeline with Operator's Storage Facility

Nominations: Customer must provide Operator daily nominations no later than 1:30 p.m. CST the day prior to gas Deliveries/Receipts. Flow days Saturday thru Monday shall be nominated on the preceding Friday. Flow dates that occur on NYMEX recognized holidays shall be nominated on the preceding business day. Any intraday nomination change shall be made as soon as practicable if, at Operator's sole discretion, such changes can be made without detriment. Physical deliveries shall commence within 1 hour of receipt of nomination and shall be on an "as available" basis only. Section 9.5 of the Contract regarding scheduling penalties shall not be applicable with the no notice service being provided to Customer.

No Notice Balancing: Operator shall automatically, without notice from Customer, schedule Hourly and or Daily withdrawals and or injections (up to the limits of the MDIQ and MDWQ) to balance Customer's Firm Intrastate Gas Transportation Agreement to maintain such imbalance within the specified tolerances. Customer shall only pay the applicable injection or withdrawal fees on the net

daily quantities after application of the no notice balancing provisions.

Taxes: Customer to pay all applicable taxes (i.e. Ad Valorem) assessed on Customer's working gas. Customer to reimburse Operator for or pay directly to the taxing authority all street rental, gross receipts, gross income, ad valorem and other taxes or charges (except franchise and excess profits taxes and taxes measured by net income which may be levied on Operator) applicable to the gas volumes, revenue or service provided by Operator hereunder.

If the foregoing represents your understanding of our agreement, please so indicate in the space provided below and return two (2) fully executed copies for our records.

Very truly yours,

HOUSTON PIPE LINE COMPANY LP
BY: HPL GP, LLC, its general partner

By: _____
Name: Lutle Fletcher
Title: EVP - Business Development

ACCEPTED AND AGREED TO this 7th day of June, 2018.

CITY OF SAN ANTONIO
Acting by and through the
CITY PUBLIC SERVICE BOARD

By: _____
Title: VP ESMO

Legal: DMA
Credit: JC
Comm: PR
CA: DR - MRL MK

Exhibit A-140

Sealed

Exhibit A-141

Sealed

Exhibit A-142

Sealed

Exhibit A-143

Sealed

Exhibit A-144

2/14/2021 8:44 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : Good morning. No cuts yesterday and only ended with 3,512 cut for the 12th.

2/14/2021 8:44 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Ken Skaer <+12105694059> : Liked â€œGood morning. No cuts yesterday and only ended with 3,512 cut for the 12th.â€

2/14/2021 8:44 AM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : Great...thanks for update

2/14/2021 8:45 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : Still dealing with this one mismatch package from Macquarie for 5k, otherwise no cuts thus far for today.

2/14/2021 8:48 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : Thanks for the update!

2/14/2021 9:00 AM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : If it comes to it, we could move some of our HPL Karnes gas away from there and send some to Storage

---

2/14/2021 9:00 AM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : If need be

2/14/2021 9:27 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

CPSE Response in Opp to ET MSJ
Exhibit A-144
MDL-2022-CI-02879
exhibitsticker.com

Ken Skaer <+12105694059> : Jonathan Ochoa @ ETC said he sold some same day gas at $200 today

---

2/14/2021 9:28 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Ken Skaer <+12105694059> : But heâ€™s saying he has lots of gas to sell if we need it di who knows what heâ€™d really sell?

2/14/2021 9:28 AM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : Brian at Conoco is asking about SoTx map needs for today

---

2/14/2021 9:29 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Ken Skaer <+12105694059> : I imagine they are just as motivated to sell as people are needing gas

---

2/14/2021 9:30 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Ken Skaer <+12105694059> : Now Jonathan is offering $125 same day today BP told me yesterday that he will have gas to sell today, so obviously that will be our first option if we want gas

---

2/14/2021 10:23 AM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : DCP is hitting me up about freeze offs

---

2/14/2021 10:24 AM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : They are asking if we are able to curtail or replace their gas

---

2/14/2021 10:26 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : Iâ€™m on a call

2/14/2021 10:26 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : We need the gas

2/14/2021 10:26 AM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : Told him that weâ€™d like to keep going with whatever they can give us

---

2/14/2021 10:27 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : Letâ€™s add Kevin to the text

2/14/2021 10:28 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : Is DCP just checking?

2/14/2021 12:48 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : One of Dianeâ€™s coworkers lives in Kerrville...power out since 11pm last night...being told that it could be out two days

---

2/14/2021 12:48 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : Wooow

2/14/2021 12:55 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Ken Skaer <+12105694059> : Iâ€™m covered with a Costco special!

<<SEE ATTACHMENT>>

2/14/2021 12:56 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : ðŸ'ðŸ»

2/14/2021 12:56 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : Haha

2/14/2021 1:16 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : ID1 cuts still pretty low. 2,145 at enterprise and 4,027 at hpl.

2/14/2021 1:16 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : Great

2/14/2021 4:50 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : Hey Bruce, the power folks are using a $186 Wacog for the dispatch price. Is that the right number?

2/14/2021 4:51 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : They are burning gas that we do not have. I never gave them anything but $225

2/14/2021 4:52 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : Ok, what would be the correct wacog?

2/14/2021 4:52 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul

Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : I know that Mike had talked about trying to use a lower price to get some of those units off the bottom this morning

---

2/14/2021 4:53 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : I think they changed it when AVR tripped.

2/14/2021 4:53 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : If we use the Blended wacog price of what we actually bought, itâ€™s $172.

2/14/2021 4:54 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : Iâ€™m on the executive call

2/14/2021 4:54 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : Iâ€™ll call when I get off

2/14/2021 4:55 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : Not sure how to answer the dispatch price question without more info.

2/14/2021 4:56 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : Yes, understand

2/14/2021 5:41 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Ken Skaer <+12105694059> : BP is concerned about their 9800 Teak sale to us for the weekend. They think it will be ok today, but Monday and Tuesday may be questionable.

We have 72,400 total coming from Teak.

2/14/2021 5:42 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : I just sent a split change for BP to TPL. Hopefully that will help for today.

2/14/2021 5:43 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Ken Skaer <+12105694059> : Liked â€œI just sent a split change for BP to TPL. Hopefully that will help for today.â€

2/14/2021 11:25 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : Just got the following from Keith Rio just lost ct3 DCP also cut gas for RIO

2/14/2021 11:28 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : Oh boy

2/14/2021 11:32 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : Looks like itâ€™s starting

2/14/2021 11:34 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : Last HPL cuts reports still show only same 5k package that it has been showing all along

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2/14/2021 11:34 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : Looks like enterprise is having pressure problems at LCP

2/14/2021 11:34 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : That was changed during final cycle. Hopefully will flow now.

2/14/2021 11:36 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : I see the Cts reduction...looks like 45mw cut to 42 mw

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2/14/2021 11:39 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : 10k Macquarie (diff package) and 14,300 Cima have been cut final cycle.

Exhibit A-145

2/15/2021 12:26 AM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Paul, if we can have HPL carry us through current gas day, what would be impact for tomorrow? Do we have enough supply to run at full load for tomorrow gas day?

2/15/2021 12:37 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : Without DCP, we will have 106k on paper. Rio could burn 140k+

2/15/2021 12:37 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : So no

2/15/2021 12:39 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> :

2/15/2021 12:41 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : We talked to Enterprise. They have several processing plants down and trying to get them back. Low pressures across their system

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2/15/2021 12:42 AM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Thanks for update. Do we have any capacity to swing from main fleet / distribution to the Rio side for tomorrow if needed?

2/15/2021 12:42 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : Let me look at that

2/15/2021 12:51 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken



Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : We have 44k going to Karnes that we could move to Rio. But will put us short on the main system

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2/15/2021 12:53 AM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Not sure yet of ETA for AvR 2x1 so that could provide some margin to move some of that gas to Rio if have to.

2/15/2021 12:54 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : Yes

2/15/2021 12:55 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : We need Enterprise to recover

2/15/2021 1:07 AM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Just lost all of AvR and OWS2

2/15/2021 1:07 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : Due to gas?

2/15/2021 1:08 AM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Don't know the cause yet

2/15/2021 1:08 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : Pressure looks good at AvR

2/15/2021 1:09 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Bruce Bordovsky <+12102752394> : Justin indicated that OWS2 drop due to loss of DCS comms

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2/15/2021 1:09 AM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Shane reported low vacuum on AvR steamer

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2/15/2021 1:30 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Keith Albers <+12102880231> : Shedding firm load

2/15/2021 1:30 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Keith Albers <+12102880231> : EEA3

2/15/2021 1:31 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : Wow

2/15/2021 2:41 AM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : PG reports Rio CT3 issue resolved. Unit should be returning soon.

2/15/2021 2:42 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : Ok,

2/15/2021 2:42 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : Thanks

2/15/2021 5:57 AM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Benny believes there is a success path for return of AvR 2x1 and OWS2 sometime today. When can we huddle to talk about gas plan?

2/15/2021 6:02 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : We can talk now

2/15/2021 6:02 AM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : I am good. Would you mind setting up a WebEx?

2/15/2021 6:02 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : Ok

2/15/2021 6:58 AM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Paul, I am trying to meet with Cris and Gary as soon as possible. Do we have a list of which gas supply has already been disrupted and what looks to be at risk?

2/15/2021 7:00 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : 50k DCP at Rio, 72k Targa into Southgate

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2/15/2021 7:00 AM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Is Targa completely gone or reduced? Just curious.

2/15/2021 7:01 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce

Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Bruce Bordovsky <+12102752394> : No power at Targa plant. Guy there said that itâ€™s not looking good for today

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2/15/2021 7:02 AM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Ok, thanks.

2/15/2021 7:02 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : Plant lost power and off. Supply will be declining off. Theyâ€™re trying to get back up, but will be a challenge today. Plant frozen

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2/15/2021 7:02 AM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : And just to confirm - we won't have to pay DCP or Targa for any undelivered quantities, correct?

2/15/2021 7:03 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : Correct

2/15/2021 7:03 AM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Also curious - is loss of power a force majeure event?

2/15/2021 7:05 AM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Also, can you forward me the multi-day forecast that we looked at this morning? Want to have the visual for a discussion with Cris and Gary.

2/15/2021 7:05 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : Not sure that is spelled out, but freezing on lines and pipe etc is

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2/15/2021 7:06 AM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Do you think we will need to buy intraday gas today? If so, how much?

2/15/2021 7:06 AM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : For gas day Monday

2/15/2021 7:07 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : Waiting for Enterprise assessment of their system

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2/15/2021 7:09 AM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Ok, thanks.

2/15/2021 7:22 AM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Sorry, I could not hear Brice's update.

2/15/2021 7:22 AM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : *Bruce's update

2/15/2021 7:24 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Bruce Bordovsky <+12102752394> : Enterprise did indicate this morning that they â€œmightâ€be able to still get Tres Palacios storage gas to us...if we could buy some there

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2/15/2021 7:25 AM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Ok, thanks. Any indications on price?

2/15/2021 7:25 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Bruce Bordovsky <+12102752394> : They were still waiting to get their own numbers together by their own 7am mtg

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2/15/2021 7:26 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Bruce Bordovsky <+12102752394> : Weâ€™d have to find some players that might have or be willing to sell there...no pricing info.

2/15/2021 7:26 AM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Also, what did we pay for the DCP and Targa gas that we are likely to not receive (or at least not the full amount)?

2/15/2021 7:28 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Bruce Bordovsky <+12102752394> : DCP price was $155...Targa gas avg was $184

2/15/2021 8:03 AM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Latest update that I have from Jose: On Sommers2 we have electricians and welders working to get the lines thawed and heat trace installed. Plan is to get Sommers2 into startup by noon. Startup time will be 4-5 hours.

2/15/2021 8:05 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Mike Hale <+12104858161> : Liked â€œLatest update that I have from Jose: On Sommers2 we have electricians and welders working to get the lines thawed and heat trace installed. Plan is to get Sommers2 into startup by noon. Startup time will be 4-5 hours.â€

2/15/2021 11:59 AM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Mike Hale <+12104858161> : Fires put in on AVR CT2

2/15/2021 12:00 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : Enterprise may not be able to handle it

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2/15/2021 12:02 PM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Shall we have a quick huddle for status?

2/15/2021 12:02 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : Yes

2/15/2021 12:03 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : Want me to send a webex?

2/15/2021 12:03 PM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Yes, please

2/15/2021 12:05 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : Sent the meeting invitation

2/15/2021 12:58 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Mike Hale <+12104858161> : JKS2 looking at prepping boiler for trying to get on gas. About 60 mw. No timeframe just yet

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2/15/2021 12:59 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Mike Hale <+12104858161> : Sorry, JKS1

2/15/2021 12:59 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Keith Albers <+12102880231> : Ok 30 minutes or so on ct6 manpower focus on avr

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2/15/2021 1:38 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Mike Hale <+12104858161> : Might need to huddle again. OWS just called RT and said they made significant progress and are putting fires in.

2/15/2021 1:38 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Mike Hale <+12104858161> : OWS2

2/15/2021 3:00 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Mike Hale <+12104858161> : Invite was sent

2/15/2021 4:28 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Keith Albers <+12102880231> : Either derate Rio for gas or move responsive to Rio! Decided responsive

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2/15/2021 4:29 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : Was that sufficient?

2/15/2021 4:30 PM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : I like the responsive solution over the derate. Thanks.

2/15/2021 4:32 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Keith Albers <+12102880231> : Not sure of enough volume the remainder of the the may need to point alittle more Iâ€™ve to Rio from SG. If like last night it will generate into that capacity. Need to know quickly doing trades.

2/15/2021 4:33 PM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Don't understand. Move the responsive that you think you need. We need to watch and if we are still over-burning, then we may need to adjust EOCs later in the night to address potential penalties.

2/15/2021 4:37 PM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Is CT6 running on fuel oil?

2/15/2021 4:37 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Mike Hale <+12104858161> : Yes

2/15/2021 4:37 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Keith Albers <+12102880231> : Even if I adjust curve the unit probably will dispatch into the generation based off price whatever I put in there for multiple hours! Move responsive it will back down that amount the remainder of the day and ERCOT could deploy responsive for some likely duration.

2/15/2021 4:38 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Keith Albers <+12102880231> : Only one ct7 having issues tried 4 or 5 times told them stop bring back on gas

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2/15/2021 4:54 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Keith Albers <+12102880231> : Sorry I do not know the gas volume for RIO at 740 mw. Current HSL is 840

2/15/2021 4:55 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Mike Hale <+12104858161> : About 5200 an hour

2/15/2021 4:57 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Keith Albers <+12102880231> : Bruce came up with 4000 an hour remainder of day to meet the daily limit. Looks like we still need a de-rate?

2/15/2021 4:57 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Bruce Bordovsky <+12102752394> : FYI...Dan burns from Enterprise called. They have lost power at their Wilson storage facility

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2/15/2021 4:58 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Bruce Bordovsky <+12102752394> : Unknown duration or severity.

2/15/2021 4:59 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Bruce Bordovsky <+12102752394> : He says that they can free flow about 70k possibly for a while. They are used to doing somewhere like 400k there.

2/15/2021 4:59 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Bruce Bordovsky <+12102752394> : Not good news

2/15/2021 4:59 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Ken Skaer <+12105694059> : Emphasized â€œNot good newsâ€

2/15/2021 5:29 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Bruce Bordovsky <+12102752394> : Jennifer Merritt from HPL/Oasis is texting me again.

2/15/2021 5:30 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Bruce Bordovsky <+12102752394> : They donâ€™t see the volumes coming down...and think that the number has actually gone up.

2/15/2021 5:31 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Bruce Bordovsky <+12102752394> : Her comment: â€œwe need that back on rate now!â€

2/15/2021 5:31 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Mike Hale <+12104858161> : 4000/hr is about 570 MW on Rio

2/15/2021 5:32 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Mike Hale <+12104858161> : Can you verify that Bruce?

2/15/2021 5:34 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Bruce Bordovsky <+12102752394> : I donâ€™t have a std conversion for that. That would probably be an average burn on 2x1 or a low 3x1 burn

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2/15/2021 5:35 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Keith Albers <+12102880231> : RRS does not go in until 1800. Derate gas restrictions now?

2/15/2021 5:36 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Bruce Bordovsky <+12102752394> : Not something that I can answer...but she sounds serious, anyway.

2/15/2021 5:36 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Mike Hale <+12104858161> : The RRS will only get it down to about 710 so that wouldnâ€™t be enough.

2/15/2021 5:36 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Bruce Bordovsky <+12102752394> : They are not going to backstop us

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2/15/2021 5:38 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Mike Hale <+12104858161> : A Derate to 670 and carrying RRS would get below the rate unless the RRS gets deployed, so a a derate to 600 would likely be the for sure way to get under the supply rate

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2/15/2021 5:40 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Keith Albers <+12102880231> : Pressure will fall and derate the unit if not trip on low inlet pressure when to do cut us back. Looks like de-rate only option?

2/15/2021 5:42 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Mike Hale <+12104858161> : We can not afford losing the unit for sure, we are going to get a little bit more room on our position due to further load shedding so a derate now seems like the safest choice. Kevin?

2/15/2021 5:49 PM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : What will be the output of the unit when you take these actions? What are we going to communicate to ERCOT?

2/15/2021 5:53 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Keith Albers <+12102880231> : Derate to 600 and 100 mw of RRS should give us desired volume we need once down if volume correct need to be made again RT will adjust derate.

2/15/2021 5:54 PM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : We have no other options? No other fuel to move to support Rio?

2/15/2021 5:55 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Keith Albers <+12102880231> : At 600 mw we can carry 120 RRS

2/15/2021 5:56 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Bruce Bordovsky <+12102752394> : FYI...HPL - Oasis continuing to hit me. They needed it / wanted it down two hours ago.

2/15/2021 5:57 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Keith Albers <+12102880231> : 4 minutes start moving down 100 mw but not enough based off number above

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2/15/2021 5:57 PM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : What is our limit of concern? Hourly or daily?

2/15/2021 5:59 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Keith Albers <+12102880231> : 4000 hourly remainder of the should hit our gas daily limit. Is that correct?

2/15/2021 5:59 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Bruce Bordovsky <+12102752394> : It was correct two hours ago.

2/15/2021 6:01 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Mike Hale <+12104858161> : We burned about 5600 last two hours so we would need to get under 3800/hr for remainder. That is 540mw

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2/15/2021 6:02 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Bruce Bordovsky <+12102752394> : Jennifer is now telling me that they are going to put a sale in place that will charge us a $300/mmbtu for any imbalance volume.

2/15/2021 6:02 PM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : I would like to know what we are communicating to ERCOT.

2/15/2021 6:02 PM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Can someone run the numbers and tell me what value of power equates to $300/MMBtu?

2/15/2021 6:03 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Mike Hale <+12104858161> : Would be 7M estimate if we continue at current rate for imbalance

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2/15/2021 6:03 PM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : $7M for gas imbalance?

2/15/2021 6:03 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Mike Hale <+12104858161> : Sorry

2/15/2021 6:04 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce

Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Mike Hale <+12104858161> : 1600/hr would be imbalance if we continue as is

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2/15/2021 6:05 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Mike Hale <+12104858161> : Somebody please check my valuation of that imbalance

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2/15/2021 6:05 PM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : That is MMBtu? If we continue as is, what would be the estimate for cost of the imbalance in dollars?

2/15/2021 6:07 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Bruce Bordovsky <+12102752394> : 1600/hr for 15 more hours is 24000 mmbtu *$300 = $7.2 million

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2/15/2021 6:08 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Mike Hale <+12104858161> : Correct

2/15/2021 6:09 PM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Does that account for the latest change on RRS?

2/15/2021 6:10 PM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Zach and Rick Maldonado are extremely concerned about the health of the grid right now? Can we work with Jennifer to run now and derate after peak hour passes at 10pm or so?

2/15/2021 6:10 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Mike Hale <+12104858161> : Assuming RRS does not get deployed, unit would currently operate at 5100/hr mmbtu, so total imbalance would be 16500 MMBtu * $300 = 4.95M

2/15/2021 6:10 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Bruce Bordovsky <+12102752394> : They want us on rate and do not have the gas to cover us

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2/15/2021 6:11 PM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : Does that mean that our limit then is hourly?

2/15/2021 6:22 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Keith Albers <+12102880231> : I understand hourly control will meet our daily target. So we are going to derate to 600 mw carry 120 mw responsive remainder of gas day due to fuel restrictions?

2/15/2021 6:22 PM +12102132865 Kevin M Pollo;+12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Kevin M Pollo <+12102132865> : What are we planning to communicate to ERCOT?

2/15/2021 6:58 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Mike Hale <+12104858161> : AVR CT1 hit line. Rio derated and should be coming down to about 550 or less in minutes

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2/15/2021 7:12 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Mike Hale <+12104858161> : OWS2 hit line

2/15/2021 9:05 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Keith Albers <+12102880231> : So thanks Kevin Mike Paul and Bruce with helping us come to a solution for Rio tonight! When yaâ€™ll get up in am please look at number for Rio

if we increase our capacity please let me know! Currently have not visibility to their numbers definite short fall from operations standpoint! Sorry and goodnight

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2/15/2021 9:06 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Bruce Bordovsky <+12102752394> : Thanks for the help

2/15/2021 9:15 PM +12102132865 Kevin M Pollo (owner);+12102752394 Bruce Bordovsky;+12102880231 Keith Albers;+12104858161 Mike Hale;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102132865

Paul Vinson <+12108271542> : Thanks Keith. Iâ€™ll send you the Rio burn numbers we have so far tonight

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Exhibit A-146

Sealed

Exhibit A-147

Sealed

Exhibit A-148

Sealed

Exhibit A-149

Sealed

Exhibit A-150

Sealed

Exhibit A-151

Sealed

Exhibit A-152

Sealed

Exhibit A-153

Sealed

Exhibit A-154

Sealed

Exhibit A-155

Sealed

Exhibit A-156

Sealed

Exhibit A-157

Sealed

Exhibit A-158

2/15/2021 12:00 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : I talked to DCP. Give me a call Bruce after you talk to HPL

2/15/2021 6:44 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Ken Skaer <+12105694059> : FYI my electricity has been out

2/15/2021 6:45 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Ken Skaer <+12105694059> : And still is

2/15/2021 7:12 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : Mine doesnâ€™t look to have shut off yet.

2/15/2021 10:01 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : Any word from DCP?

2/15/2021 10:04 AM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : No updates from DCP

2/15/2021 10:05 AM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : Just got off call with Jennifer Merritt

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2/15/2021 10:05 AM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : Switching to the chat with Kevin included

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2/15/2021 11:44 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : ID1 cut update hpl: currently cut 49,950.

2/15/2021 11:45 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : Of that 25,000 will not be coming back.

2/15/2021 11:45 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : (EOG and CIMA)

2/15/2021 11:59 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : ID1 oasis update: delivery qty has been made whole (49,750) even with the Rec volume being cut to 29,962.

2/15/2021 12:01 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : That no cut on delivery side might be because no notice swing is $500/mmbtu

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2/15/2021 12:04 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : Per Macquarie, â€œKaty O is a mess right now per ETC. My traders are aware of whatâ€™s going on.â€

2/15/2021 12:06 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : Thatâ€™s where the bulk of our HPL cuts are.

2/15/2021 12:16 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul

Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : ID1 cut update enterprise: 252,833 cut so far of our 354,500.

2/15/2021 12:20 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : All packages scheduled with PHP contracts are zero and I showing on the Pool balance report that theyâ€™re no longer nominated. Trying to get answers on that. That represents 113,500 of the cuts.

2/15/2021 12:20 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : BP is working to get their 31,800 back online at oasis waha.

2/15/2021 12:27 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : 65,150 of Hub gas cut at my last refresh, including 12,950 of the prepay. Looking to whether any of that will come back.

2/15/2021 12:28 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : 41,692 cut at wtx map. Likely to not come back.

2/15/2021 1:25 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : Just got word that compression is coming back up for hub so at least some of that gas will be put back on.

2/15/2021 1:25 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : Man...moving target!

2/15/2021 3:35 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : 72,400 Teak is going to be zero for today.

2/15/2021 3:35 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : Unless thereâ€™s a miracle.

2/15/2021 3:38 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : As it stands now, we have 319,532 flowing of the 740,900 purchased.

2/15/2021 5:03 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : Just got word that if any supply flows on teak, CPS energy will be the last to be cut and should get that supply.

2/15/2021 5:03 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : BP sent an intraday nom change just in case that miracle happens.

2/15/2021 5:24 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Ken Skaer <+12105694059> : Liked â€œJust got word that if any supply flows on teak, CPS energy will be the last to be cut and should get that supply. â€

Exhibit A-159

Sealed

Exhibit A-160

Sealed

Exhibit A-161

Paul S. Barham
Chief Grid Optimization & Resiliency Officer (CGORO)

May 12, 2021

Mr. Reed Williams – Chairman
City of San Antonio
Committee on Emergency Preparedness (CEP)

RE: CoSA CEP RFI #12 – Power Produced/Received Hourly

Dear CEP Chairman Williams,

In response to your request for information regarding **how much power was produced by each generation unit or received from each purchased power source on an hourly basis for each day from February 9 through February 19**, we have provided the following document.

> **RFI 12 – Power Produced/Received Hourly** - A spreadsheet that shows the megawatts (MW) produced by hour at each generation unit owned by CPS Energy or received from each purchased power source from February 9 – February 19. The amount of power produced by these units can be used to support our customers and the ERCOT grid. Although these units have a specific maximum generation capacity, the output levels of these generation resources are controlled in conjunction with ERCOT. ERCOT sends direction, called dispatch signals, to the generation resources based on the grid conditions in real time including the actual load demand and the state of the transmission grid. These dispatch signals are essentially instructions for the generation resource to provide more or less output over the next five minutes and are based on the price for the generation resource that is included with the ERCOT dispatch signals. At certain times, the ERCOT dispatch signal may fall below a unit's maximum generation capacity. This condition may occur when market prices are low as this reduced generation capacity is the best price match to meet ERCOT load obligations. This situation could also occur

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Exhibit A-161
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when the remaining capacity is dedicated to ancillary services. We often use a portion of our generation capacity to provide ancillary services, most frequently to provide all or a portion of the ancillary services obligation that is assigned to us as a market participant serving load within the ERCOT market. CPS Energy is assigned an hourly quantity of each ancillary service based upon the percentage of CPS Energy load compared to total ERCOT load. CPS Energy can provide all or a portion of these ancillary services from our generating units. When a generating unit is providing ancillary services, that capacity is held in reserve until ERCOT issues an instruction or a signal to the generating unit to release all or a portion of the ancillary service capacity to allow the unit to produce additional energy.

Conversely, all of our purchased power agreements are renewable resources and their output is managed in a different manner. Due to the intermittent nature of wind and solar generation primarily associated with weather conditions at the resource site, actual generation may not be the same as the maximum generation capacity of the resource. If there are no limitations on production output resulting from outages or other restrictions on the electric transmission system, wind and solar resources are allowed by ERCOT to produce as much power as the real time environmental conditions (such as the amount of wind and sunshine) allow.

Please let us know if you have any questions or require additional information.

Sincerely,

Paul

PSB:gtw

Copy City of San Antonio:
Chief Financial Officer & Supervisor of Public Utilities, B. Gorzell
City Attorney, A. Segovia

Copy CPS Energy:
- Board Members
- President & CEO, P. Gold-Williams
- Senior Chiefs
- Request for Information Coordinator, G. Williams
- Board Relations
- Citizens Advisory Committee

Attachments:
- Power Produced/Received Hourly

Generation Hourly Production

Generation Fleet Hourly Production

Explanation of values: This table shows the hourly generation from each of the resources that CPS Energy owns. The capacity listed is the winter season net capacity or the maximum amount of power that can be produced to support our customers and the grid. Although these units have a specific generation capacity, the real time output levels of these resources are controlled in conjunction with ERCOT. ERCOT sends direction, called dispatch signals, to the generation resources based on the grid conditions in real time including the actual load demand and the state of the transmission grid. These dispatch signals are essentially instructions for the generation resource to provide more or less output over the next five minutes and are based on the price for the generation resource that is included with the ERCOT dispatch signals. At certain times, the ERCOT dispatch signal may fall below a unit's maximum generation capacity. This condition may occur when market prices are low as this reduced generation capacity is the best price match to meet ERCOT load obligations. Units with 0 MW of generation were off line for reasons such as planned or unplanned maintenance outages, or they were not needed at that time to meet obligations.

For example: In the first hour of February 9, A VON ROSENBERG 1 was off line for maintenance and J K SPRUCE 1 generated 537.6 MW.

	CAPACITY	549 MW	217 MW	230 MW	412 MW	48 MW	48 MW	48 MW	47 MW	560 MW	785 MW	420 MW	410 MW	46 MW	46 MW	46 MW	46 MW	897 MW	541 MW	536 MW	10 MW	5 MW	1 MW
OPERATING DAY	HOUR ENDING	A VON ROSENBERG 1	V H BRAUNIG 1	V H BRAUNIG 2	V H BRAUNIG 3	MILTON LEE PEAKING 5	MILTON LEE PEAKING 6	MILTON LEE PEAKING 7	MILTON LEE PEAKING 8	J K SPRUCE 1	J K SPRUCE 2	O W SOMMERS 1	O W SOMMERS 2	MILTON LEE PEAKING 1	MILTON LEE PEAKING 2	MILTON LEE PEAKING 3	MILTON LEE PEAKING 4	RIO NOGALES	SOUTH TEXAS 1	SOUTH TEXAS 2	COMMERCE ST ESS	COMMERCE SOLAR	COMMUNITY SOLAR
9-Feb-21	100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	537.60	776.73	0.00	0.00	0.00	0.00	0.00	0.00	311.16	537.42	524.07	0.00	0.00	0.00
9-Feb-21	200	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	530.61	783.00	0.00	0.00	0.00	0.00	0.00	0.00	311.63	537.61	523.99	0.00	0.00	0.00
9-Feb-21	300	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	549.80	782.53	0.00	0.00	0.00	0.00	0.00	0.00	315.10	537.69	524.15	0.08	0.00	0.00
9-Feb-21	400	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	558.51	783.00	0.00	0.00	0.00	0.00	0.00	0.00	400.40	537.39	524.14	0.12	0.00	0.00
9-Feb-21	500	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	558.47	782.97	0.00	0.00	0.00	0.00	0.00	0.00	478.28	537.30	524.06	0.12	0.00	0.00
9-Feb-21	600	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	558.32	770.54	0.00	0.00	3.28	3.31	0.00	0.00	774.71	537.24	524.00	0.13	0.00	0.00
9-Feb-21	700	0.00	0.00	0.00	0.00	5.96	5.73	4.02	3.51	540.08	769.93	0.00	0.00	43.51	43.87	0.00	0.00	838.17	537.25	524.16	0.08	0.00	0.00
9-Feb-21	800	0.00	0.00	0.00	0.00	46.61	46.30	46.19	45.17	557.55	781.39	0.00	0.00	43.51	43.73	0.00	0.00	795.54	537.40	524.29	0.22	0.01	0.00
9-Feb-21	900	0.00	0.00	0.00	0.00	46.52	46.23	46.07	45.24	559.01	784.44	0.00	0.00	44.96	45.03	0.00	0.00	716.91	537.32	523.87	0.04	0.17	0.03
9-Feb-21	1000	0.00	0.00	0.00	0.00	46.63	46.33	46.22	45.35	559.19	784.13	0.00	0.00	45.00	45.07	0.00	0.00	784.94	537.36	523.91	0.24	0.45	0.10
9-Feb-21	1100	0.00	0.00	0.00	0.00	46.22	45.94	45.80	44.96	558.86	783.97	0.00	0.00	45.30	45.36	41.04	40.86	775.46	537.47	523.66	0.11	0.98	0.18
9-Feb-21	1200	0.00	0.00	0.00	0.00	46.36	46.09	45.93	45.10	559.13	783.50	0.00	0.00	45.15	45.21	45.20	45.11	773.37	537.31	523.35	0.03	2.17	0.60
9-Feb-21	1300	0.00	0.00	0.00	0.00	46.59	46.32	46.15	45.32	558.46	783.47	0.00	0.00	45.18	45.25	45.20	45.13	738.35	536.75	522.48	0.04	2.23	0.66
9-Feb-21	1400	0.00	0.00	0.00	0.00	46.53	46.26	46.10	45.27	558.56	782.66	0.00	0.00	45.12	45.19	43.99	42.67	697.36	535.61	521.88	0.04	3.32	0.68
9-Feb-21	1500	0.00	0.00	0.00	0.00	46.52	46.26	46.10	45.26	558.69	783.07	0.00	0.00	44.59	44.75	27.17	24.77	657.56	535.34	521.44	0.08	3.26	0.51
9-Feb-21	1600	0.00	0.00	0.00	0.00	46.48	46.23	46.05	45.22	558.16	778.98	0.00	0.00	18.42	18.52	19.36	19.34	649.79	535.51	521.03	0.00	3.06	0.68
9-Feb-21	1700	0.00	0.00	0.00	0.00	46.60	46.34	46.18	45.34	558.98	772.03	0.00	0.00	19.09	19.07	19.45	19.42	650.62	535.15	520.00	0.15	2.15	0.57
9-Feb-21	1800	0.00	0.00	0.00	0.00	46.41	46.14	46.00	45.15	537.51	769.14	0.00	0.00	25.10	25.33	25.34	24.90	748.14	535.63	520.94	0.12	0.83	0.23
9-Feb-21	1900	10.26	0.00	0.00	0.00	46.76	46.49	46.33	45.48	534.38	766.98	0.00	0.00	45.47	45.40	45.39	45.36	757.92	535.59	521.28	0.24	0.02	0.00
9-Feb-21	2000	22.11	0.00	0.00	0.00	46.88	46.60	46.42	45.59	558.49	783.14	0.00	0.00	44.47	44.66	45.56	44.68	765.77	536.00	521.74	0.27	0.00	0.00
9-Feb-21	2100	0.00	0.00	0.00	0.00	46.51	46.21	45.39	43.44	560.12	784.97	0.00	0.00	45.57	45.79	45.67	45.59	727.39	536.71	522.75	0.62	0.00	0.00
9-Feb-21	2200	12.65	0.00	0.00	0.00	46.65	46.36	45.63	43.69	559.78	785.58	0.00	0.00	45.59	45.81	45.72	45.61	689.35	536.86	523.34	0.23	0.00	0.00
9-Feb-21	2300	80.50	0.00	0.00	0.00	47.85	47.54	46.82	44.82	559.29	784.48	0.00	0.00	41.45	42.08	43.10	41.70	701.61	536.89	523.11	0.13	0.00	0.00
9-Feb-21	2400	222.93	0.00	0.00	0.00	48.03	47.73	47.49	45.17	559.05	784.35	0.00	0.00	32.69	33.83	20.53	18.89	706.26	536.90	523.52	0.00	0.00	0.00
10-Feb-21	100	248.70	0.00	0.00	0.00	48.02	47.71	6.72	6.66	559.97	784.93	0.00	0.00	44.16	44.21	0.00	0.00	818.09	536.87	523.15	0.00	0.00	0.00
10-Feb-21	200	246.96	0.00	0.00	0.00	47.82	47.77	0.00	0.00	555.78	779.55	0.00	0.00	28.89	28.95	0.00	0.00	827.44	536.82	522.87	0.00	0.00	0.00
10-Feb-21	300	250.09	0.00	0.00	0.00	17.37	17.24	0.00	0.00	558.87	784.36	0.00	0.00	0.00	0.00	0.00	0.00	826.05	536.93	522.95	0.14	0.00	0.00
10-Feb-21	400	249.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	558.94	783.19	0.00	0.00	0.00	0.00	0.00	0.00	826.32	536.99	522.98	0.14	0.00	0.00
10-Feb-21	500	247.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	559.13	783.89	0.00	0.00	0.00	0.00	0.00	0.00	821.93	536.77	523.10	0.06	0.00	0.00
10-Feb-21	600	250.36	0.00	0.00	0.00	19.36	19.21	0.00	0.00	557.06	784.03	0.00	0.00	0.00	0.00	11.46	11.56	829.73	536.58	522.74	0.13	0.00	0.00
10-Feb-21	700	250.29	0.00	0.00	0.00	48.05	47.75	0.00	0.00	520.82	784.43	0.00	0.00	0.00	0.00	42.21	41.48	829.42	536.75	523.27	0.06	0.00	0.00
10-Feb-21	800	250.64	0.00	0.00	0.00	48.09	47.78	0.00	0.00	520.07	784.53	0.00	0.00	0.00	0.00	45.92	45.13	829.52	536.62	523.18	0.12	0.00	0.00

Generation Hourly Production

Generation Fleet Hourly Production

Explanation of values: This table shows the hourly generation from each of the resources that CPS Energy owns. The capacity listed is the winter season net capacity or the maximum amount of power that can be produced to support our customers and the grid. Although these units have a specific generation capacity, the real time output levels of these resources are controlled in conjunction with ERCOT. ERCOT sends direction, called dispatch signals, to the generation resources based on the grid conditions in real time including the actual load demand and the state of the transmission grid. These dispatch signals are essentially instructions for the generation resource to provide more or less output over the next five minutes and are based on the price for the generation resource that is included with the ERCOT dispatch signals. At certain times, the ERCOT dispatch signal may fall below a unit's maximum generation capacity. This condition may occur when market prices are low as this reduced generation capacity is the best price match to meet ERCOT load obligations. Units with 0 MW of generation were off line for reasons such as planned or unplanned maintenance outages, or they were not needed at that time to meet obligations.

For example: In the first hour of February 9, A VON ROSENBERG 1 was off line for maintenance and J K SPRUCE 1 generated 537.6 MW.

	CAPACITY	549 MW	217 MW	230 MW	412 MW	48 MW	48 MW	48 MW	47 MW	560 MW	785 MW	420 MW	410 MW	46 MW	46 MW	46 MW	46 MW	897 MW	541 MW	536 MW	10 MW	5 MW	1 MW
OPERATING DAY	HOUR ENDING	A VON ROSENBERG 1	V H BRAUNIG 1	V H BRAUNIG 2	V H BRAUNIG 3	MILTON LEE PEAKING 5	MILTON LEE PEAKING 6	MILTON LEE PEAKING 7	MILTON LEE PEAKING 8	J K SPRUCE 1	J K SPRUCE 2	O W SOMMERS 1	O W SOMMERS 2	MILTON LEE PEAKING 1	MILTON LEE PEAKING 2	MILTON LEE PEAKING 3	MILTON LEE PEAKING 4	RIO NOGALES	SOUTH TEXAS 1	SOUTH TEXAS 2	COMMERCE ST ESS	COMMERCE SOLAR	COMMUNITY SOLAR
10-Feb-21	900	251.10	0.00	0.00	0.00	48.19	47.87	26.84	25.81	520.44	786.48	0.00	0.00	0.00	0.00	45.89	45.39	829.43	536.36	523.20	0.16	0.15	0.01
10-Feb-21	1000	250.89	0.00	0.00	0.00	48.15	47.84	47.27	45.68	519.86	785.75	0.00	0.00	0.00	0.00	45.83	45.29	829.46	536.85	523.76	0.12	0.30	0.05
10-Feb-21	1100	250.79	0.00	0.00	0.00	48.11	47.82	47.24	45.89	519.43	785.83	0.00	0.00	0.00	0.00	45.73	36.44	828.34	537.19	523.37	0.11	0.38	0.07
10-Feb-21	1200	251.27	0.00	0.00	0.00	48.18	47.86	47.28	46.02	539.64	785.92	0.00	0.00	0.00	0.00	24.67	19.27	864.62	536.78	522.91	0.00	0.91	0.14
10-Feb-21	1300	250.62	0.00	0.00	0.00	48.10	47.80	47.16	45.83	538.27	784.89	0.00	0.00	0.00	0.00	41.89	41.80	893.02	536.72	522.61	4.80	0.83	0.14
10-Feb-21	1400	250.15	0.00	0.00	0.00	47.97	47.67	46.99	45.65	538.44	784.40	0.00	0.00	0.00	0.00	6.65	8.17	891.87	536.45	522.52	0.21	0.98	0.10
10-Feb-21	1500	249.83	0.00	0.00	0.00	47.92	47.62	46.88	45.54	554.53	782.13	0.00	0.00	0.00	0.00	0.00	0.00	831.85	536.10	522.21	3.35	0.67	0.09
10-Feb-21	1600	250.33	0.00	0.00	0.00	48.03	47.72	46.94	45.62	556.50	781.98	0.00	0.00	0.00	0.00	0.00	0.00	815.45	536.64	522.50	0.14	0.48	0.04
10-Feb-21	1700	250.75	0.00	0.00	0.00	48.12	47.82	47.05	45.40	538.10	781.84	0.00	0.00	0.00	0.00	0.00	0.00	815.01	536.56	522.92	0.00	0.22	0.02
10-Feb-21	1800	250.93	0.00	0.00	0.00	48.18	47.87	47.15	45.46	556.85	781.53	0.00	0.00	0.00	0.00	8.57	8.50	815.16	536.65	523.13	4.18	0.08	0.00
10-Feb-21	1900	250.82	0.00	0.00	0.00	48.12	47.82	47.34	45.69	557.54	782.02	0.00	0.00	0.00	0.00	45.79	45.86	878.24	536.80	522.99	4.49	0.00	0.00
10-Feb-21	2000	251.03	0.00	0.00	0.00	48.16	47.85	47.19	45.90	557.90	782.34	0.00	0.00	0.00	0.00	45.96	45.96	904.18	536.77	522.96	0.00	0.00	0.00
10-Feb-21	2100	250.86	0.00	0.00	0.00	48.13	47.84	46.68	45.82	554.96	780.72	0.00	0.00	0.00	0.00	46.00	45.89	907.25	536.65	522.97	0.00	0.00	0.00
10-Feb-21	2200	250.74	0.00	0.00	0.00	48.11	47.82	46.96	45.65	555.78	780.79	0.00	0.00	0.00	0.00	45.95	45.81	908.21	536.84	523.33	0.01	0.00	0.00
10-Feb-21	2300	249.66	0.00	0.00	0.00	20.53	47.61	46.91	19.91	552.62	780.38	0.00	0.00	0.00	0.00	36.52	33.28	829.53	536.74	523.52	0.00	0.00	0.00
10-Feb-21	2400	250.29	0.00	0.00	0.00	0.00	46.42	45.80	0.00	555.75	779.36	0.00	0.00	0.00	0.00	16.30	14.19	807.06	537.45	523.67	0.00	0.00	0.00
11-Feb-21	100	251.30	0.00	0.00	0.00	0.00	0.44	0.46	0.00	556.32	779.74	0.00	0.00	0.00	0.00	0.00	0.00	835.89	537.82	524.02	0.00	0.00	0.00
11-Feb-21	200	252.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	555.73	726.35	0.00	0.00	0.00	0.00	0.00	0.00	835.35	537.75	524.16	0.00	0.00	0.00
11-Feb-21	300	252.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	557.59	671.93	4.34	0.00	0.00	0.00	0.00	0.00	833.98	537.53	523.81	0.03	0.00	0.00
11-Feb-21	400	252.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	558.51	672.68	5.83	0.00	0.00	0.00	0.00	0.00	834.87	534.52	524.33	0.01	0.00	0.00
11-Feb-21	500	253.27	0.00	0.00	0.00	20.10	19.85	18.98	18.08	551.92	742.08	0.25	0.00	3.30	3.28	24.57	24.45	836.17	534.29	524.31	0.02	0.00	0.00
11-Feb-21	600	252.84	0.00	0.00	0.00	48.16	47.87	47.58	45.86	557.27	740.80	29.98	0.00	45.94	45.94	45.97	45.49	836.90	534.21	524.53	0.02	0.00	0.00
11-Feb-21	700	223.88	0.00	0.00	0.00	47.80	47.72	47.45	45.70	484.22	779.90	212.26	0.00	45.83	45.83	45.85	45.78	884.72	534.25	524.90	0.05	0.00	0.00
11-Feb-21	800	251.86	0.00	0.00	0.00	48.09	47.95	47.62	45.39	550.21	782.10	345.25	0.00	46.01	46.01	46.02	45.96	909.08	534.27	525.15	0.08	0.00	0.00
11-Feb-21	900	253.28	0.00	0.00	0.00	48.19	47.79	47.71	45.61	559.41	784.17	382.23	14.68	46.02	46.01	46.04	45.99	868.24	534.00	524.91	0.13	0.01	0.00
11-Feb-21	1000	253.87	0.00	0.00	0.00	48.22	47.80	47.76	46.84	560.29	785.80	379.95	68.34	46.05	46.04	46.06	46.00	855.93	533.89	524.66	0.24	0.00	0.00
11-Feb-21	1100	254.34	0.00	0.00	0.00	48.07	47.73	47.60	46.72	559.20	785.27	406.78	72.16	45.92	45.92	45.93	45.89	832.99	534.35	524.94	0.30	0.02	0.00
11-Feb-21	1200	260.01	0.00	0.00	0.00	48.17	47.81	47.71	46.84	560.72	786.60	421.90	377.18	45.92	45.92	45.94	45.88	834.17	534.22	525.27	0.07	0.15	0.04
11-Feb-21	1300	260.81	0.00	0.00	0.00	48.17	47.77	47.74	46.82	559.80	785.61	421.30	375.18	45.98	45.98	45.99	45.94	836.38	533.48	525.05	0.15	0.26	0.07
11-Feb-21	1400	253.00	0.00	0.00	0.00	48.17	47.69	47.70	46.81	559.43	784.81	421.15	369.94	45.58	45.67	44.47	43.79	833.14	533.52	525.18	0.16	0.47	0.12
11-Feb-21	1500	253.14	0.00	0.00	0.00	48.08	47.57	47.58	46.79	559.75	784.49	421.16	369.96	45.68	45.78	44.27	43.53	827.57	533.69	525.33	0.10	0.46	0.07
11-Feb-21	1600	252.09	0.00	0.00	0.00	47.86	47.36	47.34	46.63	559.79	785.10	421.59	368.85	45.81	45.93	44.38	43.42	823.82	534.09	526.05	0.17	0.32	0.05

Generation Hourly Production

Generation Fleet Hourly Production

Explanation of values: This table shows the hourly generation from each of the resources that CPS Energy owns. The capacity listed is the winter season net capacity or the maximum amount of power that can be produced to support our customers and the grid. Although these units have a specific generation capacity, the real time output levels of these resources are controlled in conjunction with ERCOT. ERCOT sends direction, called dispatch signals, to the generation resources based on the grid conditions in real time including the actual load demand and the state of the transmission grid. These dispatch signals are essentially instructions for the generation resource to provide more or less output over the next five minutes and are based on the price for the generation resource that is included with the ERCOT dispatch signals. At certain times, the ERCOT dispatch signal may fall below a unit's maximum generation capacity. This condition may occur when market prices are low as this reduced generation capacity is the best price match to meet ERCOT load obligations. Units with 0 MW of generation were off line for reasons such as planned or unplanned maintenance outages, or they were not needed at that time to meet obligations.

For example: In the first hour of February 9, A VON ROSENBERG 1 was off line for maintenance and J K SPRUCE 1 generated 537.6 MW.

	CAPACITY	549 MW	217 MW	230 MW	412 MW	48 MW	48 MW	48 MW	47 MW	560 MW	785 MW	420 MW	410 MW	46 MW	46 MW	46 MW	46 MW	897 MW	541 MW	536 MW	10 MW	5 MW	1 MW
OPERATING DAY	HOUR ENDING	A VON ROSENBERG 1	V H BRAUNIG 1	V H BRAUNIG 2	V H BRAUNIG 3	MILTON LEE PEAKING 5	MILTON LEE PEAKING 6	MILTON LEE PEAKING 7	MILTON LEE PEAKING 8	J K SPRUCE 1	J K SPRUCE 2	O W SOMMERS 1	O W SOMMERS 2	MILTON LEE PEAKING 1	MILTON LEE PEAKING 2	MILTON LEE PEAKING 3	MILTON LEE PEAKING 4	RIO NOGALES	SOUTH TEXAS 1	SOUTH TEXAS 2	COMMERCE ST ESS	COMMERCE SOLAR	COMMUNITY SOLAR
11-Feb-21	1700	251.53	0.00	0.00	0.00	47.73	47.28	47.08	46.52	559.13	784.37	384.24	370.03	45.90	45.91	45.85	45.47	821.91	537.35	526.15	0.29	0.29	0.05
11-Feb-21	1800	222.98	0.00	0.00	0.00	47.68	47.21	46.95	46.47	554.38	785.09	376.14	368.32	45.11	45.18	41.99	43.01	825.63	537.47	526.45	0.13	0.20	0.01
11-Feb-21	1900	249.61	0.00	0.00	0.00	47.76	47.37	47.15	46.50	559.28	784.17	376.17	368.16	44.90	44.97	41.92	42.95	824.50	537.41	526.24	0.39	0.00	0.00
11-Feb-21	2000	251.54	0.00	0.00	0.00	47.81	47.38	47.21	46.52	560.30	785.39	377.80	370.13	45.04	45.12	42.06	43.09	832.38	537.62	526.29	0.24	0.00	0.00
11-Feb-21	2100	197.51	0.00	0.00	0.00	47.63	47.30	47.12	46.32	558.77	784.76	330.63	263.30	41.78	45.08	42.02	41.79	825.05	537.60	526.42	0.18	0.00	0.00
11-Feb-21	2200	180.30	0.00	0.00	0.00	47.67	47.36	47.17	46.36	557.84	783.50	376.70	0.67	44.90	45.06	42.00	42.86	678.62	537.95	532.65	0.07	0.00	0.00
11-Feb-21	2300	206.42	0.00	0.00	0.00	47.59	47.35	47.15	46.33	560.31	785.40	378.26	216.24	40.66	42.94	40.14	39.67	568.08	538.18	534.12	0.05	0.00	0.00
11-Feb-21	2400	209.69	0.00	0.00	0.00	47.44	47.22	47.02	46.22	559.26	783.59	227.34	180.51	27.92	33.95	31.40	29.51	710.02	537.98	533.84	0.00	0.00	0.00
12-Feb-21	100	248.10	0.00	0.00	0.00	20.92	20.72	20.58	20.65	560.46	784.37	69.84	70.66	19.98	18.61	11.88	14.72	835.91	537.87	533.80	0.00	0.00	0.00
12-Feb-21	200	247.13	0.00	0.00	0.00	5.28	6.56	8.18	8.26	560.14	785.44	69.85	70.37	1.79	0.00	0.00	0.00	665.02	537.51	533.19	0.00	0.00	0.00
12-Feb-21	300	247.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	560.05	785.25	69.80	70.01	0.00	0.00	0.00	0.00	515.07	537.57	533.29	0.00	0.00	0.00
12-Feb-21	400	248.90	0.00	7.51	0.00	0.00	0.00	0.00	0.00	560.24	784.59	69.97	70.30	0.00	0.00	0.00	0.00	623.43	537.83	533.47	0.00	0.00	0.00
12-Feb-21	500	250.89	0.00	21.87	0.00	0.00	0.00	0.00	0.00	559.49	783.82	71.49	70.80	0.00	0.00	0.00	0.00	835.15	537.78	533.66	0.00	0.00	0.00
12-Feb-21	600	252.91	0.00	43.64	0.00	20.61	22.57	24.90	22.95	559.64	784.76	70.44	71.13	15.63	21.38	21.56	21.36	848.70	538.04	533.81	0.00	0.00	0.00
12-Feb-21	700	252.13	0.00	68.82	0.00	39.09	45.44	45.45	44.42	533.05	784.95	122.39	154.06	39.29	40.59	41.96	40.07	847.75	538.84	534.63	0.60	0.00	0.00
12-Feb-21	800	252.66	0.00	84.38	0.00	43.44	47.54	47.39	46.53	558.28	784.86	338.62	241.44	44.17	44.33	41.38	42.25	849.96	539.04	534.74	0.00	0.05	0.00
12-Feb-21	900	253.46	11.63	62.10	0.00	42.00	45.30	45.17	44.37	551.34	784.94	391.28	277.22	33.59	33.64	31.96	32.44	850.89	538.96	534.74	0.00	0.21	0.01
12-Feb-21	1000	254.40	50.46	133.98	0.00	46.15	47.88	47.71	46.85	558.89	783.15	421.10	404.38	45.06	45.09	42.05	42.98	851.00	538.48	534.19	0.22	0.54	0.06
12-Feb-21	1100	254.65	107.55	140.70	0.00	46.45	47.85	47.65	46.84	559.57	784.20	421.24	410.16	45.14	45.15	42.12	43.06	850.39	538.47	534.17	0.43	0.86	0.15
12-Feb-21	1200	253.65	215.56	140.35	0.00	46.29	47.72	47.51	46.70	558.94	784.48	420.77	409.90	45.03	45.06	42.03	42.96	847.20	538.50	534.05	6.27	0.87	0.20
12-Feb-21	1300	253.23	216.20	140.21	0.00	30.75	47.70	47.46	46.67	559.04	784.08	420.68	381.65	44.86	44.88	41.85	4.65	846.38	538.56	534.16	0.18	1.05	0.21
12-Feb-21	1400	253.44	206.23	128.11	0.00	0.00	47.67	47.42	46.65	559.07	784.03	418.49	380.55	44.93	44.95	41.93	0.00	846.71	538.50	534.09	0.04	1.47	0.24
12-Feb-21	1500	252.96	205.49	146.62	0.00	0.00	6.76	14.61	21.88	558.80	783.24	420.41	398.95	28.62	35.90	40.09	0.00	845.85	538.48	534.17	0.00	0.76	0.14
12-Feb-21	1600	252.99	216.03	224.01	0.00	0.00	0.00	0.00	0.00	558.58	781.42	420.22	409.21	0.00	0.00	0.00	0.00	844.12	538.75	534.32	0.00	0.39	0.11
12-Feb-21	1700	253.06	192.45	204.93	0.00	5.03	4.61	4.52	4.49	557.85	781.58	382.51	366.87	0.00	0.00	0.00	0.00	842.63	538.94	534.34	0.00	0.27	0.06
12-Feb-21	1800	253.81	190.89	198.16	0.00	48.07	47.80	47.63	46.41	559.34	784.53	378.12	367.80	12.49	12.53	11.88	12.05	843.68	539.02	534.51	0.00	0.13	0.02
12-Feb-21	1900	253.84	196.75	203.38	0.00	48.08	47.80	47.61	46.77	559.15	784.23	416.91	367.61	44.87	44.96	41.87	42.90	842.83	538.39	534.18	2.23	0.00	0.00
12-Feb-21	2000	253.82	215.15	222.94	0.00	48.10	47.81	47.64	46.78	559.11	784.03	420.85	386.09	44.92	45.01	41.92	42.95	843.18	538.50	534.11	2.50	0.00	0.00
12-Feb-21	2100	254.00	216.40	224.99	0.00	48.03	47.75	47.57	46.71	556.21	784.02	421.22	373.22	44.89	44.98	41.94	42.92	844.90	538.59	534.08	1.49	0.00	0.00
12-Feb-21	2200	367.32	190.83	191.02	0.00	48.11	47.82	47.67	46.79	556.32	783.30	411.23	347.64	44.94	45.03	42.05	42.97	845.87	538.63	534.01	0.55	0.00	0.00
12-Feb-21	2300	430.55	213.12	200.92	0.00	9.14	9.07	9.76	9.77	555.67	783.33	414.75	351.76	7.17	7.19	7.82	7.88	849.43	539.29	534.75	0.00	0.00	0.00
12-Feb-21	2400	429.95	158.91	114.10	0.00	0.00	0.00	0.00	0.00	558.42	782.77	364.61	275.31	0.00	0.00	0.00	0.00	849.68	539.64	535.18	0.00	0.00	0.00

Generation Hourly Production

Generation Fleet Hourly Production

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For example: In the first hour of February 9, A VON ROSENBERG 1 was off line for maintenance and J K SPRUCE 1 generated 537.6 MW.

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OPERATING DAY	HOUR ENDING	A VON ROSENBERG 1	V H BRAUNIG 1	V H BRAUNIG 2	V H BRAUNIG 3	MILTON LEE PEAKING 5	MILTON LEE PEAKING 6	MILTON LEE PEAKING 7	MILTON LEE PEAKING 8	J K SPRUCE 1	J K SPRUCE 2	O W SOMMERS 1	O W SOMMERS 2	MILTON LEE PEAKING 1	MILTON LEE PEAKING 2	MILTON LEE PEAKING 3	MILTON LEE PEAKING 4	RIO NOGALES	SOUTH TEXAS 1	SOUTH TEXAS 2	COMMERCE ST ESS	COMMERCE SOLAR	COMMUNITY SOLAR
13-Feb-21	100	423.66	181.27	193.58	0.00	0.00	0.00	0.00	0.00	559.64	767.96	376.98	352.79	0.00	0.00	0.00	0.00	851.77	540.04	535.37	0.00	0.00	0.00
13-Feb-21	200	423.61	187.71	224.97	0.00	0.00	0.00	0.00	0.00	559.43	784.23	381.69	359.81	0.00	0.00	0.00	0.00	852.08	540.01	535.25	0.00	0.00	0.00
13-Feb-21	300	426.42	187.70	224.93	0.00	0.00	0.00	0.00	0.00	559.41	784.20	395.93	359.94	0.00	0.00	0.00	0.00	853.00	540.23	535.21	0.00	0.00	0.00
13-Feb-21	400	424.46	187.65	224.93	0.00	0.00	0.00	0.00	0.00	559.02	784.32	397.25	359.58	0.00	0.00	0.00	0.00	853.02	540.02	535.31	0.00	0.00	0.00
13-Feb-21	500	423.74	187.78	224.97	0.00	0.00	0.00	0.00	0.00	559.47	784.68	396.78	359.98	0.00	0.00	0.00	0.00	853.14	539.91	535.17	0.00	0.00	0.00
13-Feb-21	600	419.37	187.64	224.89	0.00	2.98	2.55	2.51	0.00	559.23	784.38	386.72	359.82	0.00	0.00	0.00	0.00	852.45	539.81	535.27	0.00	0.00	0.00
13-Feb-21	700	412.05	187.84	225.05	0.00	46.12	46.47	46.24	25.52	559.38	784.36	386.26	359.90	40.99	41.08	38.51	39.26	852.11	539.44	534.71	0.00	0.00	0.00
13-Feb-21	800	421.44	187.81	224.99	0.00	47.75	47.76	47.38	46.31	559.03	783.67	399.46	358.23	44.92	44.98	41.99	42.97	852.46	539.63	534.91	0.42	0.06	0.00
13-Feb-21	900	428.89	189.52	226.18	0.00	46.83	47.97	47.43	46.35	562.92	788.90	410.59	313.62	45.29	45.35	42.36	43.34	860.26	539.21	534.55	6.24	0.18	0.01
13-Feb-21	1000	479.07	183.31	225.23	0.00	48.05	47.84	47.45	46.46	559.70	784.73	406.68	310.06	45.01	45.06	42.08	43.06	857.20	539.37	534.75	0.00	0.22	0.03
13-Feb-21	1100	490.97	183.32	217.93	0.00	48.02	47.82	47.44	46.40	559.94	785.38	403.75	310.35	44.96	45.01	42.03	43.00	855.26	539.49	534.67	0.00	0.42	0.07
13-Feb-21	1200	490.27	176.31	189.96	0.00	47.95	47.73	47.46	46.52	559.23	784.51	373.49	309.79	44.83	44.88	41.90	42.87	852.29	540.03	534.97	0.00	0.60	0.16
13-Feb-21	1300	531.83	132.97	89.26	0.00	47.96	47.71	47.53	46.63	559.56	784.97	215.23	256.72	5.70	13.90	41.58	42.55	851.18	539.85	534.43	0.00	0.66	0.13
13-Feb-21	1400	502.32	73.49	62.28	0.00	3.54	10.55	42.99	42.37	559.08	783.97	123.07	170.43	0.00	0.00	39.46	39.90	852.81	540.17	535.14	0.00	0.76	0.15
13-Feb-21	1500	452.04	72.29	62.44	0.00	0.00	0.00	22.54	22.91	559.71	784.38	81.93	71.22	0.00	0.00	2.40	8.06	780.68	540.36	535.43	0.00	0.41	0.08
13-Feb-21	1600	527.97	70.11	62.23	0.00	0.00	0.00	3.81	8.61	559.69	785.18	78.32	69.99	0.00	0.00	0.00	0.00	574.16	540.31	535.43	0.00	0.33	0.10
13-Feb-21	1700	487.55	72.24	62.29	0.00	0.00	0.00	0.00	0.00	559.84	785.38	79.72	69.97	0.00	0.00	0.00	0.00	526.87	540.43	535.36	0.00	0.20	0.05
13-Feb-21	1800	539.66	73.69	62.24	0.00	0.00	0.00	0.00	0.00	559.99	784.62	77.99	70.14	0.00	0.00	0.00	0.00	754.98	540.35	535.37	0.00	0.05	0.00
13-Feb-21	1900	468.68	72.57	62.25	0.00	0.00	0.00	0.00	0.00	560.00	785.29	81.53	81.61	11.97	12.33	13.33	12.30	873.75	540.35	535.49	0.00	0.00	0.00
13-Feb-21	2000	479.46	68.16	62.22	0.00	0.00	0.00	0.00	0.00	559.71	785.05	75.93	62.33	32.14	33.93	35.85	32.54	873.86	540.33	535.53	0.00	0.00	0.00
13-Feb-21	2100	433.29	69.44	62.22	0.00	0.00	0.00	0.00	0.00	558.72	783.71	76.55	0.00	20.67	21.12	21.53	20.50	848.84	540.32	535.42	0.00	0.00	0.00
13-Feb-21	2200	384.97	71.43	62.66	0.00	0.00	0.00	0.00	0.00	559.62	784.47	80.30	0.00	20.26	20.30	20.31	20.53	650.33	540.21	534.95	0.00	0.00	0.00
13-Feb-21	2300	370.56	69.37	62.19	0.00	0.00	0.00	0.00	0.00	559.40	785.00	78.53	0.00	20.23	20.28	20.28	20.51	589.44	540.27	535.06	0.00	0.00	0.00
13-Feb-21	2400	335.19	70.00	62.18	0.00	0.00	0.00	0.00	0.00	559.98	785.25	76.84	0.00	20.28	20.31	20.32	20.55	481.09	540.49	535.43	0.00	0.00	0.00
14-Feb-21	100	332.93	63.70	62.35	0.00	0.00	0.00	0.00	0.00	560.01	785.16	72.74	0.00	20.26	20.29	20.30	20.53	473.54	540.50	535.49	0.00	0.00	0.00
14-Feb-21	200	332.89	63.19	62.22	0.00	0.00	0.00	0.00	0.00	560.19	785.22	71.38	0.00	20.28	20.31	20.32	20.55	473.54	540.57	535.37	0.00	0.00	0.00
14-Feb-21	300	332.86	63.63	62.50	0.00	0.00	0.00	0.00	0.00	560.04	785.45	71.75	0.00	20.29	20.32	20.33	20.44	473.70	540.58	535.47	0.00	0.00	0.00
14-Feb-21	400	333.74	63.46	62.42	0.00	0.00	0.00	0.00	0.00	558.98	783.87	71.27	0.00	20.29	20.33	20.33	20.45	473.49	539.31	534.24	0.00	0.00	0.00
14-Feb-21	500	333.55	64.52	62.83	0.00	0.00	0.00	0.00	0.00	558.31	783.14	71.84	0.00	20.31	20.35	20.35	20.47	473.58	540.59	535.58	0.00	0.00	0.00
14-Feb-21	600	333.94	65.25	63.38	0.00	0.00	0.00	0.00	0.00	557.50	782.12	73.03	0.00	20.30	20.34	20.34	20.46	473.52	540.66	535.66	0.00	0.00	0.00
14-Feb-21	700	333.42	64.71	63.13	0.00	0.00	0.00	0.00	0.00	558.43	782.98	72.76	12.63	20.23	20.27	20.27	20.38	475.65	540.57	535.61	0.00	0.00	0.00
14-Feb-21	800	336.31	68.47	66.38	0.00	0.00	0.00	0.00	0.00	559.85	784.84	76.55	71.65	20.28	20.32	20.31	20.42	475.82	540.58	535.58	0.00	0.01	0.00

Generation Hourly Production

Generation Fleet Hourly Production

Explanation of values: This table shows the hourly generation from each of the resources that CPS Energy owns. The capacity listed is the winter season net capacity or the maximum amount of power that can be produced to support our customers and the grid. Although these units have a specific generation capacity, the real time output levels of these resources are controlled in conjunction with ERCOT. ERCOT sends direction, called dispatch signals, to the generation resources based on the grid conditions in real time including the actual load demand and the state of the transmission grid. These dispatch signals are essentially instructions for the generation resource to provide more or less output over the next five minutes and are based on the price for the generation resource that is included with the ERCOT dispatch signals. At certain times, the ERCOT dispatch signal may fall below a unit's maximum generation capacity. This condition may occur when market prices are low as this reduced generation capacity is the best price match to meet ERCOT load obligations. Units with 0 MW of generation were off line for reasons such as planned or unplanned maintenance outages, or they were not needed at that time to meet obligations.

For example: In the first hour of February 9, A VON ROSENBERG 1 was off line for maintenance and J K SPRUCE 1 generated 537.6 MW.

	CAPACITY	549 MW	217 MW	230 MW	412 MW	48 MW	48 MW	48 MW	47 MW	560 MW	785 MW	420 MW	410 MW	46 MW	46 MW	46 MW	46 MW	897 MW	541 MW	536 MW	10 MW	5 MW	1 MW
OPERATING DAY	HOUR ENDING	A VON ROSENBERG 1	V H BRAUNIG 1	V H BRAUNIG 2	V H BRAUNIG 3	MILTON LEE PEAKING 5	MILTON LEE PEAKING 6	MILTON LEE PEAKING 7	MILTON LEE PEAKING 8	J K SPRUCE 1	J K SPRUCE 2	O W SOMMERS 1	O W SOMMERS 2	MILTON LEE PEAKING 1	MILTON LEE PEAKING 2	MILTON LEE PEAKING 3	MILTON LEE PEAKING 4	RIO NOGALES	SOUTH TEXAS 1	SOUTH TEXAS 2	COMMERCE ST ESS	COMMERCE SOLAR	COMMUNITY SOLAR
14-Feb-21	900	343.87	71.66	69.56	0.00	0.00	0.00	0.00	0.00	560.11	784.77	78.76	70.44	20.35	20.39	20.38	20.49	499.78	540.60	535.66	0.00	0.11	0.01
14-Feb-21	1000	437.22	71.41	69.31	0.00	0.00	0.00	0.00	0.00	559.82	784.53	79.52	70.33	20.31	21.24	20.90	20.43	841.52	540.63	535.68	0.00	0.27	0.03
14-Feb-21	1100	485.62	69.83	67.73	0.00	0.00	0.00	0.00	0.00	560.43	785.22	163.83	176.54	42.94	43.14	40.92	41.26	866.62	540.89	535.77	0.00	0.29	0.06
14-Feb-21	1200	528.08	70.29	68.18	0.00	0.00	0.00	0.00	0.00	560.03	784.15	182.17	248.95	44.73	44.55	41.98	42.97	872.97	540.96	535.87	0.00	0.54	0.09
14-Feb-21	1300	516.07	68.65	66.68	0.00	0.00	0.00	0.00	0.00	559.97	784.46	164.72	194.39	42.42	42.64	41.66	41.57	878.31	540.94	535.85	0.00	0.78	0.09
14-Feb-21	1400	528.29	96.52	72.01	0.00	0.00	2.70	0.00	1.70	201.39	779.17	337.40	295.41	44.97	45.07	41.84	43.03	878.58	541.00	535.89	0.00	0.53	0.14
14-Feb-21	1500	537.69	104.43	71.42	0.00	0.00	46.77	31.34	0.32	0.00	779.70	390.92	328.74	45.00	45.10	42.01	43.05	884.87	540.97	535.84	0.00	0.57	0.07
14-Feb-21	1600	427.29	100.15	87.03	0.00	0.00	47.58	47.41	0.00	0.00	778.70	382.51	321.80	44.90	45.00	41.91	42.95	888.20	540.86	535.82	1.18	0.27	0.07
14-Feb-21	1700	250.98	184.38	188.21	0.00	0.00	47.58	47.42	0.00	0.00	779.50	384.75	373.60	44.90	45.01	41.99	42.97	889.04	540.88	535.86	5.19	0.13	0.02
14-Feb-21	1800	245.44	185.83	198.64	0.00	0.00	47.50	47.37	0.00	0.00	778.65	383.88	373.74	44.75	19.67	41.89	42.82	889.29	540.80	535.96	0.00	0.05	0.00
14-Feb-21	1900	245.77	185.16	197.89	0.00	0.00	47.58	47.44	21.31	0.00	780.00	382.90	372.72	44.94	23.02	42.06	43.00	888.69	540.88	535.73	0.00	0.00	0.00
14-Feb-21	2000	246.56	190.46	203.25	0.00	0.00	47.63	47.51	44.81	0.00	781.19	388.46	378.33	45.01	44.54	42.13	43.07	890.61	540.94	535.73	0.00	0.00	0.00
14-Feb-21	2100	245.96	189.36	202.20	0.00	0.00	47.59	47.44	45.44	0.00	780.46	389.75	379.47	44.90	45.04	42.01	42.94	889.13	541.03	535.88	0.00	0.00	0.00
14-Feb-21	2200	246.84	191.91	204.61	0.00	0.00	47.72	47.65	45.69	0.00	781.64	393.12	382.55	42.49	42.66	40.67	40.20	890.59	541.13	535.88	0.00	0.00	0.00
14-Feb-21	2300	248.74	193.71	206.17	0.00	0.00	47.83	47.80	46.02	0.00	785.76	392.86	382.39	39.37	39.65	37.92	37.20	892.70	541.29	536.04	0.00	0.00	0.00
14-Feb-21	2400	247.00	202.53	215.00	0.00	0.00	47.75	47.69	46.29	0.00	788.66	405.65	394.38	35.94	35.97	35.85	35.68	638.93	541.30	536.12	0.00	0.00	0.00
15-Feb-21	100	226.21	217.40	226.89	0.00	0.00	47.95	47.07	46.77	0.00	788.54	421.61	297.10	35.56	35.58	35.50	35.33	518.98	541.66	536.17	4.93	0.00	0.00
15-Feb-21	200	0.00	166.61	173.12	0.00	0.00	36.48	36.02	35.50	0.00	791.22	425.99	0.00	32.88	30.89	30.10	31.93	520.57	542.44	536.99	0.00	0.00	0.00
15-Feb-21	300	0.00	158.78	164.99	0.00	0.00	34.76	34.33	33.83	0.00	768.52	414.16	0.00	34.58	34.64	34.58	34.53	534.05	541.41	535.63	0.00	0.00	0.00
15-Feb-21	400	0.00	162.18	168.52	0.00	0.00	35.51	35.07	34.55	0.00	782.24	420.82	0.00	35.40	35.46	35.40	35.39	581.12	538.34	532.99	0.00	0.00	0.00
15-Feb-21	500	0.00	164.18	170.60	0.00	0.00	35.95	35.50	34.98	0.00	781.82	421.39	0.00	35.73	35.80	35.73	35.72	826.95	541.78	536.29	0.00	0.00	0.00
15-Feb-21	600	0.00	162.98	169.35	0.00	0.00	35.68	35.24	34.72	0.00	780.78	419.99	0.00	35.25	35.32	35.27	35.22	827.37	331.81	456.23	0.00	0.00	0.00
15-Feb-21	700	0.00	162.49	168.84	0.00	0.00	35.57	35.13	34.62	0.00	779.28	418.41	0.00	35.10	35.16	35.11	35.07	836.32	0.00	514.74	0.00	0.00	0.00
15-Feb-21	800	0.00	163.34	169.72	0.00	0.00	35.76	35.32	34.80	0.00	782.33	420.95	0.00	35.41	35.47	35.42	35.38	837.44	0.00	515.48	0.00	0.16	0.00
15-Feb-21	900	0.00	159.32	165.55	0.00	0.00	34.88	34.45	33.95	0.00	779.72	409.12	0.00	31.68	31.78	30.97	30.51	834.01	0.00	515.48	0.00	1.64	0.09
15-Feb-21	1000	0.00	152.20	158.15	0.00	0.00	33.32	32.91	32.43	0.00	779.38	379.46	0.00	32.83	33.00	31.54	30.84	838.96	0.00	515.50	0.00	3.38	0.13
15-Feb-21	1100	0.00	120.37	125.07	0.00	0.00	26.35	26.03	25.65	0.00	777.97	299.93	0.00	33.16	33.32	32.02	31.38	839.12	0.00	516.02	0.00	3.72	0.50
15-Feb-21	1200	0.00	94.16	97.84	0.00	0.00	20.61	20.36	20.06	0.00	777.55	183.54	0.00	34.94	35.08	35.04	34.99	824.90	0.00	515.38	0.00	3.78	0.21
15-Feb-21	1300	30.60	73.85	76.70	0.00	0.00	21.85	23.76	22.07	0.00	776.85	112.78	0.00	35.64	36.41	37.04	35.98	821.47	0.00	516.08	0.00	3.82	0.47
15-Feb-21	1400	153.79	74.98	70.18	0.00	0.00	29.29	31.35	29.84	0.00	772.86	100.19	0.00	33.46	34.38	35.51	33.47	820.65	0.00	516.08	0.00	3.95	0.29
15-Feb-21	1500	233.40	64.35	64.80	0.00	0.00	3.64	19.77	19.44	0.00	772.81	70.40	0.00	21.47	22.33	22.68	20.91	748.83	0.00	515.96	0.00	4.13	0.32
15-Feb-21	1600	244.14	98.25	78.00	0.00	0.00	33.98	4.38	35.17	0.00	771.42	185.01	0.00	39.40	39.87	39.95	38.56	806.53	0.00	516.12	0.00	4.22	0.03

Generation Hourly Production

Generation Fleet Hourly Production

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For example: In the first hour of February 9, A VON ROSENBERG 1 was off line for maintenance and J K SPRUCE 1 generated 537.6 MW.

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OPERATING DAY	HOUR ENDING	A VON ROSENBERG 1	V H BRAUNIG 1	V H BRAUNIG 2	V H BRAUNIG 3	MILTON LEE PEAKING 5	MILTON LEE PEAKING 6	MILTON LEE PEAKING 7	MILTON LEE PEAKING 8	J K SPRUCE 1	J K SPRUCE 2	O W SOMMERS 1	O W SOMMERS 2	MILTON LEE PEAKING 1	MILTON LEE PEAKING 2	MILTON LEE PEAKING 3	MILTON LEE PEAKING 4	RIO NOGALES	SOUTH TEXAS 1	SOUTH TEXAS 2	COMMERCE ST ESS	COMMERCE SOLAR	COMMUNITY SOLAR
15-Feb-21	1700	245.51	157.30	132.63	0.00	0.00	42.38	1.73	41.59	0.00	767.27	318.47	0.00	45.97	45.97	45.56	44.75	819.06	0.00	516.04	0.00	3.03	0.02
15-Feb-21	1800	246.93	187.12	199.01	0.00	0.00	47.36	46.14	45.93	0.00	775.56	364.94	0.00	43.91	44.35	42.80	42.11	818.66	0.00	516.21	0.00	1.13	0.01
15-Feb-21	1900	248.20	214.46	222.86	0.00	0.00	47.77	47.72	46.56	0.00	779.30	412.48	0.00	40.63	41.24	40.61	40.59	732.15	0.00	515.29	0.00	0.02	0.00
15-Feb-21	2000	286.43	207.47	218.01	0.00	0.00	47.62	47.48	46.62	0.00	776.13	409.98	17.68	40.09	40.10	40.08	40.06	501.59	0.00	513.95	0.00	0.00	0.00
15-Feb-21	2100	423.15	205.29	216.37	0.00	0.00	47.68	47.58	46.70	6.74	784.88	415.12	229.05	39.81	39.93	38.83	38.11	491.30	0.00	514.27	0.00	0.00	0.00
15-Feb-21	2200	355.56	217.03	226.20	0.00	0.00	47.87	47.77	45.62	44.50	789.25	422.13	399.97	36.93	37.19	36.48	36.21	510.00	0.00	514.29	0.00	0.00	0.00
15-Feb-21	2300	324.77	209.11	214.81	0.00	0.00	47.57	47.19	45.04	58.76	784.20	417.03	364.67	35.15	35.21	35.17	35.11	514.34	0.00	514.25	0.00	0.00	0.00
15-Feb-21	2400	330.75	188.18	205.61	0.00	0.00	47.52	47.26	45.18	67.18	784.45	376.62	274.82	35.05	35.12	35.09	35.02	482.19	0.00	514.33	0.00	0.00	0.00
16-Feb-21	100	329.08	174.85	153.42	0.00	0.00	47.52	47.32	45.33	71.03	784.20	385.54	361.73	34.96	35.03	35.00	34.93	480.32	0.00	513.64	0.00	0.00	0.00
16-Feb-21	200	330.24	199.59	216.59	0.00	0.00	47.52	47.32	45.40	71.33	784.77	418.31	339.12	35.03	35.09	35.06	35.00	485.69	0.00	513.51	0.00	0.00	0.00
16-Feb-21	300	329.46	207.36	216.10	0.00	0.00	47.66	47.41	45.50	71.27	788.49	421.45	349.76	35.36	35.43	35.39	35.34	496.00	0.00	513.89	0.00	0.00	0.00
16-Feb-21	400	333.65	219.08	227.06	0.00	0.00	47.98	47.75	45.80	71.19	793.65	426.47	358.97	35.97	36.04	36.00	35.95	524.87	0.00	514.29	0.00	0.00	0.00
16-Feb-21	500	329.51	199.55	212.30	0.00	0.00	47.48	47.27	45.97	71.09	783.40	418.24	353.27	35.05	35.13	35.09	35.04	560.75	0.00	513.74	0.00	0.00	0.00
16-Feb-21	600	293.60	200.53	212.49	0.00	0.00	47.46	47.29	46.20	70.99	783.85	415.57	351.52	35.00	35.08	35.02	34.82	552.80	0.00	513.57	0.00	0.00	0.00
16-Feb-21	700	113.80	205.66	220.12	0.00	0.00	47.38	47.24	46.04	71.06	784.57	410.29	353.33	33.45	33.67	32.29	31.62	553.15	0.00	513.90	0.00	0.00	0.00
16-Feb-21	800	82.99	212.96	127.52	0.00	0.00	47.20	47.10	45.72	69.56	789.19	421.86	355.46	32.84	33.06	31.64	30.98	557.54	0.00	514.10	0.00	0.10	0.00
16-Feb-21	900	149.19	169.10	0.00	0.00	0.00	47.02	46.90	45.51	63.01	785.52	390.07	345.72	33.65	33.87	32.46	31.80	554.24	0.00	514.23	0.00	0.75	0.00
16-Feb-21	1000	187.65	91.85	0.00	0.00	0.00	46.94	39.46	37.61	63.09	785.32	170.49	312.50	33.16	33.76	32.80	31.69	591.06	0.00	514.17	0.00	1.20	0.00
16-Feb-21	1100	222.27	68.21	0.00	0.00	0.00	46.39	20.23	19.99	66.88	788.87	85.23	301.76	21.83	22.87	22.72	21.22	591.03	0.00	513.92	0.00	2.31	0.00
16-Feb-21	1200	125.96	68.19	0.00	0.00	0.00	44.23	19.31	19.64	102.91	786.03	84.41	312.01	20.12	20.11	20.23	20.06	585.71	0.00	514.14	0.00	3.52	0.00
16-Feb-21	1300	177.47	75.18	0.00	0.00	0.00	42.43	20.66	14.76	139.47	790.08	96.61	333.87	21.85	22.08	22.19	21.81	621.03	0.00	514.15	0.00	3.36	0.00
16-Feb-21	1400	210.35	72.32	0.00	0.00	0.00	41.89	20.03	0.00	136.83	788.34	90.69	344.41	21.27	21.22	21.15	21.09	529.51	0.00	514.50	0.00	2.92	0.00
16-Feb-21	1500	217.20	81.03	0.00	0.00	0.00	42.15	29.41	0.00	139.39	791.63	112.37	351.82	25.42	26.24	25.83	24.97	622.63	0.00	514.56	0.00	1.77	0.01
16-Feb-21	1600	219.31	88.32	24.60	0.00	0.00	42.82	39.21	0.00	136.56	786.04	123.74	352.68	33.37	33.82	32.72	31.71	716.40	0.00	513.51	0.00	1.00	0.14
16-Feb-21	1700	221.68	166.10	36.92	0.00	0.00	46.23	47.05	4.44	111.96	782.12	311.82	346.82	34.04	34.29	32.85	32.15	748.01	0.00	512.88	0.00	0.52	0.00
16-Feb-21	1800	190.52	185.83	0.00	0.00	0.00	46.84	47.01	41.55	59.62	785.62	341.82	344.85	33.45	33.64	32.30	31.58	825.37	0.00	512.98	0.00	0.18	0.00
16-Feb-21	1900	160.07	139.13	30.23	0.00	0.00	46.81	46.21	40.75	49.33	780.76	264.00	344.70	33.21	33.36	32.32	31.76	872.68	0.00	512.82	0.00	0.01	0.00
16-Feb-21	2000	166.65	76.24	41.00	0.00	0.00	47.14	41.22	41.46	51.60	783.81	103.32	320.58	32.21	32.32	32.28	32.16	872.82	0.00	512.76	0.00	0.00	0.00
16-Feb-21	2100	199.08	133.39	77.41	0.00	0.00	47.20	47.38	41.52	55.28	784.18	272.02	317.01	32.15	32.25	32.22	32.11	869.68	0.00	512.84	0.00	0.00	0.00
16-Feb-21	2200	144.21	72.65	116.32	0.00	0.00	47.05	27.21	41.38	59.86	782.60	99.08	355.76	27.38	27.81	27.89	27.13	869.58	0.00	512.78	0.00	0.00	0.00
16-Feb-21	2300	128.43	75.58	134.03	0.00	0.00	47.30	20.21	41.60	62.03	784.06	85.49	356.60	20.84	21.18	21.19	20.66	869.10	0.00	513.06	0.00	0.00	0.00
16-Feb-21	2400	153.67	67.00	154.86	0.00	0.00	47.15	21.43	41.41	63.46	782.40	73.36	351.23	20.15	20.16	20.14	20.04	868.89	0.00	512.21	0.00	0.00	0.00

Generation Hourly Production

Generation Fleet Hourly Production

Explanation of values: This table shows the hourly generation from each of the resources that CPS Energy owns. The capacity listed is the winter season net capacity or the maximum amount of power that can be produced to support our customers and the grid. Although these units have a specific generation capacity, the real time output levels of these resources are controlled in conjunction with ERCOT. ERCOT sends direction, called dispatch signals, to the generation resources based on the grid conditions in real time including the actual load demand and the state of the transmission grid. These dispatch signals are essentially instructions for the generation resource to provide more or less output over the next five minutes and are based on the price for the generation resource that is included with the ERCOT dispatch signals. At certain times, the ERCOT dispatch signal may fall below a unit's maximum generation capacity. This condition may occur when market prices are low as this reduced generation capacity is the best price match to meet ERCOT load obligations. Units with 0 MW of generation were off line for reasons such as planned or unplanned maintenance outages, or they were not needed at that time to meet obligations.

For example: In the first hour of February 9, A VON ROSENBERG 1 was off line for maintenance and J K SPRUCE 1 generated 537.6 MW.

	CAPACITY	549 MW	217 MW	230 MW	412 MW	48 MW	48 MW	48 MW	47 MW	560 MW	785 MW	420 MW	410 MW	46 MW	46 MW	46 MW	46 MW	897 MW	541 MW	536 MW	10 MW	5 MW	1 MW
OPERATING DAY	HOUR ENDING	A VON ROSENBERG 1	V H BRAUNIG 1	V H BRAUNIG 2	V H BRAUNIG 3	MILTON LEE PEAKING 5	MILTON LEE PEAKING 6	MILTON LEE PEAKING 7	MILTON LEE PEAKING 8	J K SPRUCE 1	J K SPRUCE 2	O W SOMMERS 1	O W SOMMERS 2	MILTON LEE PEAKING 1	MILTON LEE PEAKING 2	MILTON LEE PEAKING 3	MILTON LEE PEAKING 4	RIO NOGALES	SOUTH TEXAS 1	SOUTH TEXAS 2	COMMERCE ST ESS	COMMERCE SOLAR	COMMUNITY SOLAR
17-Feb-21	100	154.62	159.76	162.09	0.00	0.00	47.44	29.62	41.42	64.74	784.06	303.60	349.30	27.53	27.95	27.99	27.49	787.80	0.00	512.06	0.00	0.00	0.00
17-Feb-21	200	154.17	171.29	169.05	0.00	0.00	47.35	20.58	40.16	64.66	781.81	380.46	348.65	23.06	23.80	23.85	22.27	610.04	0.00	512.50	0.00	0.00	0.00
17-Feb-21	300	153.92	177.40	171.66	0.00	0.00	47.42	31.83	37.27	66.20	782.14	386.52	349.34	30.10	30.41	30.50	29.67	598.40	0.00	512.50	0.00	0.00	0.00
17-Feb-21	400	153.54	173.16	168.79	0.00	0.00	47.22	35.53	36.85	63.30	782.05	386.89	347.30	30.93	30.96	30.92	30.84	599.39	0.00	512.82	0.00	0.00	0.00
17-Feb-21	500	195.91	179.61	170.00	0.00	0.00	47.48	36.28	36.69	61.90	780.06	385.49	346.61	31.78	32.07	32.05	31.94	635.77	0.00	513.09	0.00	0.00	0.00
17-Feb-21	600	261.40	171.98	169.73	0.00	0.00	47.30	36.63	36.22	65.78	782.25	380.18	346.77	31.97	32.06	31.98	31.93	726.75	0.00	512.97	0.00	0.00	0.00
17-Feb-21	700	258.94	184.55	169.39	0.00	0.00	47.06	36.11	35.66	65.59	781.14	383.80	344.52	31.96	32.05	31.96	31.91	863.20	0.00	513.07	0.00	0.00	0.00
17-Feb-21	800	260.99	193.76	169.85	0.00	0.00	47.10	36.13	35.34	65.59	784.87	391.03	348.18	32.18	32.27	32.18	32.13	861.70	0.00	513.19	0.00	0.04	0.00
17-Feb-21	900	262.31	183.18	170.82	0.00	0.00	47.33	36.54	35.70	67.38	782.61	387.18	349.15	31.96	32.05	31.97	31.91	863.21	0.00	514.08	0.00	0.16	0.02
17-Feb-21	1000	262.61	168.53	208.96	0.00	0.00	47.29	35.77	35.66	67.00	783.70	373.55	349.48	32.01	32.10	32.02	31.97	864.64	0.00	514.30	0.00	0.25	0.03
17-Feb-21	1100	262.00	169.22	214.11	0.00	0.00	47.17	35.84	35.52	67.74	782.14	371.34	349.21	31.61	31.71	31.42	31.24	864.74	0.00	514.10	0.00	0.70	0.10
17-Feb-21	1200	259.47	75.01	213.98	0.00	0.00	43.56	20.23	33.34	66.35	782.16	257.98	349.85	20.75	20.76	20.76	20.62	864.03	0.00	513.89	0.00	1.35	0.06
17-Feb-21	1300	258.36	68.80	219.83	0.00	0.00	24.06	19.35	22.59	64.58	781.28	80.64	348.35	20.20	20.21	20.23	20.16	862.28	0.00	514.13	0.00	1.32	0.00
17-Feb-21	1400	257.21	69.41	214.38	0.00	0.00	32.36	19.35	27.73	94.30	782.97	77.64	349.33	20.16	20.17	20.18	20.12	724.59	0.00	514.23	0.00	1.51	0.00
17-Feb-21	1500	256.76	65.28	214.57	0.00	0.00	20.23	19.23	20.03	147.42	764.00	72.66	348.71	20.07	20.08	20.09	20.04	598.73	0.00	514.65	0.00	1.11	0.00
17-Feb-21	1600	256.93	68.35	229.73	0.00	0.00	23.27	19.35	21.35	149.80	763.19	75.12	348.88	20.17	20.18	20.19	20.13	600.03	0.00	515.81	0.00	0.44	0.00
17-Feb-21	1700	258.07	87.65	230.18	0.00	0.00	32.16	19.33	27.25	149.64	783.46	98.70	349.00	20.14	20.15	20.17	20.15	736.96	0.00	515.80	0.00	0.43	0.00
17-Feb-21	1800	260.10	140.56	230.25	0.00	0.00	46.63	27.01	35.25	150.31	786.83	248.85	351.64	25.98	26.24	26.26	25.72	866.66	0.00	515.86	0.00	0.15	0.00
17-Feb-21	1900	261.08	166.08	229.95	0.00	0.00	46.98	35.88	35.87	150.04	784.15	346.54	349.61	32.07	32.15	31.40	30.69	867.83	0.00	515.89	0.00	0.01	0.00
17-Feb-21	2000	262.55	177.17	229.99	0.00	0.00	47.22	33.66	36.42	150.35	784.99	350.67	350.81	30.16	30.55	29.73	28.89	869.11	0.00	515.76	0.00	0.00	0.00
17-Feb-21	2100	263.69	178.46	229.92	0.00	0.00	47.46	28.51	36.56	150.14	784.43	349.23	354.52	28.16	28.96	29.03	27.71	867.40	0.00	515.85	0.00	0.00	0.00
17-Feb-21	2200	264.46	172.20	229.89	0.00	0.00	47.51	20.63	36.51	149.82	783.63	331.36	353.37	20.77	21.01	20.59	21.02	867.01	37.00	527.55	0.00	0.00	0.00
17-Feb-21	2300	265.12	124.02	230.14	0.00	0.00	38.56	19.77	31.35	151.47	787.01	177.13	354.68	20.79	20.61	20.40	20.45	871.96	53.05	534.16	0.00	0.00	0.00
17-Feb-21	2400	265.96	110.16	229.98	0.00	0.00	37.50	19.42	30.75	150.97	785.94	157.05	351.83	20.51	20.34	20.27	20.22	869.73	63.05	535.62	0.00	0.00	0.00
18-Feb-21	100	266.23	67.98	230.00	0.00	0.00	34.30	22.69	28.59	150.15	783.47	80.47	353.32	22.12	22.55	22.53	22.43	653.78	62.10	535.25	0.00	0.00	0.00
18-Feb-21	200	252.77	63.55	229.75	0.00	0.00	27.74	19.19	24.99	149.31	782.83	69.70	352.83	20.02	20.65	20.65	20.52	482.71	84.14	535.54	0.00	0.00	0.00
18-Feb-21	300	157.15	64.10	229.91	0.00	0.00	19.43	19.24	19.68	150.04	757.98	70.05	355.47	20.09	20.73	20.73	20.59	480.41	115.24	535.35	0.00	0.00	0.00
18-Feb-21	400	155.68	64.24	229.86	0.00	0.00	19.38	19.20	19.64	149.84	748.27	69.94	357.23	20.02	20.13	20.02	20.51	480.04	133.41	535.45	0.00	0.00	0.00
18-Feb-21	500	156.10	63.49	229.97	0.00	0.00	22.67	19.17	21.58	149.41	783.20	69.55	355.90	19.99	20.08	19.97	20.42	498.51	149.46	535.19	0.00	0.00	0.00
18-Feb-21	600	196.85	70.07	230.18	0.00	0.00	47.47	32.89	36.42	149.86	755.29	105.76	356.23	29.95	30.20	30.28	29.67	787.12	169.16	535.57	0.00	0.00	0.00
18-Feb-21	700	240.07	156.58	229.99	0.00	0.00	47.41	37.17	36.39	149.61	746.72	318.11	356.77	31.85	31.89	31.97	31.98	799.65	200.21	535.59	0.00	0.00	0.00
18-Feb-21	800	206.22	177.13	229.96	0.00	0.00	47.53	37.40	36.52	149.99	783.73	347.49	355.29	31.95	31.98	32.06	32.07	799.38	203.31	535.46	0.00	0.01	0.00

Generation Hourly Production

Generation Fleet Hourly Production

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For example: In the first hour of February 9, A VON ROSENBERG 1 was off line for maintenance and J K SPRUCE 1 generated 537.6 MW.

	CAPACITY	549 MW	217 MW	230 MW	412 MW	48 MW	48 MW	48 MW	47 MW	560 MW	785 MW	420 MW	410 MW	46 MW	46 MW	46 MW	46 MW	897 MW	541 MW	536 MW	10 MW	5 MW	1 MW
OPERATING DAY	HOUR ENDING	A VON ROSENBERG 1	V H BRAUNIG 1	V H BRAUNIG 2	V H BRAUNIG 3	MILTON LEE PEAKING 5	MILTON LEE PEAKING 6	MILTON LEE PEAKING 7	MILTON LEE PEAKING 8	J K SPRUCE 1	J K SPRUCE 2	O W SOMMERS 1	O W SOMMERS 2	MILTON LEE PEAKING 1	MILTON LEE PEAKING 2	MILTON LEE PEAKING 3	MILTON LEE PEAKING 4	RIO NOGALES	SOUTH TEXAS 1	SOUTH TEXAS 2	COMMERCE ST ESS	COMMERCE SOLAR	COMMUNITY SOLAR
18-Feb-21	900	209.25	179.76	229.94	0.00	0.00	47.56	37.53	39.97	150.05	783.15	350.26	357.85	32.07	32.10	32.07	31.89	802.81	201.66	535.44	0.00	0.05	0.01
18-Feb-21	1000	209.91	180.59	229.91	0.00	0.00	47.54	37.77	45.81	150.00	782.23	343.79	353.47	32.08	32.12	32.08	32.10	803.04	228.03	535.93	0.00	0.09	0.05
18-Feb-21	1100	209.35	180.20	229.94	0.00	0.00	47.53	37.77	46.51	177.42	784.07	337.12	351.40	32.03	32.06	32.02	32.06	778.93	279.44	536.08	0.00	0.18	0.14
18-Feb-21	1200	199.84	124.82	229.69	0.00	0.00	36.00	37.83	35.64	246.38	783.50	323.65	351.49	31.92	31.96	31.92	31.92	755.83	334.35	536.22	0.00	0.31	0.16
18-Feb-21	1300	193.17	62.80	227.18	0.00	0.00	20.14	20.54	19.28	246.40	724.70	107.44	350.17	20.55	20.74	20.62	21.22	669.14	373.41	535.84	0.00	0.53	0.25
18-Feb-21	1400	163.53	61.70	223.59	0.00	0.00	19.97	18.95	19.11	244.91	658.29	70.38	350.02	19.72	19.72	19.80	20.45	481.46	377.76	535.92	0.00	0.70	0.23
18-Feb-21	1500	164.32	62.60	229.92	0.00	0.00	45.88	19.08	44.86	246.64	628.39	70.95	350.97	19.88	19.88	19.95	20.61	479.95	403.98	536.28	0.00	0.57	0.28
18-Feb-21	1600	164.09	62.23	229.15	0.00	0.00	47.20	19.03	46.17	246.12	644.84	69.55	350.27	19.85	19.85	19.91	20.42	479.50	458.13	536.10	0.00	0.24	0.15
18-Feb-21	1700	165.79	63.66	134.96	0.00	0.00	47.27	19.14	46.25	246.25	768.85	70.01	351.37	19.98	19.98	20.04	19.93	481.29	510.31	536.23	0.00	0.13	0.06
18-Feb-21	1800	177.38	73.44	64.70	0.00	0.00	47.43	19.33	46.42	246.90	782.72	77.24	353.27	20.13	20.13	20.18	20.14	503.54	529.65	535.99	0.00	0.03	0.01
18-Feb-21	1900	203.65	69.61	150.17	0.00	0.00	47.55	29.65	46.53	247.27	782.78	80.44	351.87	27.44	27.51	27.49	27.43	755.65	529.16	536.11	0.00	0.00	0.00
18-Feb-21	2000	204.97	67.87	229.88	0.00	0.00	47.48	31.30	46.45	247.12	782.56	80.18	352.32	31.80	31.85	31.81	31.79	792.09	532.73	536.15	0.00	0.00	0.00
18-Feb-21	2100	208.48	67.66	229.64	0.00	0.00	47.50	19.92	46.48	247.37	782.63	70.92	354.81	23.45	23.47	23.48	23.58	794.82	540.01	536.08	0.00	0.00	0.00
18-Feb-21	2200	208.97	68.34	149.61	0.00	0.00	47.47	19.53	46.43	247.35	783.98	74.36	355.49	21.05	21.10	21.11	20.72	752.34	540.52	535.85	0.00	0.00	0.00
18-Feb-21	2300	184.03	66.91	21.86	0.00	0.00	47.22	19.27	46.19	247.33	782.89	73.65	354.76	20.20	20.13	20.15	20.75	571.96	540.61	535.72	0.00	0.00	0.00
18-Feb-21	2400	167.01	62.98	0.00	0.00	0.00	47.02	19.04	45.98	185.80	761.91	70.52	352.87	20.06	20.07	20.14	20.04	483.87	540.10	535.81	0.00	0.00	0.00
19-Feb-21	100	168.50	62.19	0.00	0.00	0.00	46.90	18.92	45.86	149.45	676.35	69.31	353.39	19.89	19.89	19.96	19.87	479.30	540.44	535.81	0.00	0.00	0.00
19-Feb-21	200	318.06	62.50	0.00	0.00	0.00	47.25	19.10	46.21	150.20	678.16	69.47	351.53	19.99	20.00	20.07	19.98	479.75	540.10	535.76	0.00	0.00	0.00
19-Feb-21	300	331.11	62.50	0.00	0.00	0.00	47.36	19.15	46.31	150.28	677.49	69.40	353.26	20.05	20.05	20.04	20.03	481.12	540.53	535.75	0.00	0.00	0.00
19-Feb-21	400	456.96	63.05	0.00	0.00	0.00	47.65	25.39	46.61	150.94	677.78	83.67	353.37	25.40	25.89	25.93	25.04	516.13	538.57	533.90	0.00	0.00	0.00
19-Feb-21	500	498.17	149.43	0.00	0.00	0.00	47.46	37.25	46.40	225.77	738.60	322.73	352.31	31.85	31.90	31.80	31.60	775.72	540.63	535.83	0.00	0.00	0.00
19-Feb-21	600	486.26	165.80	0.00	0.00	0.00	47.59	37.40	46.54	242.94	787.37	342.49	352.01	31.99	32.05	31.94	31.99	775.38	540.75	535.89	0.00	0.00	0.00
19-Feb-21	700	478.29	171.55	0.00	0.00	0.00	47.56	37.38	46.53	242.67	786.90	339.79	352.61	33.51	32.48	32.01	31.95	781.70	540.32	535.75	0.00	0.00	0.00
19-Feb-21	800	500.94	170.28	0.00	0.00	0.00	47.62	37.43	46.56	242.91	787.22	344.51	352.64	36.15	36.69	36.33	36.80	778.23	540.89	535.63	0.00	0.08	0.09
19-Feb-21	900	477.65	153.56	0.00	0.00	0.00	47.29	37.09	46.25	241.54	784.81	319.17	351.65	39.00	39.08	38.98	39.10	722.56	540.95	535.52	0.00	0.97	0.61
19-Feb-21	1000	357.60	63.57	0.00	0.00	0.00	47.28	21.78	46.23	241.41	785.03	84.91	351.76	22.46	22.50	22.73	22.68	478.65	541.00	535.48	0.00	3.56	0.83
19-Feb-21	1100	334.32	63.71	0.00	0.00	0.00	47.41	19.35	46.39	241.95	786.54	71.69	350.48	19.97	20.01	20.30	20.21	476.06	541.16	535.67	0.00	4.46	0.82
19-Feb-21	1200	333.58	66.93	0.00	0.00	0.00	20.92	21.82	20.84	242.99	787.10	75.23	349.26	20.23	20.26	20.55	20.46	479.68	541.28	535.59	0.00	4.44	0.84
19-Feb-21	1300	333.51	68.94	0.00	0.00	0.00	33.22	15.82	16.49	243.34	709.79	77.04	349.82	20.30	20.34	20.64	20.53	481.86	541.50	535.60	0.00	4.38	0.80
19-Feb-21	1400	331.45	65.91	0.00	0.00	0.00	0.00	0.00	0.00	243.56	679.69	74.88	297.29	20.29	20.33	20.63	20.52	479.69	541.50	536.00	0.00	4.35	0.76
19-Feb-21	1500	331.76	67.83	0.00	0.00	0.00	0.00	0.00	0.00	243.52	679.38	75.79	352.24	20.30	20.35	20.64	20.54	480.52	541.53	536.30	0.00	4.41	0.72
19-Feb-21	1600	332.00	67.00	0.00	0.00	0.00	0.00	0.00	0.00	243.34	679.02	74.43	354.50	20.33	20.37	20.67	20.56	480.01	541.47	536.40	0.00	4.43	0.67

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Generation Hourly Production

Generation Fleet Hourly Production

Explanation of values: This table shows the hourly generation from each of the resources that CPS Energy owns. The capacity listed is the winter season net capacity or the maximum amount of power that can be produced to support our customers and the grid. Although these units have a specific generation capacity, the real time output levels of these resources are controlled in conjunction with ERCOT. ERCOT sends direction, called dispatch signals, to the generation resources based on the grid conditions in real time including the actual load demand and the state of the transmission grid. These dispatch signals are essentially instructions for the generation resource to provide more or less output over the next five minutes and are based on the price for the generation resource that is included with the ERCOT dispatch signals. At certain times, the ERCOT dispatch signal may fall below a unit's maximum generation capacity. This condition may occur when market prices are low as this reduced generation capacity is the best price match to meet ERCOT load obligations. Units with 0 MW of generation were off line for reasons such as planned or unplanned maintenance outages, or they were not needed at that time to meet obligations.

For example: In the first hour of February 9, A VON ROSENBERG 1 was off line for maintenance and J K SPRUCE 1 generated 537.6 MW.

	CAPACITY	549 MW	217 MW	230 MW	412 MW	48 MW	48 MW	48 MW	47 MW	560 MW	785 MW	420 MW	410 MW	46 MW	46 MW	46 MW	46 MW	897 MW	541 MW	536 MW	10 MW	5 MW	1 MW
OPERATING DAY	HOUR ENDING	A VON ROSENBERG 1	V H BRAUNIG 1	V H BRAUNIG 2	V H BRAUNIG 3	MILTON LEE PEAKING 5	MILTON LEE PEAKING 6	MILTON LEE PEAKING 7	MILTON LEE PEAKING 8	J K SPRUCE 1	J K SPRUCE 2	O W SOMMERS 1	O W SOMMERS 2	MILTON LEE PEAKING 1	MILTON LEE PEAKING 2	MILTON LEE PEAKING 3	MILTON LEE PEAKING 4	RIO NOGALES	SOUTH TEXAS 1	SOUTH TEXAS 2	COMMERCE ST ESS	COMMERCE SOLAR	COMMUNITY SOLAR
19-Feb-21	1700	331.82	68.88	0.00	0.00	0.00	0.00	0.00	0.00	243.30	678.89	75.10	358.51	0.78	0.79	1.93	1.93	481.86	541.59	536.11	0.00	3.68	0.65
19-Feb-21	1800	335.48	70.92	0.00	0.00	0.00	0.00	0.00	0.00	243.65	679.68	84.42	309.92	0.00	0.00	0.00	0.00	479.54	541.63	536.37	0.00	1.45	0.37
19-Feb-21	1900	334.34	73.30	0.00	0.00	0.00	0.00	0.00	0.00	243.18	678.89	81.01	304.62	0.00	0.00	0.00	0.00	479.52	540.97	536.07	0.00	0.05	0.01
19-Feb-21	2000	332.53	64.73	0.00	0.00	0.00	0.00	0.00	0.00	242.93	678.97	72.34	304.59	0.00	0.00	0.00	0.00	476.70	540.92	535.89	0.00	0.00	0.00
19-Feb-21	2100	331.92	68.25	0.00	0.00	0.00	0.00	0.00	0.00	243.52	679.14	75.08	303.43	0.00	0.00	0.00	0.00	480.26	540.88	535.99	0.00	0.00	0.00
19-Feb-21	2200	332.93	69.17	0.00	0.00	0.00	0.00	0.00	0.00	243.63	679.67	77.91	308.44	0.00	0.00	0.00	0.00	481.25	541.21	535.78	0.00	0.00	0.00
19-Feb-21	2300	332.07	69.08	0.00	0.00	0.00	0.00	0.00	0.00	243.68	679.38	78.62	304.32	0.00	0.00	0.00	0.00	481.97	540.57	535.85	0.00	0.00	0.00
19-Feb-21	2400	333.32	68.19	0.00	0.00	0.00	0.00	0.00	0.00	173.24	678.77	75.24	304.59	0.00	0.00	0.00	0.00	480.85	541.18	535.94	0.00	0.00	0.00

Purchased Power Sources Hourly Production

Explanation of the values: This table shows the hourly generation from each of the resources that CPS Energy has contracted with through a Purchased Power Agreement. The primary use of the output from these resources is to support our customers. The capacity listed is the maximum contracted quantity we expect from each resource. Due to the intermittent nature of wind and solar generation primarily associated with weather conditions at the resource site, actual generation may not be the same as the maximum generation capacity of the resource.

For example: Cedro Hill 1 is a wind generation resource with a capacity of 75 MW. In the first hour of February 9, the resource produced 29.76 MW, and CPS Energy was contracted to take this generation.

	TYPE	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Landfill	Solar	Solar	Landfill	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Bilateral
	CAPACITY	75 MW	75 MW	65 MW	65 MW	24 MW	14 MW	200.1 MW	130.4 MW	76.8 MW	15.8 MW	82.6 MW	119 MW	106 MW	4.2 MW	7 MW	6.9 MW	9.6 MW	5.6 MW	5 MW	4.4 MW	9.9 MW	9.9 MW	5.5 MW	39.6 MW	95 MW	50 MW	40.7 MW	110.2 MW	50 MW	106.4 MW	
OPERATING DAY	HOUR ENDING	CEDRO HILL WIND 1	CEDRO HILL WIND 2	DESERT SKY WIND FARM 1	DESERT SKY WIND FARM 2	DESERT SKY WIND FARM 1B	DESERT SKY WIND FARM 2B	LOS VIENTOS WIND I	PAPALOTE CREEK WIND FARM	PENASCAL WIND 1	SWEET WATER WIND 4-24	SWEET WATER WIND 3B	SWEET WATER WIND 4-4A	SWEET WATER WIND 4-4B	NELSON GARDENS LFG	BLUE WING 1 SOLAR	BLUE WING 2 SOLAR	COVEL GARDENS BIOENERGY	SOMER SET 1	SOMER SET 2	OCI ALAMO 2 (ST HEDWIG SOLAR)	SUN EDISON RABEL ROAD	SUN EDISON VALLEY ROAD	OCI ALAMO 3 (WALZEM SOLAR)	BRACKET VILLE SOLAR - OCI ALAMO 4	OCI ALAMO 5 (DOWNIE RANCH)	LAMESA SOLAR (PHASE II)	OCI ALAMO 1	OCI ALAMO 6 (WEST TEXAS PHASE II)	OCI ALAMO 6 (WEST TEXAS PHASE II)	OCI ALAMO 7 (PAINT CREEK)	WHOLESALE PURCHASE
9-Feb-21	100	29.76	20.17	39.64	42.88	9.94	8.17	17.05	10.14	3.82	0.09	13.55	13.13	10.38	2.10	0.00	0.00	6.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9-Feb-21	200	24.02	18.15	42.63	41.26	11.23	7.50	25.18	4.35	2.41	0.12	13.46	13.80	11.83	2.10	0.00	0.00	6.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9-Feb-21	300	19.46	14.48	34.14	34.13	9.56	6.22	22.82	3.19	0.23	0.39	19.37	19.14	16.50	2.10	0.00	0.00	6.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9-Feb-21	400	16.95	11.95	16.27	19.35	6.59	4.34	6.21	0.00	0.00	0.78	21.21	18.23	15.60	2.10	0.00	0.00	6.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9-Feb-21	500	18.06	12.94	11.66	11.50	3.99	2.86	4.76	0.00	0.00	1.31	20.79	20.87	14.03	2.10	0.00	0.00	6.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9-Feb-21	600	13.28	9.25	3.60	2.03	1.62	0.65	0.59	0.00	0.00	0.77	13.62	15.09	8.18	2.10	0.00	0.00	6.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9-Feb-21	700	11.88	8.38	3.24	0.19	1.18	0.07	0.00	0.00	0.00	0.11	8.43	4.41	2.74	2.10	0.00	0.00	4.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9-Feb-21	800	7.23	5.85	2.02	0.18	0.58	0.07	0.00	0.00	0.00	0.00	5.18	0.19	0.12	2.10	0.00	0.00	4.37	0.01	0.01	0.00	0.01	0.01	0.00	0.04	0.00	0.00	0.02	0.00	0.00	0.00	0.00
9-Feb-21	900	8.35	7.83	0.55	0.23	0.11	0.05	0.00	0.00	0.00	0.00	2.89	0.00	0.00	2.10	0.24	0.26	4.69	0.22	0.19	0.12	0.37	0.41	0.24	1.44	2.57	1.46	2.51	21.29	5.21	2.43	0.00
9-Feb-21	1000	8.58	7.40	1.18	0.13	0.28	0.05	0.00	0.00	0.00	0.01	0.17	0.00	0.00	2.10	0.63	0.71	4.95	0.66	0.56	0.24	0.91	0.91	0.54	2.73	8.12	4.11	4.91	72.56	38.31	6.35	0.00
9-Feb-21	1100	8.72	8.53	3.08	0.19	0.30	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.09	1.29	1.47	5.55	1.18	0.97	0.70	1.59	1.55	1.23	4.48	17.12	8.03	9.12	86.35	43.87	11.51	0.00
9-Feb-21	1200	8.41	10.29	3.22	1.32	0.50	0.16	0.01	0.00	0.00	0.00	0.00	0.00	0.00	2.09	2.64	2.94	5.55	2.20	1.81	1.84	2.89	2.63	2.82	10.22	35.33	12.95	15.88	88.30	42.51	18.66	0.00
9-Feb-21	1300	6.65	9.20	3.08	1.58	0.73	0.22	7.43	0.00	1.46	0.00	0.00	0.00	0.00	2.09	3.16	3.59	5.55	2.18	1.78	2.43	4.24	3.65	3.75	25.54	41.44	21.21	31.19	89.12	41.04	23.20	0.00
9-Feb-21	1400	11.06	11.52	12.59	10.00	3.48	1.99	28.72	0.67	5.23	0.00	0.00	0.00	0.00	2.09	4.69	5.55	5.55	2.30	2.03	2.54	4.00	4.40	4.49	26.91	65.36	38.53	27.53	87.87	40.68	25.64	0.00
9-Feb-21	1500	14.62	14.67	29.81	20.77	8.61	4.63	53.56	24.05	8.49	0.00	0.00	0.00	0.00	2.10	3.48	4.20	5.55	3.21	2.73	3.33	4.06	4.27	4.66	29.72	84.42	42.84	24.97	86.22	41.20	22.94	0.00
9-Feb-21	1600	14.40	13.62	46.95	42.01	15.82	8.78	53.83	37.65	9.98	0.00	0.00	0.00	0.00	2.09	3.71	4.21	5.55	2.62	2.32	3.60	4.06	3.19	4.57	29.42	80.59	44.23	17.79	83.07	35.19	15.75	0.00
9-Feb-21	1700	14.73	12.80	52.28	53.06	18.34	10.32	57.39	46.69	11.10	0.00	0.00	0.00	0.00	2.09	2.70	3.06	5.55	2.01	1.75	2.49	4.22	4.26	3.26	24.38	61.66	42.78	24.80	67.20	21.45	9.87	0.00
9-Feb-21	1800	20.13	17.31	55.79	58.14	19.62	10.96	54.36	36.05	13.82	0.00	0.00	0.00	0.00	2.10	0.83	0.94	5.55	0.66	0.58	0.45	1.38	1.45	1.01	7.06	17.24	20.99	7.16	25.06	7.31	2.43	0.00
9-Feb-21	1900	19.33	15.86	53.80	54.61	18.75	9.86	46.65	34.01	12.75	0.00	0.00	0.00	0.00	2.10	0.00	0.00	5.55	0.01	0.00	0.00	0.01	0.01	0.01	0.19	0.36	0.51	0.09	0.62	0.22	0.00	0.00
9-Feb-21	2000	39.88	39.66	50.60	47.00	15.22	8.35	34.21	35.63	8.67	0.00	0.00	0.00	0.00	2.10	0.00	0.00	5.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9-Feb-21	2100	46.81	45.28	23.35	13.83	8.31	2.80	30.76	34.84	7.95	0.00	0.00	0.00	0.00	2.10	0.00	0.00	5.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9-Feb-21	2200	44.64	38.82	5.03	9.28	3.79	1.74	30.29	29.53	6.82	0.00	0.00	0.00	0.00	2.10	0.00	0.00	5.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9-Feb-21	2300	39.15	30.07	9.29	15.02	4.25	3.30	26.44	32.85	7.42	0.00	0.00	0.00	0.00	2.10	0.00	0.00	5.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9-Feb-21	2400	41.43	29.16	5.48	7.08	2.24	1.41	28.64	21.72	6.95	0.00	0.00	0.00	0.00	2.10	0.00	0.00	5.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10-Feb-21	100	40.22	31.49	19.30	19.44	6.89	3.59	24.76	16.09	8.13	0.00	0.00	0.00	0.00	2.10	0.00	0.00	5.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10-Feb-21	200	38.77	29.00	30.71	38.84	11.10	6.58	16.61	8.33	8.39	0.00	0.00	0.00	0.00	2.10	0.00	0.00	5.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10-Feb-21	300	22.51	18.60	45.51	54.82	15.88	8.06	25.78	6.82	15.93	0.00	0.00	0.00	0.00	2.10	0.00	0.00	5.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10-Feb-21	400	6.40	6.67	45.75	58.08	16.04	8.24	21.85	11.31	16.22	0.00	0.00	0.00	0.00	2.10	0.00	0.00	5.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10-Feb-21	500	4.18	3.20	48.55	58.80	18.31	8.31	37.36	2.82	12.77	0.00	0.00	0.00	0.00	2.10	0.00	0.00	5.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10-Feb-21	600	4.82	2.59	43.32	54.95	16.18	8.27	39.33	0.74	15.04	0.00	0.00	0.00	0.00	2.10	0.00	0.00	5.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10-Feb-21	700	15.59	8.52	34.92	45.04	12.16	8.37	33.65	12.43	7.77	0.00	0.00	0.00	0.00	2.10	0.00	0.00	5.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10-Feb-21	800	18.65	11.33	15.46	14.50	5.44	3.88	30.85	8.64	3.43	0.00	0.00	0.00	0.00	2.10	0.00	0.00	5.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00
10-Feb-21	900	16.10	10.05	6.48	5.32	1.87	1.32	41.37	6.04	9.55	0.00	0.00	0.00	0.00	2.10	0.08	0.08	4.10	0.07	0.06	0.04	0.12	0.11	0.10	0.58	2.37	1.06	0.87	0.00	0.00	1.87	0.00
10-Feb-21	1000	15.95	10.90	4.58	2.49	1.53	0.75	71.54	3.31	11.85	0.00	0.00	0.00	0.00	2.10	0.41	0.45	4.13	0.25	0.21	0.17	0.44	0.40	0.42	2.39	8.82	3.37	2.62	8.20	4.25	5.50	0.00
10-Feb-21	1100	18.83	15.43	1.87	0.84	0.56	0.26	117.34	0.49	14.40	0.00	0.00	0.00	0.00	2.10	0.55	0.59	4.17	0.38	0.32	0.25	0.74	0.75	0.47	5.02	17.60	5.34	4.15	13.82	7.99	9.77	0.00
10-Feb-21	1200	21.02	22.05	1.78	2.76	0.73	0.59	87.76	9.08	33.47	0.00	0.00	0.00	0.00	2.10	0.63	0.74	5.46	0.54	0.46	0.42	0.93	0.90	0.72	6.31	21.81	7.52	5.85	19.92	11.24	11.63	0.00
10-Feb-21	1300	18.90	19.76	1.88	3.38	1.13	0.99	83.86	36.76	34.77	0.00	0.00	0.00	0.00	2.10	0.94	1.05	5.54	0.82	0.70	0.69	1.36	1.35	0.97	10.93	18.78	9.93	8.74	19.58	12.00	14.00	0.00
10-Feb-21	1400	28.05	24.63	2.93	4.53	1.54	1.38	75.59	46.60	35.33	0.00	0.00	0.00	0.00	2.10	0.62	0.70	5.54	0.97	0.83	0.50	0.92	0.92	0.70	11.52	33.85	8.48	6.74	27.40	16.63	11.86	0.00
10-Feb-21	1500	18.09	15.32	3.74	4.67	1.82	1.21	103.95	50.07	40.98	0.00	0.00	0.00	0.00	1.55	0.75	0.82	5.54	0.71	0.61	0.30	1.07	1.04	0.57	18.06	22.66	7.20	6.09	26.90	15.29	11.07	0.00
10-Feb-21	1600	15.47	13.47	5.65	7.49	3.10	2.15	130.72	40.54	39.23	0.00	0.00	0.00	0.00	1.39	0.46	0.51	5.54	0.45	0.39	0.17	0.61	0.58	0.34	23.85	20.35	4.79	3.52	17.59	12.13	7.80	0.00
10-Feb-21	1700	18.95	17.94	8.29	12.38	4.57	3.55	127.62	45.11	35.59	0.00	0.00	0.00	0.00	1.40	0.14	0.16	5.54	0.15	0.13	0.07	0.22	0.20	0.17	19.24	11.97	3.24	1.51	10.64	7.00	3.91	0.00
10-Feb-21	1800	22.38	19.35	9.70	14.48	5.39	4.63	107.53	43.33	34.78	0.00	0.00	0.00	0.00	1.40	0.01	0.00	5.54	0.02	0.02	0.00	0.02	0.01	0.01	4.73	2.01	1.23	0.25	3.68	2.66	1.20	0.00
10-Feb-21	1900	20.21	17.95	15.49	16.40	7.14	5.12	68.67	44.66	25.23	0.00	0.00	0.00	0.00	1.40	0.00	0.00	5.66	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.02	0.00	0.10	0.08	0.00	0.00
10-Feb-21	2000	34.98	30.30	14.30	16.74	7.54	5.35	60.29	53.61	27.31	0.00	0.00	0.00	0.00	1.40	0.00	0.00	6.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Purchased Power Hrly Production

Purchased Power Sources Hourly Production

Explanation of the values: This table shows the hourly generation from each of the resources that CPS Energy has contracted with through a Purchased Power Agreement. The primary use of the output from these resources is to support our customers. The capacity listed is the maximum contracted quantity we expect from each resource. Due to the intermittent nature of wind and solar generation primarily associated with weather conditions at the resource site, actual generation may not be the same as the maximum generation capacity of the resource.

For example: Cedro Hill 1 is a wind generation resource with a capacity of 75 MW. In the first hour of February 9, the resource produced 29.76 MW, and CPS Energy was contracted to take this generation.

	TYPE	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Landfill	Solar	Solar	Landfill	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Bilateral
	CAPACITY	75 MW	75 MW	65 MW	65 MW	24 MW	14 MW	200.1 MW	130.4 MW	76.8 MW	15.8 MW	82.6 MW	119 MW	106 MW	4.2 MW	7 MW	6.9 MW	9.6 MW	5.6 MW	5 MW	4.4 MW	9.9 MW	9.9 MW	5.5 MW	39.6 MW	95 MW	50 MW	40.7 MW	110.2 MW	50 MW	106.4 MW	
OPERATING DAY	HOUR ENDING	CEDRO HILL WIND 1	CEDRO HILL WIND 2	DESERT SKY WIND FARM 1	DESERT SKY WIND FARM 2	DESERT SKY WIND FARM 1B	DESERT SKY WIND FARM 2B	LOS VIENTOS WIND I	PAPALOTE CREEK WIND FARM	PENASCAL WIND 1	SWEET WATER WIND 4-24	SWEET WATER WIND 3B	SWEET WATER WIND 4-4A	SWEET WATER WIND 4-4B	NELSON GARDENS LFG	BLUE WING 1 SOLAR	BLUE WING 2 SOLAR	COVEL GARDENS BIOENERGY	SOMER SET 1	SOMER SET 2	OCI ALAMO 2 (ST HEDWIG SOLAR)	SUN EDISON RABEL ROAD	SUN EDISON VALLEY ROAD	OCI ALAMO 3 (WALZEM SOLAR)	BRACKET VILLE SOLAR - OCI ALAMO 4	OCI ALAMO 5 (DOWNIE RANCH)	LAMESA SOLAR (PHASE II)	OCI ALAMO 1	OCI ALAMO 6 (WEST TEXAS)	OCI ALAMO 6 (WEST TEXAS PHASE II)	OCI ALAMO 7 (PAINT CREEK)	WHOLESALE PURCHASE
10-Feb-21	2100	25.44	28.23	11.76	10.56	5.68	2.82	64.16	59.98	26.53	0.00	0.00	0.00	0.00	1.40	0.00	0.00	6.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10-Feb-21	2200	8.18	6.82	6.41	5.95	3.59	1.77	67.15	70.32	18.33	0.00	0.00	0.00	0.00	1.40	0.00	0.00	6.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10-Feb-21	2300	9.39	5.80	3.04	4.36	1.35	0.89	68.05	70.46	25.84	0.00	0.00	0.00	0.00	1.40	0.00	0.00	6.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10-Feb-21	2400	5.43	4.02	3.37	4.52	0.68	0.80	47.88	65.48	19.21	0.00	0.00	0.00	0.00	1.40	0.00	0.00	6.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11-Feb-21	100	16.88	9.21	4.45	3.81	0.57	0.56	24.28	55.76	8.27	0.00	0.00	0.00	0.00	1.40	0.00	0.00	6.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11-Feb-21	200	21.75	17.90	6.31	3.88	0.58	0.38	32.83	78.90	16.31	0.00	0.00	0.00	0.00	1.40	0.00	0.00	6.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11-Feb-21	300	24.73	24.23	3.87	1.29	0.16	0.02	19.15	87.56	18.99	0.00	0.00	0.00	0.00	1.40	0.00	0.00	6.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11-Feb-21	400	21.76	22.20	1.42	0.18	0.00	0.00	9.31	70.98	20.35	0.00	0.00	0.00	0.00	1.40	0.00	0.00	6.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11-Feb-21	500	19.65	11.50	0.46	0.16	0.00	0.02	14.93	85.72	19.78	0.00	0.00	0.00	0.00	1.40	0.00	0.00	6.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11-Feb-21	600	19.02	9.17	0.49	0.04	0.00	0.05	79.85	75.03	11.08	0.00	0.00	0.00	0.00	1.40	0.00	0.00	6.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11-Feb-21	700	22.85	18.39	0.26	0.00	0.00	0.00	102.41	79.91	10.09	0.00	0.00	0.00	0.00	1.40	0.00	0.00	6.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11-Feb-21	800	22.30	19.99	0.11	0.01	0.00	0.00	94.43	83.82	13.78	0.00	0.00	0.00	0.00	1.40	0.00	0.00	7.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.02	0.00	0.00	0.00	0.00	0.00
11-Feb-21	900	27.99	23.80	0.17	0.01	0.00	0.03	90.15	98.28	13.41	0.00	0.00	0.00	0.00	1.40	0.01	0.01	7.11	0.00	0.00	0.00	0.02	0.01	0.00	0.01	0.96	1.05	0.06	0.84	0.48	2.15	0.00
11-Feb-21	1000	28.80	31.63	0.01	0.00	0.00	0.00	107.85	103.66	8.23	0.00	0.00	0.00	0.00	1.41	0.00	0.00	7.11	0.00	0.00	0.00	0.00	0.00	0.01	0.82	1.99	2.65	0.00	4.52	2.61	9.62	0.00
11-Feb-21	1100	25.86	23.76	0.02	0.01	0.00	0.00	110.54	108.59	13.23	0.00	0.00	0.00	0.00	1.42	0.06	0.06	7.11	0.00	0.00	0.00	0.08	0.07	0.00	1.31	0.12	8.09	0.39	8.29	5.12	20.63	0.00
11-Feb-21	1200	27.44	28.22	0.00	0.00	0.00	0.00	165.01	99.32	14.17	0.00	0.00	0.00	0.00	1.42	0.21	0.25	7.11	0.19	0.16	0.11	0.36	0.33	0.18	1.75	3.10	11.33	2.37	13.73	8.43	24.87	0.00
11-Feb-21	1300	42.21	44.27	0.00	0.00	0.00	0.00	157.25	103.19	13.91	0.00	0.00	0.00	0.00	1.42	0.21	0.24	7.11	0.26	0.22	0.20	0.34	0.33	0.38	2.23	4.60	10.34	2.22	17.78	9.93	28.42	0.00
11-Feb-21	1400	26.76	29.97	0.00	0.00	0.00	0.00	159.25	84.81	10.00	0.00	0.00	0.00	0.00	1.42	0.44	0.51	6.46	0.30	0.25	0.32	0.52	0.50	0.54	6.72	6.82	7.98	4.10	21.54	14.90	23.53	0.00
11-Feb-21	1500	32.46	20.00	0.00	0.00	0.00	0.00	146.09	86.54	7.10	0.00	0.00	0.00	0.00	1.42	0.39	0.44	5.73	0.27	0.23	0.34	0.37	0.36	0.67	5.63	7.89	5.59	2.74	22.35	15.16	31.08	0.00
11-Feb-21	1600	0.00	4.09	0.00	0.00	0.00	0.00	150.49	85.33	27.08	0.00	0.00	0.00	0.00	1.42	0.32	0.37	5.73	0.20	0.17	0.23	0.35	0.37	0.50	3.38	6.89	3.54	2.53	11.19	7.83	27.99	0.00
11-Feb-21	1700	19.76	26.07	0.00	0.00	0.00	0.00	171.00	80.55	22.97	0.00	0.00	0.00	0.00	1.42	0.32	0.39	5.72	0.15	0.13	0.33	0.40	0.39	0.65	1.11	4.40	1.82	2.59	6.88	4.69	15.34	0.00
11-Feb-21	1800	47.09	47.87	0.00	0.00	0.00	0.00	165.59	71.32	10.58	0.00	0.00	0.00	0.00	1.42	0.06	0.07	5.72	0.11	0.10	0.05	0.08	0.06	0.10	0.06	0.32	0.78	0.82	4.01	2.61	6.99	0.00
11-Feb-21	1900	45.97	47.53	0.00	0.00	0.00	0.00	169.91	68.28	7.39	0.00	0.00	0.00	0.00	1.42	0.00	0.00	4.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.07	0.12	0.27	0.00
11-Feb-21	2000	17.37	18.92	0.00	0.00	0.00	0.00	158.94	81.53	7.96	0.00	0.00	0.00	0.00	1.42	0.00	0.00	4.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11-Feb-21	2100	39.32	42.78	0.00	0.00	0.00	0.00	152.44	45.90	13.62	0.00	0.00	0.00	0.00	1.42	0.00	0.00	5.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11-Feb-21	2200	41.81	51.33	0.00	0.00	0.00	0.00	138.77	39.68	12.42	0.00	0.00	0.00	0.00	1.42	0.00	0.00	5.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11-Feb-21	2300	34.77	39.90	0.00	0.00	0.00	0.00	150.01	66.36	21.22	0.00	0.00	0.00	0.00	1.42	0.00	0.00	5.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11-Feb-21	2400	42.77	39.63	0.00	0.00	0.00	0.00	141.53	88.95	30.64	0.00	0.00	0.00	0.00	1.42	0.00	0.00	5.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12-Feb-21	100	49.22	46.19	0.00	0.00	0.00	0.00	153.20	105.37	26.34	0.00	0.00	0.00	0.00	1.42	0.00	0.00	5.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12-Feb-21	200	37.45	32.97	0.00	0.00	0.00	0.00	160.37	103.74	16.61	0.00	0.00	0.00	0.00	1.42	0.00	0.00	5.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12-Feb-21	300	43.77	46.29	0.00	0.00	0.00	0.00	99.80	74.22	22.40	0.00	0.00	0.00	0.00	1.41	0.00	0.00	5.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12-Feb-21	400	45.43	46.10	0.00	0.00	0.00	0.00	113.21	84.38	21.37	0.00	0.00	0.00	0.00	1.42	0.00	0.00	5.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12-Feb-21	500	45.31	42.95	0.00	0.00	0.00	0.00	124.14	80.27	13.98	0.00	0.00	0.00	0.00	1.42	0.00	0.00	5.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12-Feb-21	600	27.69	24.99	0.00	0.00	0.00	0.00	151.58	83.18	14.44	0.00	0.00	0.00	0.00	1.42	0.00	0.00	5.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12-Feb-21	700	30.20	38.49	0.00	0.00	0.00	0.00	137.37	89.08	20.67	0.00	0.00	0.00	0.00	1.42	0.00	0.00	5.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12-Feb-21	800	27.13	24.51	0.00	0.00	0.00	0.00	152.52	95.51	17.50	0.00	0.00	0.00	0.00	1.42	0.00	0.00	5.72	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.01	0.00	0.03	0.00	0.00	0.00	0.00
12-Feb-21	900	27.25	25.81	0.00	0.00	0.00	0.00	163.13	83.09	24.36	0.00	0.00	0.00	0.00	1.42	0.13	0.14	5.47	0.11	0.09	0.08	0.17	0.18	0.22	0.02	3.46	0.54	1.32	1.28	0.98	2.62	0.00
12-Feb-21	1000	29.71	32.34	0.00	0.00	0.00	0.00	169.75	74.02	24.77	0.00	0.00	0.00	0.00	1.41	0.56	0.64	0.00	0.45	0.38	0.26	0.65	0.69	0.56	2.03	12.02	1.99	3.93	5.30	3.42	5.69	0.00
12-Feb-21	1100	23.73	25.25	0.00	0.00	0.00	0.00	151.74	89.35	25.55	0.00	0.00	0.00	0.00	1.41	0.86	0.96	0.25	0.68	0.56	0.64	1.28	1.16	1.08	3.15	19.30	4.85	6.38	9.22	5.03	11.04	0.00
12-Feb-21	1200	21.44	20.83	0.00	0.00	0.00	0.00	93.28	97.55	21.07	0.00	0.00	0.00	0.00	1.41	1.23	1.40	3.87	0.74	0.62	0.69	1.76	1.63	1.18	4.56	18.40	7.64	8.79	12.85	8.11	12.52	0.00
12-Feb-21	1300	21.16	22.66	0.00	0.00	0.00	0.00	59.44	98.82	15.49	0.00	0.00	0.00	0.00	1.41	1.00	1.19	4.15	1.14	0.96	0.60	1.92	1.81	0.91	4.20	23.20	8.40	10.32	18.21	11.20	18.95	0.00
12-Feb-21	1400	15.43	19.34	0.00	0.00	0.00	0.00	81.52	71.53	8.36	0.00	0.00	0.00	0.00	1.41	1.31	1.51	4.88	1.31	1.09	0.73	1.73	1.72	1.08	4.81	15.71	7.58	10.77	22.96	15.19	19.87	0.00
12-Feb-21	1500	14.27	17.96	0.00	0.00	0.00	0.00	175.07	58.07	8.47	0.00	0.00	0.00	0.00	1.95	0.93	1.07	5.52	0.63	0.53	0.54	1.26	1.28	1.16	4.68	8.47	8.07	7.38	20.79	13.81	23.10	0.00
12-Feb-21	1600	23.39	24.80	0.00	0.00	0.00	0.00	113.84	47.63	16.88	0.00	0.00	0.00	0.00	2.14	0.54	0.55	5.63	0.35	0.31	0.27	0.68	0.62	0.68	2.00	5.51	5.48	3.93	14.91	11.21	22.75	0.00
12-Feb-21	1700	24.41	26.02	0.00	0.00	0.00	0.00	103.72	61.23	22.55	0.00	0.00	0.00	0.00	2.13	0.28	0.31	5.63	0.22	0.19	0.14	0.46	0.41	0.35	1.90	2.06	2.68	2.84	8.42	5.97	15.48	0.00

Purchased Power Sources Hourly Production

Explanation of the values: This table shows the hourly generation from each of the resources that CPS Energy has contracted with through a Purchased Power Agreement. The primary use of the output from these resources is to support our customers. The capacity listed is the maximum contracted quantity we expect from each resource. Due to the intermittent nature of wind and solar generation primarily associated with weather conditions at the resource site, actual generation may not be the same as the maximum generation capacity of the resource.

For example: Cedro Hill 1 is a wind generation resource with a capacity of 75 MW. In the first hour of February 9, the resource produced 29.76 MW, and CPS Energy was contracted to take this generation.

	TYPE	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Landfill	Solar	Solar	Landfill	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Bilateral
	CAPACITY	75 MW	75 MW	65 MW	65 MW	24 MW	14 MW	200.1 MW	130.4 MW	76.8 MW	15.8 MW	82.6 MW	119 MW	106 MW	4.2 MW	7 MW	6.9 MW	9.6 MW	5.6 MW	5 MW	4.4 MW	9.9 MW	9.9 MW	5.5 MW	39.6 MW	95 MW	50 MW	40.7 MW	110.2 MW	50 MW	106.4 MW	
OPERATING DAY	HOUR ENDING	CEDRO HILL WIND 1	CEDRO HILL WIND 2	DESERT SKY WIND FARM 1	DESERT SKY WIND FARM 2	DESERT SKY WIND FARM 1B	DESERT SKY WIND FARM 2B	LOS VIENTOS WIND I	PAPALOTE CREEK WIND FARM	PENASCAL WIND 1	SWEET WATER WIND 4-24	SWEET WATER WIND 3B	SWEET WATER WIND 4-4A	SWEET WATER WIND 4-4B	NELSON GARDENS LFG	BLUE WING 1 SOLAR	BLUE WING 2 SOLAR	COVEL GARDENS BIOENERGY	SOMER SET 1	SOMER SET 2	OCI ALAMO 2 (ST HEDWIG SOLAR)	SUN EDISON RABEL ROAD	SUN EDISON VALLEY ROAD	OCI ALAMO 3 (WALZEM SOLAR)	BRACKET VILLE SOLAR - OCI ALAMO 4	OCI ALAMO 5 (DOWNIE RANCH)	LAMESA SOLAR (PHASE II)	OCI ALAMO 1	OCI ALAMO 6 (WEST TEXAS	OCI ALAMO 6 (WEST TEXAS PHASE II)	OCI ALAMO 7 (PAINT CREEK)	WHOLESALE PURCHASE
12-Feb-21	1800	23.89	24.54	0.00	0.00	0.00	0.00	84.14	60.58	18.46	0.00	0.00	0.00	0.00	2.13	0.09	0.08	5.63	0.08	0.07	0.08	0.18	0.18	0.11	0.72	0.15	1.35	1.61	3.08	2.38	4.80	0.00
12-Feb-21	1900	20.32	22.05	0.00	0.00	0.00	0.00	64.37	60.40	9.83	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.01	0.02	0.00	0.00
12-Feb-21	2000	15.29	17.72	0.00	0.00	0.00	0.00	77.49	52.97	8.88	0.00	0.00	0.00	0.00	2.14	0.00	0.00	5.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12-Feb-21	2100	13.52	14.03	0.00	0.00	0.00	0.00	88.49	43.63	8.51	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12-Feb-21	2200	8.95	10.52	0.00	0.00	0.00	0.00	83.57	30.54	10.85	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12-Feb-21	2300	14.47	16.38	0.00	0.00	0.00	0.00	85.74	22.02	12.02	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12-Feb-21	2400	11.44	14.56	0.00	0.00	0.00	0.00	86.44	13.05	6.80	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13-Feb-21	100	9.71	11.68	0.00	0.00	0.00	0.00	78.57	12.03	6.44	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13-Feb-21	200	6.92	7.45	0.00	0.00	0.00	0.00	81.30	16.07	5.53	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13-Feb-21	300	9.80	6.65	0.00	0.00	0.00	0.00	55.21	22.14	7.29	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13-Feb-21	400	14.74	14.40	0.00	0.00	0.00	0.00	55.68	20.98	10.96	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13-Feb-21	500	13.72	17.05	0.00	0.00	0.00	0.00	48.52	38.67	14.36	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13-Feb-21	600	13.29	17.85	0.00	0.00	0.00	0.00	58.54	47.08	20.66	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13-Feb-21	700	14.77	16.42	0.00	0.00	0.00	0.00	97.20	27.64	16.71	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13-Feb-21	800	13.44	13.16	0.00	0.00	0.00	0.00	88.98	52.79	17.83	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.63	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.00	0.00	0.03	0.15	0.00
13-Feb-21	900	8.79	10.33	0.00	0.00	0.00	0.00	107.41	64.11	17.21	0.00	0.00	0.00	0.00	2.13	0.06	0.07	5.63	0.05	0.04	0.06	0.14	0.15	0.17	0.21	1.52	1.43	1.11	0.02	0.48	2.99	0.00
13-Feb-21	1000	5.06	5.49	0.00	0.00	0.00	0.00	106.25	43.37	16.49	0.00	0.00	0.00	0.00	2.13	0.22	0.23	5.63	0.19	0.16	0.10	0.32	0.28	0.26	1.95	4.30	4.89	1.85	1.55	2.54	10.61	0.00
13-Feb-21	1100	4.28	4.95	0.00	0.00	0.00	0.00	99.22	30.22	18.22	0.00	0.00	0.00	0.00	2.13	0.47	0.57	5.63	0.37	0.31	0.27	0.62	0.61	0.52	3.53	7.62	7.07	4.59	4.81	5.27	19.83	0.00
13-Feb-21	1200	2.65	2.61	0.00	0.00	0.00	0.00	107.68	28.27	16.20	0.00	0.00	0.00	0.00	2.13	0.88	0.88	5.63	0.55	0.46	0.47	1.15	1.07	0.92	6.53	13.78	9.11	6.92	4.62	5.12	26.96	0.00
13-Feb-21	1300	2.41	2.60	0.00	0.00	0.00	0.00	111.85	37.16	14.92	0.00	0.00	0.00	0.00	2.13	0.63	0.66	5.63	0.67	0.56	0.51	0.94	0.93	0.82	4.72	19.33	7.03	6.05	4.68	5.11	36.87	0.00
13-Feb-21	1400	1.29	1.91	0.00	0.00	0.00	0.00	124.33	34.27	14.34	0.00	0.00	0.00	0.00	2.13	0.75	0.86	5.63	0.52	0.44	0.50	1.00	0.97	0.90	8.45	15.19	7.74	6.13	6.16	6.88	42.51	0.00
13-Feb-21	1500	0.03	0.15	0.00	0.00	0.00	0.00	129.29	48.89	13.17	0.00	0.00	0.00	0.00	2.13	0.39	0.44	5.63	0.33	0.28	0.29	0.55	0.59	0.54	5.11	11.50	5.82	3.68	7.36	8.28	31.91	0.00
13-Feb-21	1600	0.79	2.04	0.00	0.00	0.00	0.00	116.90	36.85	10.57	0.00	0.00	0.00	0.00	2.13	0.53	0.52	5.63	0.28	0.24	0.29	0.72	0.63	0.61	2.83	6.92	2.98	3.71	5.39	6.62	19.26	0.00
13-Feb-21	1700	0.22	1.00	0.00	0.00	0.00	0.00	115.95	28.23	11.28	0.00	0.00	0.00	0.00	2.13	0.20	0.24	5.63	0.09	0.08	0.17	0.26	0.24	0.34	2.56	2.33	1.45	1.99	2.96	3.57	5.60	0.00
13-Feb-21	1800	0.52	1.42	0.00	0.00	0.00	0.00	125.19	20.35	13.15	0.00	0.00	0.00	0.00	2.13	0.02	0.02	5.63	0.01	0.01	0.01	0.03	0.03	0.04	1.07	0.47	0.58	0.40	1.11	1.55	1.19	0.00
13-Feb-21	1900	0.21	1.09	0.00	0.00	0.00	0.00	66.15	22.44	12.31	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.01	0.00	0.00
13-Feb-21	2000	0.43	1.61	0.00	0.00	0.00	0.00	61.77	15.17	11.65	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13-Feb-21	2100	0.00	0.00	0.00	0.00	0.00	0.00	58.72	12.79	11.39	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13-Feb-21	2200	0.18	0.35	0.00	0.00	0.00	0.00	52.84	26.69	9.76	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13-Feb-21	2300	0.83	1.16	0.00	0.00	0.00	0.00	53.25	10.62	12.67	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13-Feb-21	2400	0.10	0.16	0.00	0.00	0.00	0.00	56.54	22.78	12.09	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14-Feb-21	100	0.00	0.00	0.00	0.00	0.00	0.00	64.01	10.65	12.49	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14-Feb-21	200	0.00	0.00	0.00	0.00	0.00	0.00	96.44	7.19	11.38	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14-Feb-21	300	0.00	0.00	0.00	0.00	0.00	0.00	78.13	0.00	11.94	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14-Feb-21	400	0.00	0.00	0.00	0.00	0.00	0.00	79.16	2.78	11.72	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14-Feb-21	500	0.00	0.00	0.00	0.00	0.00	0.00	49.84	4.42	12.47	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14-Feb-21	600	0.00	0.00	0.00	0.00	0.00	0.00	47.75	23.67	13.71	0.00	0.00	0.00	0.00	2.14	0.00	0.00	5.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14-Feb-21	700	0.00	0.00	0.00	0.00	0.00	0.00	71.22	21.86	14.45	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14-Feb-21	800	0.00	0.00	0.00	0.00	0.00	0.00	109.48	40.50	14.38	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.64	0.00	0.00	0.00	0.00	0.00	0.01	0.02	0.15	0.00	0.04	0.00	0.00	0.00	0.00
14-Feb-21	900	0.00	0.00	0.00	0.00	0.00	0.00	117.43	42.45	14.11	0.00	0.00	0.00	0.00	2.13	0.03	0.04	5.64	0.05	0.04	0.01	0.06	0.06	0.06	0.82	3.87	0.29	0.74	0.00	0.00	2.64	0.00
14-Feb-21	1000	0.00	0.00	0.00	0.00	0.00	0.00	121.29	51.03	15.74	0.00	0.00	0.00	0.00	2.13	0.21	0.23	5.64	0.18	0.15	0.14	0.26	0.26	0.30	2.13	6.40	1.31	1.52	0.43	0.94	7.21	0.00
14-Feb-21	1100	0.00	0.00	0.00	0.00	0.00	0.00	131.80	52.86	20.52	0.00	0.00	0.00	0.00	2.13	0.44	0.45	5.63	0.21	0.18	0.20	0.56	0.53	0.46	3.39	9.86	4.25	3.05	2.27	2.51	14.57	0.00
14-Feb-21	1200	0.00	0.00	0.00	0.00	0.00	0.00	119.53	63.97	21.76	0.00	0.00	0.00	0.00	2.13	0.48	0.60	5.63	0.48	0.41	0.35	0.75	0.66	0.61	3.87	11.92	7.37	4.61	5.07	5.28	17.54	0.00
14-Feb-21	1300	0.00	0.00	0.00	0.00	0.00	0.00	104.61	66.65	25.30	0.00	0.00	0.00	0.00	2.13	0.71	0.76	5.64	0.92	0.76	0.54	1.09	0.99	0.80	4.21	9.74	7.58	6.45	5.08	5.18	25.47	0.00
14-Feb-21	1400	0.00	0.00	0.00	0.00	0.00	0.00	156.45	86.29	31.44	0.00	0.00	0.00	0.00	2.13	0.50	0.52	5.64	0.50	0.41	0.36	0.82	0.77	0.57	3.84	16.09	11.82	4.28	5.28	5.89	17.63	0.00

CPSE-MDL_000008790

Purchased Power Sources Hourly Production

Explanation of the values: This table shows the hourly generation from each of the resources that CPS Energy has contracted with through a Purchased Power Agreement. The primary use of the output from these resources is to support our customers. The capacity listed is the maximum contracted quantity we expect from each resource. Due to the intermittent nature of wind and solar generation primarily associated with weather conditions at the resource site, actual generation may not be the same as the maximum generation capacity of the resource.

For example: Cedro Hill 1 is a wind generation resource with a capacity of 75 MW. In the first hour of February 9, the resource produced 29.76 MW, and CPS Energy was contracted to take this generation.

	TYPE	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Landfill	Solar	Solar	Landfill	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Bilateral
	CAPACITY	75 MW	75 MW	65 MW	65 MW	24 MW	14 MW	200.1 MW	130.4 MW	76.8 MW	15.8 MW	82.6 MW	119 MW	106 MW	4.2 MW	7 MW	6.9 MW	9.6 MW	5.6 MW	5 MW	4.4 MW	9.9 MW	9.9 MW	5.5 MW	39.6 MW	95 MW	50 MW	40.7 MW	110.2 MW	50 MW	106.4 MW	
OPERATING DAY	HOUR ENDING	CEDRO HILL WIND 1	CEDRO HILL WIND 2	DESERT SKY WIND FARM 1	DESERT SKY WIND FARM 2	DESERT SKY WIND FARM 1B	DESERT SKY WIND FARM 2B	LOS VIENTOS WIND I	PAPALOTE CREEK WIND FARM	PENASCAL WIND 1	SWEET WATER WIND 4-24	SWEET WATER WIND 3B	SWEET WATER WIND 4-4A	SWEET WATER WIND 4-4B	NELSON GARDENS LFG	BLUE WING 1 SOLAR	BLUE WING 2 SOLAR	COVEL GARDENS BIOENERGY	SOMER SET 1	SOMER SET 2	OCI ALAMO 2 (ST HEDWIG SOLAR)	SUN EDISON RABEL ROAD	SUN EDISON VALLEY ROAD	OCI ALAMO 3 (WALZEM SOLAR)	BRACKET VILLE SOLAR - OCI ALAMO 4	OCI ALAMO 5 (DOWNIE RANCH)	LAMESA SOLAR (PHASE II)	OCI ALAMO 1	OCI ALAMO 6 (WEST TEXAS	OCI ALAMO 6 (WEST TEXAS PHASE II)	OCI ALAMO 7 (PAINT CREEK)	WHOLESALE PURCHASE
14-Feb-21	1500	0.00	0.00	0.00	0.00	0.00	0.00	175.33	100.55	30.46	0.00	0.00	0.00	0.00	2.13	0.47	0.56	5.64	0.52	0.44	0.23	0.60	0.51	0.45	3.38	12.91	10.81	3.93	8.00	8.42	20.01	0.00
14-Feb-21	1600	0.00	0.00	0.00	0.00	0.00	0.00	174.60	101.01	35.14	0.00	0.00	0.00	0.00	2.13	0.42	0.45	5.64	0.20	0.17	0.22	0.52	0.48	0.53	2.48	5.83	10.01	2.82	1.29	1.15	24.91	0.00
14-Feb-21	1700	0.00	0.00	0.00	0.00	0.00	0.00	181.85	111.85	37.39	0.00	0.00	0.00	0.00	2.13	0.11	0.12	5.64	0.06	0.05	0.05	0.14	0.10	0.17	1.63	2.79	7.29	1.02	4.05	2.42	12.29	0.00
14-Feb-21	1800	0.00	0.00	0.00	0.00	0.00	0.00	185.96	117.32	36.90	0.00	0.00	0.00	0.00	2.13	0.01	0.00	5.64	0.00	0.00	0.00	0.03	0.03	0.04	0.37	0.95	3.96	0.16	0.98	0.74	2.82	0.00
14-Feb-21	1900	0.00	0.00	0.00	0.00	0.00	0.00	188.55	115.57	14.34	0.00	0.00	0.00	0.00	2.13	0.00	0.00	5.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30	0.00	0.00	0.00	0.00	0.00
14-Feb-21	2000	0.00	0.00	0.00	0.00	0.00	0.00	183.22	105.25	32.49	0.00	0.00	0.00	0.00	1.83	0.00	0.00	5.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14-Feb-21	2100	0.00	0.00	0.00	0.00	0.00	0.00	182.67	99.92	23.39	0.00	0.00	0.00	0.00	1.41	0.00	0.00	5.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14-Feb-21	2200	0.00	0.00	0.00	0.00	0.00	0.00	186.32	89.95	20.59	0.00	0.00	0.00	0.00	1.41	0.00	0.00	5.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14-Feb-21	2300	0.00	0.00	0.00	0.00	0.00	0.00	162.88	41.27	8.01	0.00	0.00	0.00	0.00	1.41	0.00	0.00	4.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14-Feb-21	2400	0.00	0.00	0.00	0.00	0.00	0.00	24.61	0.00	0.04	0.00	0.00	0.00	0.00	1.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15-Feb-21	100	0.00	0.00	0.00	0.00	0.00	0.00	8.83	0.00	0.00	0.00	0.00	0.00	0.00	1.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15-Feb-21	200	0.00	0.00	0.00	0.00	0.00	0.00	1.40	0.00	0.00	0.00	0.00	0.00	0.00	0.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15-Feb-21	300	0.00	0.00	0.00	0.00	0.00	0.00	0.42	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15-Feb-21	400	0.00	0.00	0.00	0.00	0.00	0.00	0.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15-Feb-21	500	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15-Feb-21	600	0.00	0.00	0.00	0.00	0.00	0.00	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15-Feb-21	700	0.00	0.00	0.00	0.00	0.00	0.00	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15-Feb-21	800	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.09	0.21	0.23	0.16	0.03	3.70	0.04	1.27	0.00	0.00	2.38	0.00
15-Feb-21	900	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30	0.12	0.00	0.00	1.79	1.62	4.18	4.82	2.18	1.06	44.13	1.11	21.17	0.00	0.00	17.52	0.00
15-Feb-21	1000	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.79	0.38	0.00	0.00	3.09	2.94	6.11	6.76	3.74	2.55	86.83	3.51	26.84	0.00	0.00	55.32	0.00
15-Feb-21	1100	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.35	0.71	0.00	0.00	3.49	3.20	6.17	6.85	3.07	3.85	90.56	10.47	35.59	0.74	0.96	97.01	0.00
15-Feb-21	1200	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.03	1.17	0.00	0.00	3.20	3.28	5.97	6.50	3.12	4.37	96.18	20.26	36.11	14.80	12.53	17.63	0.00
15-Feb-21	1300	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.81	1.68	0.00	0.00	3.37	3.24	5.74	6.24	3.77	4.44	96.24	24.89	36.08	27.30	23.91	0.00	0.00
15-Feb-21	1400	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.72	2.37	0.00	0.00	3.31	2.55	5.71	6.20	3.67	5.41	95.54	24.55	36.09	34.30	30.77	0.00	0.00
15-Feb-21	1500	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.28	3.00	0.00	0.00	3.32	0.00	5.88	6.24	3.77	6.39	91.08	22.93	36.79	35.17	27.13	8.92	0.00
15-Feb-21	1600	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.13	3.50	0.00	0.00	3.27	0.00	5.79	6.23	3.77	5.06	53.30	18.58	37.77	30.39	22.38	4.99	0.00
15-Feb-21	1700	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.07	3.07	0.00	0.00	2.58	2.23	4.89	5.46	2.89	3.38	24.41	16.49	33.10	19.56	13.95	0.00	0.00
15-Feb-21	1800	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.07	1.17	0.00	0.00	0.77	0.69	1.32	1.67	1.03	1.11	9.18	10.07	7.40	6.37	5.14	0.00	0.00
15-Feb-21	1900	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.01	0.02	0.05	0.25	0.37	0.13	0.36	0.39	0.00	0.00
15-Feb-21	2000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15-Feb-21	2100	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15-Feb-21	2200	0.00	0.00	0.00	0.00	0.00	0.00	0.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15-Feb-21	2300	0.00	0.00	0.00	0.00	0.00	0.00	1.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15-Feb-21	2400	0.00	0.00	0.00	0.00	0.00	0.00	1.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16-Feb-21	100	0.00	0.00	0.00	0.01	0.00	0.00	1.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16-Feb-21	200	0.00	0.00	0.00	0.11	0.00	0.00	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16-Feb-21	300	0.00	0.00	0.13	0.61	0.00	0.01	0.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16-Feb-21	400	0.00	0.00	1.12	2.12	0.00	0.00	1.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16-Feb-21	500	0.00	0.00	1.66	2.48	0.00	0.00	5.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16-Feb-21	600	0.00	0.00	1.89	1.43	0.00	0.01	5.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16-Feb-21	700	0.00	0.00	2.14	2.63	0.02	0.00	8.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
16-Feb-21	800	0.00	0.00	1.98	4.69	0.02	0.00	8.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.10	0.00	0.00	0.05	0.07	0.41	0.43	0.12	0.13	4.25	0.00	1.16	0.35	0.00	0.00	100.00
16-Feb-21	900	0.00	0.00	2.24	7.62	0.02	0.00	5.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.92	0.97	0.00	0.00	0.52	1.68	1.19	1.34	1.46	1.15	35.69	0.00	9.31	16.38	4.69	0.00	100.00
16-Feb-21	1000	0.00	0.00	2.12	8.24	0.02	0.00	4.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.61	1.81	0.00	0.00	1.15	2.61	2.83	3.36	3.18	3.06	84.63	0.00	16.86	13.38	11.35	2.80	100.00
16-Feb-21	1100	0.00	0.00	2.85	10.14	0.04	0.00	3.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.66	4.05	0.00	0.00	2.78	2.89	5.07	5.48	3.48	2.78	72.55	0.00	27.82	15.79	11.86	16.11	100.00

Purchased Power Sources Hourly Production

Explanation of the values: This table shows the hourly generation from each of the resources that CPS Energy has contracted with through a Purchased Power Agreement. The primary use of the output from these resources is to support our customers. The capacity listed is the maximum contracted quantity we expect from each resource. Due to the intermittent nature of wind and solar generation primarily associated with weather conditions at the resource site, actual generation may not be the same as the maximum generation capacity of the resource.

For example: Cedro Hill 1 is a wind generation resource with a capacity of 75 MW. In the first hour of February 9, the resource produced 29.76 MW, and CPS Energy was contracted to take this generation.

	TYPE	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Landfill	Solar	Solar	Landfill	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Bilateral
	CAPACITY	75 MW	75 MW	65 MW	65 MW	24 MW	14 MW	200.1 MW	130.4 MW	76.8 MW	15.8 MW	82.6 MW	119 MW	106 MW	4.2 MW	7 MW	6.9 MW	9.6 MW	5.6 MW	5 MW	4.4 MW	9.9 MW	9.9 MW	5.5 MW	39.6 MW	95 MW	50 MW	40.7 MW	110.2 MW	50 MW	106.4 MW	
OPERATING DAY	HOUR ENDING	CEDRO HILL WIND 1	CEDRO HILL WIND 2	DESERT SKY WIND FARM 1	DESERT SKY WIND FARM 2	DESERT SKY WIND FARM 1B	DESERT SKY WIND FARM 2B	LOS VIENTOS WIND I	PAPALOTE CREEK WIND FARM	PENASCAL WIND 1	SWEET WATER WIND 4-24	SWEET WATER WIND 3B	SWEET WATER WIND 4-4A	SWEET WATER WIND 4-4B	NELSON GARDENS LFG	BLUE WING 1 SOLAR	BLUE WING 2 SOLAR	COVEL GARDENS BIOENERGY	SOMER SET 1	SOMER SET 2	OCI ALAMO 2 (ST HEDWIG SOLAR)	SUN EDISON RABEL ROAD	SUN EDISON VALLEY ROAD	OCI ALAMO 3 (WALZEM SOLAR)	BRACKET VILLE SOLAR - OCI ALAMO 4	OCI ALAMO 5 (DOWNIE RANCH)	LAMESA SOLAR (PHASE II)	OCI ALAMO 1	OCI ALAMO 6 (WEST TEXAS	OCI ALAMO 6 (WEST TEXAS PHASE II)	OCI ALAMO 7 (PAINT CREEK)	WHOLESALE PURCHASE
16-Feb-21	1200	0.20	0.00	2.36	8.37	0.03	0.00	2.93	0.00	1.91	0.00	0.00	0.00	0.00	0.00	4.29	4.72	0.00	0.00	2.91	3.31	5.25	5.99	3.26	0.43	67.27	4.54	32.14	27.94	13.87	29.45	100.00
16-Feb-21	1300	0.02	0.00	2.72	9.85	0.01	0.00	3.25	0.00	1.92	0.00	0.00	0.00	0.00	0.00	4.63	5.31	0.00	0.00	2.97	3.35	5.20	5.75	4.16	3.38	80.40	10.14	30.07	17.54	10.84	53.70	100.00
16-Feb-21	1400	0.17	0.00	3.24	8.62	0.10	0.00	1.48	0.22	2.27	0.00	0.00	0.00	0.00	0.00	3.23	3.79	0.00	0.00	2.14	2.74	3.02	3.44	3.84	6.83	94.96	14.88	24.28	12.34	10.87	5.08	100.00
16-Feb-21	1500	0.25	0.00	1.56	4.51	0.02	0.00	0.76	3.02	1.74	0.00	0.00	0.00	0.00	0.00	2.06	2.35	0.00	0.00	1.24	1.56	2.07	2.32	2.51	11.70	75.28	9.89	15.57	0.00	0.00	0.00	100.00
16-Feb-21	1600	0.89	0.00	0.32	1.07	0.00	0.03	0.00	7.99	4.41	0.00	0.00	0.00	0.00	0.00	0.96	1.08	0.00	0.00	0.67	0.80	0.94	1.04	1.42	13.60	28.69	8.20	6.89	0.00	0.00	0.00	100.00
16-Feb-21	1700	1.08	0.00	0.59	1.80	0.01	0.01	0.01	14.77	5.99	0.00	0.00	0.00	0.00	0.00	0.40	0.46	0.00	0.00	0.32	0.36	0.46	0.49	0.66	17.94	13.47	10.16	3.43	0.00	0.00	0.00	100.00
16-Feb-21	1800	0.00	0.00	1.45	8.06	0.04	0.00	0.94	27.24	4.50	0.00	0.00	0.00	0.00	0.00	0.07	0.08	0.00	0.00	0.08	0.10	0.12	0.12	0.19	9.49	4.51	2.94	1.11	0.84	0.00	0.00	100.00
16-Feb-21	1900	0.45	0.00	1.23	9.80	0.00	0.00	1.93	34.82	8.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.38	0.10	0.11	0.00	0.00	0.00	0.00	100.00
16-Feb-21	2000	1.13	0.00	0.77	8.79	0.00	0.00	17.85	34.48	10.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
16-Feb-21	2100	1.05	0.00	3.45	13.42	0.08	0.00	11.84	35.57	9.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
16-Feb-21	2200	0.00	0.00	3.98	16.12	0.05	0.00	5.05	34.27	10.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
16-Feb-21	2300	0.00	0.00	4.16	16.77	0.04	0.00	8.99	26.55	6.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16-Feb-21	2400	0.68	0.00	4.18	18.24	0.00	0.00	10.08	28.77	7.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17-Feb-21	100	0.17	0.00	5.35	15.90	0.20	0.00	18.01	31.88	13.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17-Feb-21	200	0.00	0.00	4.88	14.23	0.19	0.00	50.11	30.06	15.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17-Feb-21	300	0.00	0.00	5.37	15.66	0.21	0.00	54.68	30.26	12.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17-Feb-21	400	0.00	0.00	2.95	8.60	0.11	0.00	31.11	29.28	6.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17-Feb-21	500	0.00	0.00	2.70	7.89	0.11	0.00	8.31	25.48	4.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17-Feb-21	600	0.00	0.00	1.98	5.79	0.08	0.00	5.57	17.20	2.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17-Feb-21	700	0.00	0.00	2.66	7.75	0.10	0.00	3.68	12.48	0.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17-Feb-21	800	0.00	0.00	1.02	2.97	0.04	0.00	2.05	11.52	0.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.02	0.17	0.02	0.00	0.56	0.17	0.00	0.00
17-Feb-21	900	0.00	0.00	0.69	2.01	0.03	0.00	4.11	16.64	0.06	0.00	0.00	0.00	0.00	0.00	0.06	0.07	0.00	0.00	0.07	0.05	0.05	0.06	0.13	2.58	6.20	1.68	0.91	10.28	5.01	0.00	0.00
17-Feb-21	1000	0.00	0.00	3.16	2.60	0.72	0.15	6.83	15.96	0.86	0.00	0.00	0.00	0.00	0.00	0.21	0.25	0.00	0.00	0.16	0.12	0.21	0.23	0.31	5.02	25.12	7.24	1.88	77.38	36.14	0.00	0.00
17-Feb-21	1100	0.28	0.14	4.33	1.93	1.24	0.13	26.46	13.32	2.91	0.00	0.00	0.00	0.00	0.00	0.62	0.73	0.00	0.00	0.51	0.31	0.61	0.70	0.65	7.97	28.60	11.55	4.85	78.45	33.34	0.00	0.00
17-Feb-21	1200	8.57	5.87	5.30	4.30	1.38	0.60	24.97	34.49	6.70	0.00	0.00	0.00	0.00	0.00	1.60	1.80	0.00	0.00	0.88	1.24	1.67	1.84	2.06	12.68	28.05	17.75	11.39	50.01	23.92	0.00	0.00
17-Feb-21	1300	16.99	15.02	5.80	5.15	1.63	0.99	39.59	41.30	14.08	0.00	0.00	0.00	0.00	0.00	0.94	1.07	0.00	0.00	0.56	0.88	1.30	1.48	1.47	17.99	42.84	22.01	7.89	82.13	34.03	0.00	0.00
17-Feb-21	1400	14.28	12.53	1.53	2.78	0.22	0.27	53.41	32.21	16.22	0.00	0.00	0.00	0.00	0.00	0.90	1.03	0.00	0.00	0.78	0.81	1.74	1.82	1.46	15.50	56.99	21.49	8.56	83.41	38.15	0.00	0.00
17-Feb-21	1500	12.85	9.66	1.90	3.02	0.39	0.28	56.52	24.88	17.03	0.00	0.00	0.00	0.00	0.00	2.23	2.44	0.00	0.00	1.21	0.94	2.03	2.15	1.50	20.67	51.95	18.34	15.61	88.22	38.19	0.00	0.00
17-Feb-21	1600	4.31	3.42	4.78	6.81	1.69	1.18	21.99	23.52	15.88	0.00	0.00	0.00	0.00	0.00	0.90	1.08	0.00	0.00	0.41	0.32	0.67	0.75	0.61	29.35	66.76	12.30	5.14	88.18	35.33	0.00	0.00
17-Feb-21	1700	4.88	2.91	3.86	5.87	1.04	0.96	4.06	26.77	16.08	0.00	0.00	0.00	0.00	0.00	0.57	0.65	0.00	0.00	0.26	0.27	0.48	0.50	0.49	28.86	51.05	6.56	3.57	58.20	17.88	0.00	0.00
17-Feb-21	1800	6.15	3.81	1.69	3.70	0.34	0.46	28.32	28.19	15.12	0.00	0.00	0.00	0.00	0.00	0.12	0.12	0.00	0.00	0.07	0.08	0.17	0.17	0.14	8.27	24.52	3.01	1.80	12.45	5.42	0.00	0.00
17-Feb-21	1900	15.01	9.24	7.02	9.60	2.59	2.24	58.75	37.17	15.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.21	0.38	0.11	0.00	1.26	0.61	0.00	0.00
17-Feb-21	2000	12.88	6.74	4.78	7.11	1.56	1.15	40.96	52.01	16.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17-Feb-21	2100	20.68	16.66	14.71	15.92	5.85	4.54	12.65	44.95	7.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17-Feb-21	2200	36.05	27.56	6.49	11.00	1.83	2.15	18.83	40.34	13.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17-Feb-21	2300	23.16	14.90	1.12	1.81	0.18	0.17	47.65	34.59	16.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17-Feb-21	2400	8.50	4.79	0.03	0.18	0.00	0.00	42.61	28.95	14.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18-Feb-21	100	4.91	6.10	0.71	0.97	0.02	0.00	62.75	33.11	5.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18-Feb-21	200	11.40	11.42	2.28	3.36	0.21	0.16	80.30	25.19	10.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18-Feb-21	300	25.00	21.65	1.68	3.52	0.08	0.14	95.47	24.66	17.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18-Feb-21	400	11.28	9.37	1.93	4.06	0.12	0.19	89.47	30.91	23.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18-Feb-21	500	5.39	4.77	2.51	4.35	0.14	0.21	98.00	33.73	21.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18-Feb-21	600	4.67	4.75	3.00	4.42	0.17	0.24	99.67	37.11	19.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18-Feb-21	700	2.13	2.59	3.10	3.88	0.22	0.17	93.92	29.10	17.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18-Feb-21	800	2.97	2.75	2.68	2.97	0.11	0.10	82.39	24.86	17.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.64	0.00	0.00	0.00	0.00	0.00

Purchased Power Sources Hourly Production

Explanation of the values: This table shows the hourly generation from each of the resources that CPS Energy has contracted with through a Purchased Power Agreement. The primary use of the output from these resources is to support our customers. The capacity listed is the maximum contracted quantity we expect from each resource. Due to the intermittent nature of wind and solar generation primarily associated with weather conditions at the resource site, actual generation may not be the same as the maximum generation capacity of the resource.

For example: Cedro Hill 1 is a wind generation resource with a capacity of 75 MW. In the first hour of February 9, the resource produced 29.76 MW, and CPS Energy was contracted to take this generation.

	TYPE	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Wind	Landfill	Solar	Solar	Landfill	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Bilateral
	CAPACITY	75 MW	75 MW	65 MW	65 MW	24 MW	14 MW	200.1 MW	130.4 MW	76.8 MW	15.8 MW	82.6 MW	119 MW	106 MW	4.2 MW	7 MW	6.9 MW	9.6 MW	5.6 MW	5 MW	4.4 MW	9.9 MW	9.9 MW	5.5 MW	39.6 MW	95 MW	50 MW	40.7 MW	110.2 MW	50 MW	106.4 MW	
OPERATING DAY	HOUR ENDING	CEDRO HILL WIND 1	CEDRO HILL WIND 2	DESERT SKY WIND FARM 1	DESERT SKY WIND FARM 2	DESERT SKY WIND FARM 1B	DESERT SKY WIND FARM 2B	LOS VIENTOS WIND I	PAPALOTE CREEK WIND FARM	PENASCAL WIND 1	SWEET WATER WIND 4-24	SWEET WATER WIND 3B	SWEET WATER WIND 4-4A	SWEET WATER WIND 4-4B	NELSON GARDENS LFG	BLUE WING 1 SOLAR	BLUE WING 2 SOLAR	COVEL GARDENS BIOENERGY	SOMER SET 1	SOMER SET 2	OCI ALAMO 2 (ST HEDWIG SOLAR)	SUN EDISON RABEL ROAD	SUN EDISON VALLEY ROAD	OCI ALAMO 3 (WALZEM SOLAR)	BRACKET VILLE SOLAR - OCI ALAMO 4	OCI ALAMO 5 (DOWNIE RANCH)	LAMESA SOLAR (PHASE II)	OCI ALAMO 1	OCI ALAMO 6 (WEST TEXAS | OCI ALAMO 6 PHASE II)	OCI ALAMO 7 (PAINT CREEK)	WHOLESALE PURCHASE
18-Feb-21	900	5.31	4.81	2.72	2.15	0.10	0.04	95.08	26.02	18.27	0.00	0.00	0.00	0.00	0.00	0.04	0.03	0.00	0.00	0.02	0.03	0.05	0.06	0.08	0.00	0.00	11.63	0.62	0.30	0.31	0.00	0.00
18-Feb-21	1000	11.72	8.16	3.35	2.66	0.22	0.07	102.91	31.91	16.36	0.00	0.00	0.00	0.00	0.00	0.14	0.14	0.00	0.00	0.12	0.12	0.24	0.25	0.22	0.00	0.00	19.59	1.98	1.51	1.51	0.00	0.00
18-Feb-21	1100	15.10	10.72	3.57	1.84	0.13	0.03	99.38	40.31	23.18	0.00	0.00	0.00	0.00	0.00	0.08	0.08	0.00	0.00	0.23	0.21	0.30	0.38	0.46	0.03	0.13	10.79	3.19	5.61	4.28	0.00	0.00
18-Feb-21	1200	24.94	17.13	2.95	3.21	0.11	0.15	101.21	46.27	17.38	0.00	0.00	0.00	0.00	0.00	0.16	0.17	0.00	0.00	0.38	0.34	0.41	0.66	0.62	0.02	0.34	13.91	4.16	7.42	7.15	0.00	0.00
18-Feb-21	1300	34.01	26.58	4.50	6.44	0.37	0.57	22.53	55.56	0.00	0.00	0.00	0.00	0.00	0.00	0.26	0.29	0.00	0.00	0.48	0.81	0.61	1.07	1.50	0.00	0.20	16.81	6.28	17.41	4.99	0.00	0.00
18-Feb-21	1400	38.30	36.56	6.30	7.56	0.80	0.73	11.73	55.19	0.31	0.00	0.00	0.00	0.00	0.00	0.35	0.42	0.00	0.00	0.68	1.04	0.83	1.32	1.80	0.00	0.00	16.74	6.18	30.90	5.54	0.00	0.00
18-Feb-21	1500	38.14	40.40	11.91	12.67	1.93	1.43	81.85	47.82	23.62	0.00	0.00	0.00	0.00	0.00	0.50	0.58	0.00	0.00	0.54	0.88	0.77	1.42	1.61	0.00	0.00	14.24	5.69	44.49	8.09	0.00	0.00
18-Feb-21	1600	50.33	47.92	8.60	10.01	1.25	1.00	62.55	55.40	36.23	0.00	0.00	0.00	0.00	0.00	0.36	0.42	0.00	0.00	0.49	0.59	0.56	0.87	1.28	0.00	0.00	13.62	3.97	49.54	19.84	0.00	0.00
18-Feb-21	1700	53.97	51.03	6.61	8.27	0.82	0.79	60.02	58.53	33.27	0.00	0.00	0.00	0.00	0.00	0.13	0.15	0.00	0.00	0.23	0.24	0.26	0.38	0.49	0.00	0.00	9.59	2.18	50.39	15.19	0.00	0.00
18-Feb-21	1800	54.27	51.46	9.46	12.34	1.25	1.49	97.42	62.29	23.26	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.03	0.07	0.02	0.05	0.17	0.00	0.00	4.92	0.39	23.95	8.46	0.00	0.00
18-Feb-21	1900	14.44	16.90	9.64	13.07	1.50	1.90	99.77	57.21	38.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.40	0.00	0.71	0.51	0.00	0.00
18-Feb-21	2000	0.09	3.94	6.68	8.42	1.09	1.21	89.54	46.79	19.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18-Feb-21	2100	0.77	4.23	6.62	8.41	1.31	1.53	32.46	40.69	3.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18-Feb-21	2200	8.18	11.54	8.50	9.86	2.10	2.14	54.73	28.14	1.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18-Feb-21	2300	24.20	20.07	10.05	11.43	2.68	2.78	119.99	27.95	23.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18-Feb-21	2400	35.78	32.54	7.86	9.96	1.50	2.16	90.43	40.71	22.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19-Feb-21	100	33.76	31.48	5.59	6.92	0.86	1.13	95.59	35.39	17.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19-Feb-21	200	29.33	23.46	2.05	3.69	0.09	0.41	105.54	31.73	18.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19-Feb-21	300	24.30	21.85	2.03	2.89	0.15	0.35	89.85	34.62	20.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19-Feb-21	400	17.84	15.12	2.10	3.03	0.21	0.26	86.57	37.47	16.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19-Feb-21	500	12.84	11.79	0.37	0.67	0.02	0.06	76.98	26.42	13.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19-Feb-21	600	8.95	7.05	0.00	0.00	0.00	0.00	59.42	23.77	9.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19-Feb-21	700	11.44	12.80	0.19	0.20	0.00	0.00	60.17	13.36	8.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19-Feb-21	800	6.35	9.27	1.29	2.56	0.05	0.16	70.93	4.57	5.55	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.07	0.21	0.08	0.13	0.35	0.00	0.00	1.04	0.53	1.22	0.66	0.94	0.00
19-Feb-21	900	2.64	4.95	6.36	8.25	1.74	1.74	64.78	3.90	2.50	0.00	0.00	0.00	0.00	0.00	0.27	0.33	0.00	0.00	1.69	2.31	2.58	3.26	3.00	0.00	0.00	12.71	7.67	10.80	3.24	9.23	0.00
19-Feb-21	1000	1.70	3.53	11.98	15.87	4.17	3.54	65.07	1.38	4.23	0.00	0.00	0.00	0.00	0.00	1.20	1.43	0.00	0.00	3.38	3.94	5.36	6.37	5.21	0.00	1.08	27.63	11.94	20.15	5.82	50.05	0.00
19-Feb-21	1100	1.33	2.34	7.19	8.52	2.70	1.98	24.53	0.21	3.15	0.00	0.00	0.00	0.00	0.00	2.53	2.93	0.00	0.00	3.43	4.17	5.41	6.39	5.38	0.38	8.86	35.61	32.82	6.46	1.65	87.32	0.00
19-Feb-21	1200	5.32	5.79	6.48	6.74	1.74	1.16	20.11	0.83	3.54	0.00	0.00	0.00	0.00	0.00	4.60	5.23	0.00	0.00	3.32	4.15	5.43	6.13	5.39	5.14	44.19	0.04	39.48	78.04	18.79	103.77	0.00
19-Feb-21	1300	4.25	5.56	8.39	9.74	2.61	1.56	19.54	2.11	3.10	0.00	0.00	0.00	0.00	0.00	5.45	6.19	0.00	0.00	3.28	4.04	5.57	5.95	5.39	16.09	89.99	1.15	39.44	85.94	29.84	103.35	0.00
19-Feb-21	1400	2.04	3.32	8.80	10.15	2.76	1.68	17.12	3.82	3.97	0.00	0.00	0.00	0.00	0.00	5.54	6.32	0.00	0.00	3.22	4.07	5.49	5.87	5.39	31.43	93.11	6.85	39.47	91.78	36.50	103.21	0.00
19-Feb-21	1500	0.05	0.11	6.42	7.35	1.85	0.99	18.74	1.32	3.93	0.12	0.28	0.00	0.00	0.00	5.25	5.96	0.00	0.00	3.20	4.11	5.57	5.88	5.36	33.72	92.87	12.81	39.48	94.47	41.23	103.20	0.00
19-Feb-21	1600	0.00	0.00	7.88	9.51	1.95	1.74	13.98	0.11	3.04	0.00	0.00	0.00	0.00	0.00	4.52	5.14	0.00	0.00	3.18	3.92	5.52	5.83	5.13	33.66	90.34	19.72	39.47	91.97	36.87	103.72	0.00
19-Feb-21	1700	0.00	0.00	9.05	17.78	3.18	3.26	26.65	0.00	3.72	0.00	0.00	0.00	0.00	0.00	3.34	3.79	0.00	0.00	2.92	3.09	4.97	5.37	4.05	29.57	79.43	20.16	36.80	80.99	23.60	90.13	0.00
19-Feb-21	1800	0.00	0.00	10.84	19.88	3.95	4.09	21.01	0.00	1.99	0.00	0.00	0.00	0.00	0.00	1.45	1.62	0.00	0.00	1.35	0.78	2.05	2.47	1.52	6.11	27.82	6.21	12.75	29.07	7.75	29.66	0.00
19-Feb-21	1900	0.00	0.00	15.72	24.99	6.00	5.38	11.05	0.01	1.15	0.01	0.00	0.00	0.00	0.00	0.04	0.04	0.00	0.00	0.03	0.01	0.04	0.03	0.04	0.54	0.86	1.34	0.38	1.39	0.74	0.67	0.00
19-Feb-21	2000	0.70	0.07	18.26	31.06	7.77	6.82	6.28	0.90	0.04	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19-Feb-21	2100	5.24	3.68	29.93	46.07	12.02	11.61	8.12	1.38	0.38	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19-Feb-21	2200	10.44	8.09	32.78	45.94	13.74	11.68	5.96	1.46	0.65	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19-Feb-21	2300	20.86	16.01	34.58	49.10	14.07	11.68	4.92	1.24	0.87	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19-Feb-21	2400	41.84	37.16	32.80	47.04	13.32	12.36	2.75	8.35	0.72	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Exhibit A-162

Sender	Recipient	Date	Body
CPS - Ken Skaer	OXY - Ryan Hinze	02/12/2021 08:37:20	hi ryan
CPS - Ken Skaer	OXY - Ryan Hinze	02/12/2021 08:37:40	i can buy some more waha hub from you for gd waha + .70 if you want
OXY - Ryan Hinze	CPS - Ken Skaer	02/12/2021 08:37:41	hey, gm sir
OXY - Ryan Hinze	CPS - Ken Skaer	02/12/2021 08:38:07	can do another 9,000 at gd +.70
CPS - Ken Skaer	OXY - Ryan Hinze	02/12/2021 08:38:26	done, thanks
OXY - Ryan Hinze	CPS - Ken Skaer	02/12/2021 08:38:30	done..ty
CPS - Ken Skaer	OXY - Ryan Hinze	02/12/2021 08:41:18	please keep us in mind if you get some incremental volumes
OXY - Ryan Hinze	CPS - Ken Skaer	02/12/2021 08:42:30	will do
CPS - Ken Skaer	OXY - Ryan Hinze	02/16/2021 08:11:02	Good morning!Good news: it's going to be 48 tomorrow!Bad news: I'm still without electricity Are you a seller?
OXY - Ryan Hinze	CPS - Ken Skaer	02/16/2021 08:11:58	hey, gm...we have nothing here
CPS - Ken Skaer	OXY - Ryan Hinze	02/22/2021 16:15:33	Well, we almost survived Monday. Would you consider giving us a March baseload offer for our bid day tomorrow? Offers are due by 11am.
OXY - Ryan Hinze	CPS - Ken Skaer	02/22/2021 16:15:33	Away
OXY - Ryan Hinze	CPS - Ken Skaer	02/22/2021 16:31:57	hey Ken...prod still up and down here so not sure we can commit to an offer right now
OXY - Ryan Hinze	CPS - Ken Skaer	02/22/2021 16:32:10	may have some gas on the day and will touch base for sure
CPS - Ken Skaer	OXY - Ryan Hinze	02/22/2021 16:32:59	sounds good
OXY - Ryan Hinze	CPS - Ken Skaer	03/16/2021 12:18:18	Away
CPS - Ken Skaer	OXY - Ryan Hinze	03/16/2021 12:18:18	Hi Ryan.
OXY - Ryan Hinze	CPS - Ken Skaer	03/16/2021 13:10:38	hey sir
CPS - Ken Skaer	OXY - Ryan Hinze	03/16/2021 13:12:26	hi there
CPS - Ken Skaer	OXY - Ryan Hinze	03/16/2021 13:13:01	our management folks asked if they could talk to the oxy mgmt folks about feb and the storm and such.
CPS - Ken Skaer	OXY - Ryan Hinze	03/16/2021 13:13:23	is there someone i should refer them to or do you prefer they talk to you
OXY - Ryan Hinze	CPS - Ken Skaer	03/16/2021 13:13:44	did you get a FM letter from us?
CPS - Ken Skaer	OXY - Ryan Hinze	03/16/2021 13:14:17	i think their concerns are beyond that
CPS - Ken Skaer	OXY - Ryan Hinze	03/16/2021 13:15:20	they just want to chat.
OXY - Ryan Hinze	CPS - Ken Skaer	03/16/2021 13:15:28	gotchaShawn McGovern is VP of Gas Marketingcell: 713-206-4691shawn_mcgovern@oxy.com
CPS - Ken Skaer	OXY - Ryan Hinze	03/16/2021 13:15:37	cool, thanks
CPS - Ken Skaer	OXY - Ryan Hinze	03/17/2021 16:03:46	Hi Ryan. Just out of curiosity, is this still your address for notices: PO Box 27570, Houston, TX 77227-7570
OXY - Ryan Hinze	CPS - Ken Skaer	03/17/2021 16:03:46	Away
OXY - Ryan Hinze	CPS - Ken Skaer	03/17/2021 17:08:03	I believe sojust include Victoria_Versen@oxy.com (contract administration)
OXY - Ryan Hinze	CPS - Ken Skaer	03/17/2021 17:08:17	fax is usually 713-215-7616
OXY - Ryan Hinze	CPS - Ken Skaer	03/17/2021 17:08:42	address also used is..5 Greenway Plaza, Suite 110Houston, TX 77046
CPS - Ken Skaer	OXY - Ryan Hinze	03/17/2021 17:08:52	thanks Ryan
OXY - Ryan Hinze	CPS - Ken Skaer	03/17/2021 17:08:58	sure thing

CPSE Response in Opp to ET MSJ
Exhibit A-162
MDL-2022-CI-02879
exhibitsticker.com

Exhibit A-163

Sealed

Exhibit A-164

Sealed

Exhibit A-165

Sealed

Exhibit A-166

Sealed

Exhibit A-167

Sealed

Exhibit A-168

CAUSE NO. MDL 2022 CI 02879

	§	IN THE DISTRICT COURT
	§	
In re CPS ENERGY LITIGATION	§	
	§	407TH JUDICIAL DISTRICT
	§	
	§	
	§	BEXAR COUNTY, TEXAS

CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS OPERATING, LLC,	§	IN THE DISTRICT COURT
	§	
Plaintiff,	§	
	§	
vs.	§	334TH JUDICIAL DISTRICT
	§	
CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY),	§	
	§	
	§	
Defendant.	§	HARRIS COUNTY, TEXAS

CONFIDENTIAL - ATTORNEYS' EYES ONLY

ORAL AND VIDEOTAPED DEPOSITION OF

FRANK ALMARAZ

AUGUST 19, 2022

ORAL AND VIDEOTAPED DEPOSITION OF FRANK ALMARAZ, produced as a witness at the instance of the Plaintiff, Enterprise Products Operating, LLC, and duly sworn, was taken in the above-styled and numbered cause on the 19th day of August 2022, from 9:35 a.m. to 5:17 p.m., before Marcy Clark, CSR in and for the State of Texas, reported by computerized stenotype machine, at the offices of Chasnoff Mungia Valkenaar Pepping & Stribling, LLP, 1020 N.E. Loop 410, 3rd Floor Conference Room, San Antonio, Texas 78209, pursuant to the Texas Rules of Civil Procedure and the provisions stated on the record or attached hereto.

CPSE Response in Opp to ET MSJ
Exhibit A-168
MDL-2022-CI-02879
exhibitsticker.com

APPEARANCES

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THE VIDEOGRAPHER:

Terry Lindemann

A The priority was on delivering this lifesaving fuel to our customers, and we were not -- I was not involved in, you know, authorizing a price or anything like that because it was focused on buying the fuel necessary.

Q Did -- at this time, February 15th, 2021, when this message was sent by Mr. Pollo to you and others, did you believe these prices were excessive or exorbitant?

A Me, Frank, personally, absolutely.

Q At this time, February 15th, 2021?

A I was operating against a frame of reference of $2.50, $3. These numbers were stunning.

Q Did you communicate your concern about the prices being stunning --

A Stunning.

Q -- to -- to this group or another?

A I don't remember. I mean, I would say that -- that the organization was in reaction mode, and there were lots of conversations happening all over the place on the things that were necessary. Buying gas and electric power wasn't the only thing that we had to do.

Q Sure.

A We were doing hundreds of other things involving the whole organization. To the extent that this came up -- once again, this was not my area of

would pay for the natural gas it purchased; that's correct?

A I don't -- I'm not aware of any of -- as you described, I'm not aware of that.

Q Okay. Does the same apply for after February 15th, 2021?

MS. VALKENAAR: Objection, form.

A There -- well, there was obviously a point where we said, "Hey, we need to enter a good faith dispute under Section 7.4." I don't remember when that happened, and I don't remember at what point lawyers got involved. So I'm having a hard time describing, like, when exactly it happened.

But the thing that I think you're asking is whether it happened before the storm was over or after, and it was -- I have no recollection of it being before. My recollection is any of those types of conversations happened after -- after the storm.

Q (By Mr. DeBauche) That's a -- you got -- you -- you asked my question better than I did, so thank you.

A I think that means I didn't do it right, but that's -- we'll just keep that between us.

Q Yeah. Sometimes I ask bad questions, but you knew -- you knew what I wanted. So I -- I appreciate that.

A Did you say whether Energy Transfer was justified in...?

Q (By Mr. Woods) Yeah.

Was Energy Transfer justified in being concerned that CPS would not pay its invoices in full?

MS. VALKENAAR: Objection, form.

A I don't know how to answer that.

Q (By Mr. Woods) Well, if -- well, let me -- let me just ask it again, and you -- you tell me what -- what part of my question that you're not understanding.

Was Energy Transfer justified in being concerned that CPS Energy would not pay its invoices in full?

MS. VALKENAAR: Objection, form.

A I think you just said the same thing you did last time, and I still --

Q (By Mr. Woods) Yeah.

A -- don't understand.

Q Well, I guess I'm asking -- what is it about my question that you don't understand?

A I'm not sure how I'm supposed to know what Energy Transfer was justified in thinking or not thinking.

Q Well, you would agree with me, though, that CPS Energy did not pay the invoiced amount for natural

gas in full, right? That's -- I think that's established, right?

A We paid for the gas. We -- only Energy Transfer knows what Energy Transfer's going to charge. And if it was a million dollars a megawatt of MMBtu, then -- I -- I -- I guess my point is I don't know how to answer that question.

We -- CPS Energy paid an amount for the gas that reserved our rights and allowed us to enter into the dispute under 7.4 of the NAESB, and we're working out the differences here.

Q Do you know what a request for adequate assurance is?

A Do I know -- no.

Q But just to be clear, you signed a verification attached to this petition stating that you had personal knowledge of all the facts, right?

A Yeah.

Q And you state here that Energy Transfer made a disingenuous demand for adequate assurance from CPS Energy, right?

A Right.

MS. VALKENAAR: Objection, form.

Q (By Mr. Woods) But you also don't even know what adequate assurance is, right?

and tell me if it was from your lawyers if it was from your lawyers.

What is the factual basis that CPS Energy was at the mercy of Defendants?

A Well, looking at the whole thing -- I know that -- that -- that's your specific question. I think -- I think you're focused on the mercy of the defendants.

But the -- the answer has to do with the fact that CPS Energy has an obligation to serve our customers. You know, there were -- there were people dying, and we had no choice. So with -- with -- with no choice but to supply -- to purchase gas and to produce power with all of our effort, you know, all of our focus, I -- I -- I think it's fair to characterize us as buyers as being at the mercy of anyone that could supply to us at that time.

Q Let's look at Paragraph 29 on Page 9. You can read that, and just let me know when you're ready.

A (Reviewing document.)

MS. VALKENAAR: I'm sorry. What paragraph?

MR. WOODS: 29.

MS. VALKENAAR: Thanks.

A (Reviewing document.)

CAUSE NO. MDL 2022 CI 02879

In re CPS ENERGY LITIGATION	§	IN THE DISTRICT COURT
	§	
	§	407TH JUDICIAL DISTRICT
	§	
	§	BEXAR COUNTY, TEXAS

CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS OPERATING, LLC,	§	IN THE DISTRICT COURT
Plaintiff,	§	
	§	
vs.	§	334TH JUDICIAL DISTRICT
	§	
CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY),	§	
	§	
Defendant.	§	HARRIS COUNTY, TEXAS

REPORTER'S CERTIFICATION

ORAL AND VIDEOTAPED DEPOSITION OF FRANK ALMARAZ

AUGUST 19, 2022

I, Marcy Clark, Certified Shorthand Reporter in and for the State of Texas, hereby certify to the following:

That the witness, FRANK ALMARAZ, was duly sworn by the officer and that the transcript of the oral deposition is a true record of the testimony given by the witness;

That the deposition transcript was submitted on September 1, 2022 to the witness or to the

attorney for the witness for examination, signature and return to Hanna & Hanna, Inc. by September 22, 2022.

That the amount of time used by each party at the deposition is as follows:

By Mr. DeBauche - 4 hours, 24 minutes;

By Mr. Woods - 1 hour, 13 minutes;

That pursuant to information given to the deposition officer at the time said testimony was taken, the following includes counsel for all parties of record:

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I further certify that I am neither counsel for, related to, nor employed by any of the parties or attorneys in the action in which this proceeding was taken, and further that I am not financially or otherwise interested in the outcome of the action.

Further certification requirements pursuant to Rule 203 of TRCP will be certified to after they have occurred.

Certified to by me this 1st day of September, 2022.

Marcy Clark

MARCY CLARK, CLR, Texas CSR 4935
Expiration Date: 1/31/23
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Houston, Texas 77024
713.840.8484 - 713.583.2442

FURTHER CERTIFICATION BY COURT REPORTING FIRM

UNDER RULE 203 TRCP

The original deposition was/[redacted] returned to the deposition officer on September 22, 2022;

If returned, the attached Changes and Signature page contains any changes and the reasons therefor;

If returned, the original deposition was delivered to Thomas "Tal" DeBauche, Custodial Attorney;

That $4,037.85 is the deposition officer's charges to the Plaintiff, Enterprise Products Operating, LLC, for preparing the original deposition transcript and any copies of exhibits;

That the deposition was delivered in accordance with Rule 203.3, and that a copy of this certificate was served on all parties shown herein and filed with the Clerk.

Certified to by me on this 22nd day of September, 2022.

Ruth Hilliard

HANNA & HANNA, INC.
Firm Registration No. 10434
Expiration - 10/31/2022
8582 Katy Freeway, Suite 105
Houston, Texas 77024

713.840.8484 - 713.583.2442

CHANGES AND SIGNATURE

WITNESS NAME: FRANK ALMARAZ

DATE OF DEPOSITION: AUGUST 19, 2022

PAGE	LINE	CHANGE	REASON
See Exhibit A			

JOB NO.: 25210

CAUSE NO. MDL 2022 CI 02879

	§	IN THE DISTRICT COURT OF
	§	
	§	
	§	407TH JUDICIAL DISTRICT
In re CPS ENERGY LITIGATION	§	
	§	
	§	BEXAR COUNTY, TEXAS

CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS OPERATING, LLC,	§	IN THE DISTRICT COURT OF
	§	
	§	
Plaintiff/Counter-Defendant,	§	
	§	
v.	§	334TH JUDICIAL DISTRICT
	§	
CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY),	§	
	§	
	§	
Defendant/Counter-Plaintiff.	§	HARRIS COUNTY, TEXAS

CAUSE NO. 2021-CI-05138

CPS ENERGY,	§	IN THE DISTRICT COURT OF
	§	
	§	
Plaintiff/Counter-Defendant,	§	
	§	
v.	§	407TH JUDICIAL DISTRICT
	§	
HOUSTON PIPE LINE COMPANY, LP and OASIS PIPELINE, LP,	§	
	§	
	§	
Defendants/Counter-Plaintiffs.	§	BEXAR COUNTY, TEXAS

EXHIBIT A TO ERRATA SHEET FOR THE DEPOSITION OF FRANK ALMARAZ TAKEN ON AUGUST 19, 2022

Page: Line	Correction and Reason
14:23	Change "developments" to "development". Reason: Transcription error.
22:2-4	Delete "to" after "leading". Reason: Transcription error.
22:11	Change "Those are" to "The". Reason: Transcription error.
23:24	Change "CPS Energy CPS seasonal" to "CPS Energy seasonal". Reason: Transcription error.
32:9	Add "was less than" before "150 documents." Reason: Clarification.
38:16	After "others in" add "the". Reason: Transcription error.
43:5	Change "current storm Uri" to "Winter Storm Uri". Reason: Transcription error.
57:2	Change to "No." Reason: Clarification.
80:23	Change first instance of "was" to "were." Reason: Transcription error.
81:3	Change "awarenesses" to "awareness." Reason: Transcription error.
87:10	Change "2.50" to "$2.50". Reason: Clarification.
87:13	Change "250" to "$240". Reason: Correction.
87:15	Change "240" to "$240". Reason: Clarification.
103:2	Change "discussions" to "discussed". Reason: Transcription error.
103:3	Change "directions" to "direction". Reason: Transcription error.
103:7	Change "question" to "questions". Reason: Transcription error.
107:16	Change "300" to "$300". Reason: Conformance with quoted exhibit and clarification.
107:17	Change "unlimited trading" to "on limited trading". Reason: Conformance with quoted exhibit and clarification.
115:19	Change "disruption" to "disruptions." Reason: Transcription error.
132:17	Change "artificial" to "artificially". Reason: Transcription error or confusing question.
140:18	Add a comma after "more". Reason: Clarification.
141:4	Change "responsive" to "responses." Reason: Transcription error.

144:2	Change "That – there were varying days – number – day count" to "There were varying ideas on the number of days." Reason: Clarification.
150:13	Change "CEC" to "CEP". Reason: Transcription error.
151:16	Change "CEC" to "CEP". Reason: Transcription error.
154:19	Change "CEC" to "CEP". Reason: Transcription error.
155:24	Change "dec" to "deck". Reason: Transcription error.
164:19	Change "CEC" to "CEP". Reason: Transcription error.
164:20	Change "was" to "were". Reason: Transcription error.
184:23	Change "38.83" to "$38.83". Reason: Clarification.
185:1	Change "38.83" to "$38.83". Reason: Clarification.
223:11	Change "38.83" to "$38.83/MMBtu". Reason: Clarification.
223:15	Change "wouldn't" to "would". Reason: Transcription error and clarification.
223:17-18	Change "So to the extent that we paid above 38.83, then I am confident that we were price gouged" to "So to the extent that we were charged above $38.83/MMBtu, then I am confident that we were price gouged." Reason: Clarification.

I, FRANK ALMARAZ, have read the foregoing deposition and hereby affix my signature that same is true and correct, except as noted above.

Frank T Almaraz

FRANK ALMARAZ

THE STATE OF Texas)
COUNTY OF Bexar)

Before me, Jose Capetillo, on this day personally appeared FRANK ALMARAZ, known to me (or proved to me under oath or through Driver's License) (description of identity card or other document) to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this 21st day of September, 2022.

Jose Ricardo Capetillo
ID NUMBER
133180234
COMMISSION EXPIRES
June 15, 2025

NOTARY PUBLIC IN AND FOR
THE STATE OF Texas

My Commission Expires: 06/15/2025

JOB NO.: 25210

Notarized online using audio-video communication

Exhibit A-169

Transaction Confirmation

ENERGY TRANSFER

Oasis Pipeline, LP
1300 Main St.
Houston, TX 77002
Phone: (713) 989-2000

Deal Date: February 17, 2021
Deal ID: 56799

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated 11/01/2009. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller		**Buyer**	
Oasis Pipeline, LP		City Public Service Board of Trustees on Behalf of City of San Antonio	
Deal Maker:	Jennifer Merritt		
ATTN:	Veronica Herrera	ATTN:	Documentation Department
Phone:	7139897907	Phone:	
Email:	ETCConfirmsPipeline@energytransfer.com	Email:	gassupply@cpsenergy.com
Contract No:	880021		

Price: $300.0000 Period: 02/18/2021 - 02/18/2021

Delivery Period: Begin: 02/18/2021 End: 02/18/2021

Performance Obligation: FIRM

Quantity: 50,000 MMBtu / DAY Period: 02/18/2021 - 02/18/2021

If any variable quantity fluctuations are caused by a party's operation of, or the need to operate its natural gas facility(ies) or assets, as the case may be, in a manner that causes variable quantity fluctuations (the "Volumetric Adjustment'), then such party represents to the other party that such Volumetric Adjustment is primarily intended, at the time that the parties enter into the transaction, to address physical factors or regulatory requirements that reasonably influence demand for, or supply of, natural gas.

Delivery Points:

Location: OASIS 1702 RIO NOGALES POWER PLANT Period: 02/18/2021 - 02/18/2021

Special Conditions/Comments:

CPSE Response in Opp to ET MSJ
Exhibit A-169
MDL-2022-CI-02879
exhibitsticker.com

Confirmation Creation Date: 2/18/2021 12:49 PM

Exhibit A-170

Transaction Confirmation

ENERGY TRANSFER

Oasis Pipeline, LP
1300 Main St.
Houston, TX 77002
Phone: (713) 989-2000

Deal Date: February 17, 2021
Deal ID: 56800

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated 11/01/2009. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller		**Buyer**	
Oasis Pipeline, LP		City Public Service Board of Trustees on Behalf of City of San Antonio	
Deal Maker:	Jennifer Merritt		
ATTN:	Veronica Herrera	ATTN:	Documentation Department
Phone:	7139897907	Phone:	
Email:	ETCConfirmsPipeline@energytransfer.com	Email:	gassupply@cpsenergy.com
Contract No:	880021		

Price: $300.0000 Period: 02/18/2021 - 02/18/2021

Delivery Period: Begin: 02/18/2021 End: 02/18/2021

Performance Obligation: FIRM

Quantity: 75,000 MMBtu / DAY Period: 02/18/2021 - 02/18/2021

If any variable quantity fluctuations are caused by a party's operation of, or the need to operate its natural gas facility(ies) or assets, as the case may be, in a manner that causes variable quantity fluctuations (the "Volumetric Adjustment'), then such party represents to the other party that such Volumetric Adjustment is primarily intended, at the time that the parties enter into the transaction, to address physical factors or regulatory requirements that reasonably influence demand for, or supply of, natural gas.

Delivery Points:

Location: OASIS 1483 VALERO/CPS/ SAN ANTONIO Period: 02/18/2021 - 02/18/2021

Special Conditions/Comments:

CPSE Response in Opp to ET MSJ
Exhibit A-170
MDL-2022-CI-02879
exhibitsticker.com

Confirmation Creation Date: 2/18/2021 12:49 PM

Exhibit A-171

Transaction Confirmation

ENERGY TRANSFER

Houston Pipe Line Company LP
1300 Main St
Houston, TX 77002
Phone: (713) 989-2000

Deal Date: February 17, 2021
Deal ID: 56804

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated 02/01/2012. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

Seller		**Buyer**	
Houston Pipe Line Company LP		City Public Service Board of Trustees on Behalf of City of San Antonio	
Deal Maker:	Jennifer Merritt		
ATTN:	Veronica Herrera	ATTN:	Documentation Department
Phone:	7139897907	Phone:	
Email:	ETCConfirmspipeline@energytransfer.com	Email:	gassupply@cpsenergy.com
Contract No:	97001974		

Price: $300.0000 Period: 02/18/2021 - 02/18/2021

Delivery Period: Begin: 02/18/2021 End: 02/18/2021

Performance Obligation: FIRM

Quantity: 35,000 MMBtu / DAY Period: 02/18/2021 - 02/18/2021

If any variable quantity fluctuations are caused by a party's operation of, or the need to operate its natural gas facility(ies) or assets, as the case may be, in a manner that causes variable quantity fluctuations (the "Volumetric Adjustment'), then such party represents to the other party that such Volumetric Adjustment is primarily intended, at the time that the parties enter into the transaction, to address physical factors or regulatory requirements that reasonably influence demand for, or supply of, natural gas.

Delivery Points:

Location: HPL 987357 CPSS/HPL-KARNES BI-DIRECTIONAL Period: 02/18/2021 - 02/18/2021

Special Conditions/Comments:

CPSE Response in Opp to ET MSJ
Exhibit A-171
MDL-2022-CI-02879
exhibitsticker.com

Confirmation Creation Date: 2/18/2021 12:49 PM

Exhibit A-172

Chats (1)

* These details are cross-referenced from this device's contacts

Native Messages (1)

+17133025017 (1)

#		Deleted	*
1	**Name:** +12102752394 **Start Time:** 2/15/2021 12:39:33 AM(UTC-6) **Last Activity:** 1/23/2023 10:40:30 AM(UTC-6) **Number of attachments:** 0 **Source:** Native Messages **Account:** +17133025017 **Source file:** Birddogbitch/mobile/Library/SMS/sms.db : 0x336E890 (Table: chat, message, handle; Size: 86372352 bytes) **Body file:** chat-1.txt **Participants:** +12102752394 Bruce Bordovsky* +17133025017 Brian Riley* (owner)		

From: +12102752394 Bruce Bordovsky
To: +17133025017 Brian Riley (owner)

Hi Brian. Bruce B in SA. Are you up and monitoring the situations tonight?

Participant	Delivered	Read	Played
+17133025017 Brian Riley		2/15/2021 1:38:49 AM(UTC-6)	

Status: Read

2/15/2021 12:39:33 AM(UTC-6)

Source Info:
Birddogbitch/mobile/Library/SMS/sms.db : 0xD7CF64 (Table: message, handle, chat, Size: 86372352 bytes)

CPSE Response in Opp to ET MSJ

Exhibit A-172

MDL-2022-CI-02879

exhibitsticker.com

From: +12102752394 Bruce Bordovsky
To: +17133025017 Brian Riley (owner)

Sorry for the late night texting. Are you available for a little chat?

Participant	Delivered	Read	Played
+17133025017 Brian Riley		2/15/2021 1:38:49 AM(UTC-6)	

Status: Read

2/15/2021 12:42:22 AM(UTC-6)

Source Info:
Birddogbitch/mobile/Library/SMS/sms.db : 0xD7C984 (Table: message, handle, chat; Size: 86372352 bytes)

From: +17133025017 Brian Riley (owner)
To: +12102752394 Bruce Bordovsky

Are you seeing prices

Participant	Delivered	Read	Played
+12102752394 Bruce Bordovsky	2/16/2021 10:24:28 AM(UTC-6)		

Status: Sent

2/16/2021 10:24:27 AM(UTC-6)

Source Info:
Birddogbitch/mobile/Library/SMS/sms.db : 0xE062EA (Table: message, chat, handle; Size: 86372352 bytes)

From: +12102752394 Bruce Bordovsky
To: +17133025017 Brian Riley (owner)

Yes sir

Participant	Delivered	Read	Played
+17133025017 Brian Riley		2/16/2021 10:39:55 AM(UTC-6)	

Status: Read

2/16/2021 10:36:26 AM(UTC-6)

Source Info:
Birddogbitch/mobile/Library/SMS/sms.db : 0xE08A86 (Table: message, handle, chat; Size: 86372352 bytes)

HIGHLY CONFIDENTIAL – ATTORNEY'S EYES ONLY

From: +17133025017 Brian Riley (owner)
To: +12102752394 Bruce Bordovsky

Crazy

Participant	Delivered	Read	Played
+12102752394 Bruce Bordovsky	2/16/2021 10:40:01 AM(UTC-6)		

Status: Sent

2/16/2021 10:40:01 AM(UTC-6)

Source Info:
Birddogbitch/mobile/Library/SMS/sms.db : 0xE0885B (Table: message, chat, handle; Size: 86372352 bytes)

HIGHLY CONFIDENTIAL – ATTORNEY'S EYES ONLY

Exhibit A-173

Sealed

Exhibit A-174

CAUSE NO. MDL 2022CI02879
BEFORE THE DESIGNATED PRETRIAL COURT

IN RE CPS ENERGY GAS SUPPLIER LITIGATION	IN THE DISTRICT COURT OF
	407TH JUDICIAL DISTRICT
Enterprise Products Operating LLC v CPS Energy	BEXAR COUNTY, TEXAS

Transferred from
CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS OPERATING LLC, Plaintiff/Counter-Defendant	IN THE DISTRICT COURT OF
V.	
CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY), Defendant/Counter-Plaintiff	334TH JUDICIAL DISTRICT
	HARRIS COUNTY, TEXAS

****

H I G H L Y C O N F I D E N T I A L

ORAL and VIDEOTAPED DEPOSITION OF

MICHAEL DE LAVAL

JANUARY 10, 2024

****

CPSE Response in Opp to ET MSJ
Exhibit A-174
MDL-2022-CI-02879
exhibitsticker.com

MICHAEL DE LAVAL, was called as a witness by the Defendant/Counter-Plaintiff CPS Energy, taken before Pat English-Arredondo, CSR (TX), RMR, CRR, CLR, a Certified Shorthand Reporter in and for the State of Texas, and duly sworn and reported by machine shorthand with stenographic reporter on Wednesday, the 10th day of January, 2024, from 9:37 a.m. to 4:54 p.m., at the law offices of Yetter Coleman, LLP, 811 Main Street, Suite 4100, Houston, Texas 77002, pursuant to the Texas Rules of Civil Procedure; that the Witness may read and sign said deposition and sign before any Notary Public; and as outlined in the provisions stated on the record or attached hereto.

A P P E A R A N C E S

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tdebauche@doblaw.com

COUNSEL FOR CPS ENERGY IN LITIGATION AGAINST HOUSTON PIPE LINE COMPANY, LP and OASIS PIPELINE, LP:

Ms. Lauren Ditty
Mr. Santosh Aravind (via Zoom)
SCOTT DOUGLASS & McCONNICO, LLP
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Austin, Texas 78701
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Lditty@@scottdoug.com
saravind@scottdoug.com

COUNSEL FOR HOUSTON PIPE LINE COMPANY, LP and OASIS PIPELINE, LP:

Mr. Casey Downing
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811 Main Street, Suite 4100
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Phone: 713.632.8008
Cdowning@yettercoleman.com

ALSO PRESENT:

Mr. Adam Kiehne, CPS (via Zoom)
Mr. David Rivela, CPS (via Zoom)
Mr. Lario Albarran, Enterprise (via Zoom)

VIDEOGRAPHER:

Mr. Brian James

CERTIFIED STENOGRAPHIC COURT REPORTER:

Ms. Pat English-Arredondo
CSR (TX), RMR, CRR, CLR

that's one thing. 11:23:14

I mean, they could have actually maybe 11:23:15
bought more gas and put it into storage if they 11:23:18
hadn't -- if they didn't top it off. You know, it's the 11:23:20
typical -- you go around and ask suppliers, you know, 11:23:28
what they have available. 11:23:30

Q. (By Ms. Ditty) And did CPS do that, go around 11:23:36
and ask suppliers what they had available on February 8? 11:23:38

MR. DOWNING: Object to form. 11:23:42

A. Oh, I'm sure they did for their normal course, 11:23:43
yeah. If they would have bought first of the month 11:23:46
index gas, they wouldn't have had to do that, would 11:23:49
they? They would have firm gas already. 11:23:52

Q. (By Ms. Ditty) Is it your opinion that CPS 11:23:56
Energy should buy? I think you're referring to baseload 11:24:00
gas. Am I right? 11:24:05

A. Say again. 11:24:06

Q. Are you referring to baseload gas? 11:24:08

A. Yes, ma'am. 11:24:10

Q. So is it your opinion that CPS Energy should 11:24:11
meet its full demand requirements through baseload gas? 11:24:14

A. Absolutely not. 11:24:16

Q. So how much baseload gas should CPS have 11:24:16
procured for the month of February? 11:24:19

A. It depends. The way you do that assessment is 11:24:20

you take a look at historical winters or months and things like that, take a look at the breakdown between generation and distribution load, how much volatility is around that and -- you know, you can say averages, whatever you want to do. 11:24:26 11:24:31 11:24:33 11:24:37 11:24:40

There are numerous ways you can do that and try to secure a large portion of what, let's say, that average is at a first-of-the-month price, in my opinion. Perhaps 90 percent of that average. If you want to be a little more -- 80 percent, if you want to be a little more conservative. 11:24:41 11:24:43 11:24:48 11:24:51 11:24:54 11:24:56

But something like that. A different program. I certainly wouldn't put 80 percent in the swing market. 11:24:57 11:24:59 11:25:03

Q. And at what point do the decisions about how much baseload gas to purchase have to be made? 11:25:03 11:25:06

A. Before the beginning of the month. 11:25:09

Q. January 25 for February 2021? 11:25:13

A. Bid week. 11:25:17

Q. During bid week. 11:25:18

And so what information was available during bid week in January 2021 that, in your opinion, should have indicated to CPS Energy the need to buy more baseload gas than historically due for February? 11:25:19 11:25:21 11:25:25 11:25:30

MR. DOWNING: Object to form. 11:25:36

A. Can you say that again? I'm sorry. You caught me for a loop there. 13:33:21 13:33:23

Q. (By Ms. Ditty) How would the review of CPS Energy's natural gas purchasing strategy help the fact-finder in this case determine whether the prices Energy Transfer charged were excessive? 13:33:23 13:33:26 13:33:28 13:33:31

MR. DOWNING: Object to form. 13:33:34

A. Regarding the individual prices, I think that's a separate issue. This is -- has more to say about the amount of risk that CPS inherently keeps in their book with their contracting strategy. 13:33:36 13:33:41 13:33:45 13:33:53

So it goes to the fact that, but for this, a lot of that daily gas wouldn't have been purchased. So I think that's how it's helpful. 13:33:57 13:34:01 13:34:06

Q. (By Ms. Ditty) But these specific opinions about their risk strategy don't go toward the determination of whether a price is excessive or not. Right? That's separate? 13:34:08 13:34:09 13:34:12 13:34:16

A. That's separate. Correct. 13:34:17

Q. Let's talk a little bit more about some of your risk management opinions. So one of the areas of analysis that you list below here in Paragraph 84 is "Analysis of historic baseload purchases versus swing gas purchases." Right? 13:34:26 13:34:27 13:34:29 13:34:32 13:34:38

A. Yes, ma'am. 13:34:39

to offload that gas, it would be offloading it into a low demand market. Right? 13:52:09 13:52:13

MR. DOWNING: Object to form. 13:52:15

A. Perhaps. It depends if they can move that gas somewhere else, where it's got higher demand. It would also depend -- it wouldn't even matter if it a low demand market, for instance, if they had bought the baseload first-of-the-month gas at a cheap price, call it $2. Right? 13:52:17 13:52:20 13:52:25 13:52:28 13:52:31 13:52:34

And throughout the month, even though the demand is low, the market has just moved up to 2.10. I mean, they could still make money on it. Right? 13:52:35 13:52:37 13:52:41

Q. (By Ms. Ditty) And is CPS Energy in the business of making money? 13:52:43 13:52:44

MR. DOWNING: Object to form. 13:52:47

A. CPS Energy is concerned about -- I mean, the first page of their risk policies talk about price risk. So are they speculators? No. 13:52:49 13:52:54 13:53:00

Q. (By Ms. Ditty) Let's turn to Paragraph 91. Sorry. One more follow-up. 13:53:27 13:53:40

If CPS Energy had purchased more baseload gas in January of 2021, there is no guarantee that that gas would have arrived. Correct? 13:53:42 13:53:46 13:53:49

MR. DOWNING: Object to form. 13:53:52

A. I can only speak to the gas that Energy 13:53:53

Transfer provided them, and I don't think they force-majeured on anything. I think they delivered all of them. Everything. 13:54:02 13:54:05 13:54:07

Q. (By Ms. Ditty) So setting aside Energy Transfer specific, if CPS Energy had purchased more baseload gas in January 2021, would it have been guaranteed to flow during Winter Storm Uri? 13:54:08 13:54:12 13:54:15 13:54:19

A. Of course not. But neither would daily gas. 13:54:21

Q. In putting together your opinions about baseload gas, did you investigate the extent to which baseload gas was cut or reduced during Uri? 13:54:25 13:54:27 13:54:30

A. I've read a lot of different reports on that, the University of Texas study. There are numerous ones out there dealing with cuts and things like that. They were significant. There is no doubt. 13:54:34 13:54:37 13:54:41 13:54:49

Q. Do you have a sense of whether it was more likely for baseload gas to get cut versus gas bought on the spot market? 13:54:50 13:54:52 13:54:57

A. Well, if they are both firm, on firm transport, probably not. 13:54:58 13:55:00

Q. But did you investigate whether there was a greater likelihood of baseload getting cut as opposed to spot market gas getting cut during Uri? 13:55:03 13:55:05 13:55:12

A. No, but I would say that more than likely the baseload is going to flow first, especially on its firm, 13:55:12 13:55:15

you're trying to go with here. 13:56:51

Q. (By Ms. Ditty) Well, my question is, there is no way to guarantee through baseload contracts that you would not have hd to purchase gas on the spot market during Winter Storm Uri. Correct? 13:56:52 13:56:53 13:56:57 13:57:00

A. Well, I agree with that. 13:57:01

Q. And this case is about price, not volume. Correct? 13:57:05 13:57:08

MR. DOWNING: Object to form. 13:57:12

A. It's about dollars. Right? So it's volume times price. Notional. 13:57:13 13:57:18

Q. (By Ms. Ditty) CPS Energy is challenging the prices that Energy Transfer charged. Correct? 13:57:20 13:57:22

A. Right. But the way they are doing that is the invoice and the invoice is a calculation of notional. 13:57:24 13:57:27

Q. I think you're already flipped to Paragraph 91. That's where I want to go next. 13:57:41 13:57:43

A. Okay. 13:57:45

Q. This is your opinion about CPS Energy's inter-month hedging strategy. Right? 13:57:46 13:57:49

A. Yes. 13:57:52

Q. And your opinion is that it's intra-month hedging strategy was inadequate. Is that correct? 13:57:54 13:57:57

A. Yes. 13:58:01

Q. Is your opinion limited to CPS Energy's 13:58:02

into account things like withdrawal limits and injection limits. Correct? 15:27:51 15:27:55

MR. DOWNING: Object to form. 15:27:57

A. You're talking about storage? 15:27:58

Q. (By Ms. Ditty) Yes. 15:28:00

A. When I was talking about alternatives, I was talking about alternative fuels a couple of minutes ago, so that's why I'm confused. 15:28:00 15:28:02 15:28:05

Q. I'm confused about, then, how storage is relevant to the fact-finders, the valuation of whether the prices Energy Transfer charged were excessive. How is storage relevant to that? 15:28:07 15:28:09 15:28:13 15:28:17

A. Well, if you've got gas sitting in the ground, right, and you're pulling it out at a cheap price, that's less gas that they had to buy from Energy Transfer. 15:28:19 15:28:22 15:28:25 15:28:27

Q. And any assessment of that would need to take into consideration withdrawal limits. Correct? 15:28:27 15:28:30

A. Absolutely. 15:28:33

Q. And transportation limits to move that gas out of storage. Right? 15:28:36 15:28:40

A. Sure. 15:28:40

Q. So, again, your opinion about storage is related to the amount of volume that CPS would need to buy from the spot market, not about the excessiveness of 15:28:50 15:28:53 15:28:57

the price. Correct? 15:29:01

MR. DOWNING: Object to form. 15:29:02

A. I think that's -- I think that's a decent way of saying it, yes. 15:29:03 15:29:07

Q. (By Ms. Ditty) So I have the same question about what we were discussing with hedging. So how would your opinion with respect to CPS Energy's inter-month hedging strategy help the fact-finder to determine whether the prices Energy Transfer charged were excessive? 15:29:28 15:29:30 15:29:32 15:29:39 15:29:41 15:29:44

MR. DOWNING: Object to form. 15:29:45

A. The absolute price, if they were just looking at the price of the transaction to the fact-finder to say if it's excessive or not, it wouldn't. 15:29:48 15:29:54 15:29:58

What it does do is -- what it does do is -- I don't think if CPS would have hedged a large amount of that daily swing gas we would even be sitting here today, frankly. 15:30:05 15:30:09 15:30:14 15:30:17

Q. (By Ms. Ditty) Do you understand that whether or not a price is unconscionable or not is evaluated based on the circumstances at the time of contracting? 15:30:22 15:30:24 15:30:27

MR. DOWNING: Object to form. 15:30:32

A. That seems like a legal interpretation, so I'm not a lawyer so... 15:30:33 15:30:37

Q. (By Ms. Ditty) How would CPS Energy's hedging 15:30:40

CAUSE NO. MDL 2022CI02879
BEFORE THE DESIGNATED PRETRIAL COURT

IN RE CPS ENERGY GAS SUPPLIER LITIGATION	:	IN THE DISTRICT COURT OF
	:	
	:	407TH JUDICIAL DISTRICT
Enterprise Products Operating LLC v CPS Energy	:	BEXAR COUNTY, TEXAS

Transferred from
CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS OPERATING LLC,	:	IN THE DISTRICT COURT OF
	:	
Plaintiff/Counter-Defendant	:	
	:	
V.	:	
	:	
CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY),	:	334TH JUDICIAL DISTRICT
	:	
	:	
Defendant/Counter-Plaintiff	:	HARRIS COUNTY, TEXAS

****

HIGHLY CONFIDENTIAL
REPORTER'S CERTIFICATION TO THE
ORAL and VIDEOTAPED DEPOSITION OF
MICHAEL DE LAVAL
JANUARY 10, 2024

****

I, Pat English-Arredondo, CSR, RMR, CRR, Certified Shorthand Reporter in and for the State of Texas, hereby certify to the following:

that the witness, MICHAEL DE LAVAL, was duly sworn by the officer and that the transcript of the oral deposition is a true record of the testimony given by the witness;

That the deposition transcript was submitted on January 22, 2024 to the attorney, MR. CASEY DOWNING, to forward to MICHAEL DE LAVAL, for examination and return to PLANET DEPOS by February 11, 2024;

that pursuant to information given to the deposition officer at the time said testimony was taken, the following includes counsel for all parties of record and the amount of time used by each party at the deposition:

Lauren Ditty - 5 Hours, 35 Minutes

I further certify that I am neither counsel for, related to, nor employed by any of the parties or attorneys in the action in which this proceeding was taken, and further that I am not financially or otherwise interested in the outcome of the action.

Further certification requirements pursuant to Rule 203 of TRCP will be certified to after they have occurred.

Certified to by me this 17th day of January, 2024.

Pat English-Arredondo

Pat English-Arredondo, Texas CSR 3828
CSR Expiration: 04/30/2024

Independent Affiliate Reporter for:
Planet Depos
451 Hungerford Drive, Suite 400
Rockville, Maryland 20850
Phone: 888.433.3767
Www.planetdepos.com

Job No: 519145

FURTHER CERTIFICATION UNDER RULE 203 TRCP

The original deposition of MICHAEL DE LAVAL was/was not returned to the deposition officer on or before February 9, 2024. If returned after the stipulated date, the original deposition was returned on _____;

If returned, the attached "Changes and Corrections" page contains any changes and the reasons therefor;

If returned, the original deposition was delivered to MS. LAUREN DITTY, Custodial Attorney;

That $ 3,595.90 is the deposition officer's charges to MS. LAUREN DITTY, attorney for DEFENDANT/COUNTER-PLAINTIFF CPS ENERGY, for preparing the original deposition transcript and any copies of exhibits;

That the deposition was delivered in accordance with Rule 203.3, and that a copy of this certificate was served on all parties shown herein and filed with the Clerk.

Certified to by me this 17th day of January, 2024.

Pat English-Arredondo
_____

Pat English-Arredondo, Texas CSR 3828
CSR Expiration: 04/30/2024

Independent Affiliate Reporter for:
Planet Depos
451 Hungerford Drive, Suite 400
Rockville, Maryland 20850
Phone: 888.433.3767
Www.planetdepos.com

Job No: 519145

Exhibit A-175

MDL Master File No. 2022 CI 02879

IN RE CPS ENERGY LITIGATION	)	IN THE DISTRICT COURT OF
	)	BEXAR COUNTY, TEXAS
	)	407th JUDICIAL DISTRICT

Cause No. 2021-CI-05138

CPS ENERGY,	)	IN THE DISTRICT COURT OF
v.	)	BEXAR COUNTY, TEXAS
HOUSTON PIPELINE COMPANY, LP and OASIS PIPELINE, LP,	)	407th JUDICIAL DISTRICT

****

ORAL VIDEOTAPED DEPOSITION OF

DR. JEFFREY BASARA

March 29, 2023

****

ORAL DEPOSITION of DR. JEFFREY BASARA, produced as a witness at the instance of the Defendant, and duly sworn, was taken in the above-styled and numbered cause on the 29TH day of March 2023, from 10:10 A.M. to 3:57 P.M., before Christy Nowotny, CSR, CVR-CM in and for the State of Texas, reported by stenographic means at the offices of Chasnoff Mungia Valkenaar Pepping & Stribling, LLP, 1020 Northeast Loop 410, Suite 150, San Antonio, Texas 78209, pursuant to the Texas Rules of Civil Procedure and the provisions stated on the record or attached hereto.



A P P E A R A N C E S

FOR CPS ENERGY:

MR. SANTOSH ARAVIND
MS. LAUREN DITTY (VIA ZOOM)
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Austin, Texas 78701
(512)495-6300
E-mail: saravind@scottdoug.com

MR. RICK ROSENBLUM
MR. DYLAN FEDDERMAN (VIA ZOOM)
CHASNOFF MUNGIA VALKENAAR PEPPING & STRIBLING, LLP
1020 Northeast Loop 410, Suite 150
San Antonio, Texas 78209
(210)469-4155
E-mail: rrosenblum@chasnoffstribling.com

FOR DEFENDANTS HOUSTON PIPELINE COMPANY, LP AND OASIS PIPELINE, LP:

MR. ALI SHAN ALI BHAI
MR. CASEY DOWNING (VIA ZOOM)
YETTER COLEMAN, LLP
811 Main Street, Suite 4100
Houston, Texas 770072
(713)632-8000
E-mail: asalibhai@yettercoleman.com

FOR DEFENDANTS ENTERPRISE PRODUCTS OPERATING, LP:

MR. JARED MCHAZLETT
DOBROWSKI STAFFORD, LLP
4601 Washington Avenue, Suite 300
Houston, Texas 77007
(713)659-2900
E-mail: jmchazlett@doblaw.com

THERE ALSO BEING PRESENT:

MR. ADAM KIHENE (VIA ZOOM), CPS IN-HOUSE COUNSEL
MR. CADE HILL, VIDEO TECHNICIAN

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Q. And so is it okay with you is -- if I refer to it as Winter Storm Yuri or the February 2021 winter storm as opposed to CAO throughout the course of this deposition?

A. Yes, but I would appreciate that we do not use Yuri.

Q. What makes it different?

A. That -- that is -- because technically that is a media term for the events rather than a technical or scientific term for the events.

Q. Understood. So just for the -- keep things simple, I'll refer to it as a CAO and the February 2021 winter storm; does that sound good?

A. That sounds good.

Q. Okay. Great. So the first major category of opinion that you provide is that the February 2021 winter storm was unprecedented in the climatological record when you consider the combined attributes of its intensity, duration, and precipitation accumulation; is that right?

A. That is correct.

Q. And it's your opinion that this type of event would only happen 1 in every 314,432 years or .00032 percent in any given year; is that right?

A. That is the probabilistic, uhm, occurrence based on the available climate record, but I think it's also very fair to say that this would happen less than once in a lifetime.

MR. ARAVIND: I think it's .00032.

THE WITNESS: Yeah.

MR. ALI BHAI: Thank you.

A. Beyond historic times.

Q. (By Mr. Ali Bhai) Understand. Next in your report you catalog forecasts and warnings provided by the National Weather Service and the National Oceanic and Atmospheric Administration; correct?

A. That is correct.

Q. And it's your opinion and analysis that neither of these services identified a historic cold air event -- cold air outbreak -- I'm sorry -- in the southern Great Plains before January 25, 2021; correct?

A. That is correct.

Q. And then you go on to say that the first mention of such an event entering San Antonio only was communicated at the earliest by the National Weather Service on February 5th, 2021; is that correct?

A. That is correct. That is the first time in the forecast discussions at the National Weather Service office here that represents San Antonio and Austin made reference to a -- cold air or cold air outbreak occurring in this region.

Q. Next, your report opines that based on the uncertainty with respect to the timing, intensity, and duration as well as other factors like precipitation accumulation in tandem with the limited confidence based decision-making due to

the forecast process, that actionable forecasts were not reliable with respect to the February 2021 winter storm until February 11th, 2021; is that correct?

A. That is correct, and I will say that this -- the -- the challenge was confidence in the outcome. For example, in the timeline in the report on -- on the 10th of February it is mentioned by the National Weather Service that they could have subfreezing temperatures for 20 -- 24 to 30 hours approximately. That is approximately two days before the event started, and the event ended up having 107 hours below freezing. So that is a very good representation of a lack of confidence for, not just a winter weather event, but a historic extreme severe winter weather event.

Q. Understood. You go on to say that the urgent messaging about the life-threatening nature of this event was not publicly communicated until February 12th, 2021; is that correct?

A. That is correct. That is what the office -- the weather forecast office here -- the National Weather Service weather forecast office here representing San Antonio and Austin began the urgent messaging to essentially its stakeholders, which is the public, and then all other sectors as well, yes.

Q. You move on then to provide an analysis of CPS Energy's specific weather analytics with respect to the

but in this region, yes, that is correct.

Q. Understood. At the top of page 13 you write, "Thus while individual weather events may occur that deviate from the pattern, the seasonal conditions often resemble the climatological pattern forced by La Niña." Do you see that?

A. Yes.

Q. So it acknowledges that while there may be deviations, generally the temperatures will be warmer in the San Antonio area as result of La Niña; right?

A. Yes.

Q. You then go on to catalog forecasts and warnings provided by the National Weather Service and the National Oceanic -- the NOAA -- I do not remember the acronym at this time, but that's essentially what you're doing at this part of the report; right?

A. Yes.

Q. Okay.

A. For the record, the National Weather Service is under NOAA, which is the -- which is the parent government agency for the National Weather Service.

Q. Understood. Uhm, your main point on page 14 is that by the end of January, according to NOAA and the NWS, there seemed to be no sign that there would be a cold air outbreak in February 2021; is that fair?

A. That is correct.

CHANGES AND SIGNATURE

Dep. Date: 03/29/2023

Deponent: Dr. Jeffrey Basara

Pg.	Ln.	Now reads	Should read	Reason
12	4	there	they're	
17	22	inequably	arguably	
24	4	Yuri	Uri	
54	4	Their	They are	
148	6	claimant	climate	

I, DR. JEFFREY BASARA, have read the foregoing deposition and hereby affix my signature that same is true and correct, except as noted above.

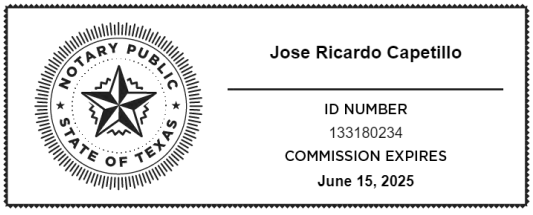
Jeffrey Brent Basara
_____
DR. JEFFREY BASARA
THE STATE OF Texas)

COUNTY OF Bexar County)

Before me, Jose Ricardo Capetillo, on this day personally appeared DR. JEFFREY BASARA, known to me (or proved to me under oath or through U.S. Passport) (description of identity card or other document) to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 2nd day of May, 2023.

_____
Notary Public in and for
The State of Texas



Notarized online using audio-video communication

MDL Master File No. 2022 CI 02879

	)	IN THE DISTRICT COURT OF
	)	
IN RE CPS ENERGY LITIGATION	)	BEXAR COUNTY, TEXAS
	)	
	)	407th JUDICIAL DISTRICT

Cause No. 2021-CI-05138

CPS ENERGY,	)	IN THE DISTRICT COURT OF
	)	
v.	)	BEXAR COUNTY, TEXAS
	)	
HOUSTON PIPELINE COMPANY, LP and OASIS PIPELINE, LP,	)	407th JUDICIAL DISTRICT

****

REPORTER'S CERTIFICATION
DEPOSITION OF DR. JEFFREY BASARA
MARCH 29, 2023

I, Christy Nowotny, Certified Shorthand Reporter in and for the State of Texas, hereby certify to the following:

That the witness, DR. JEFFREY BASARA, was duly sworn by the officer and that the transcript of the oral deposition is a true record of the testimony given by the witness;

That the deposition transcript was submitted on 4-17, 2023, to the witness or to the attorney for the witness for examination, signature, and return to Esquire Deposition Solutions by 5-14, 2023;

That the amount of time used by each party at the deposition is as follows:

Santosh Aravind - 0 Hours: 0 Minutes
Rick Rosenblum - 0 Hours: 0 Minutes
Ali Shan Ali Bhai - 2 Hours: 16 Minutes
Joseph Q. Wood - 1 Hours: 37 Minutes

That pursuant to information given to the deposition officer at the time said testimony was taken, the following includes counsel for all parties of Record:

MR. SANTOSH ARAVIND AND MS. LAUREN DITTY
SCOTT DOUGLASS & MCCONNICO, LLP
303 Colorado Street, Suite 2400
Austin, Texas 78701

MR. RICK ROSENBLUM AND MR. DYLAN FEDDERMAN
CHASNOFF MUNGIA VALKENAAR PEPPING & STRIBLING, LLP
1020 Northeast Loop 410, Suite 150
San Antonio, Texas 78209

MR. ALI SHAN ALI BHAI AND MR. CASEY DOWNING
YETTER COLEMAN, LLP
811 Main Street, Suite 4100
Houston, Texas 77002

MR. JARED MCHAZLETT
DOBROWSKI STAFFORD, LLP
4601 Washington Avenue, Suite 300
Houston, Texas 77007

I further certify that I am neither counsel for, related to, nor employed by any of the parties or attorney in the action in which this proceeding was taken, and further that I am not financially or otherwise interested in the outcome of the action.

Further certification requirements pursuant to Rule 203 TRCP will be certified to after they have occurred.

Sworn to by me this 17th day of April, 2023.

Christy Nowotny

Christy Nowotny, Texas CSR (11536), CVR-CM
Expiration Date: 03-31-24
Esquire Deposition Solutions
Firm Registration No. 286
1700 Pacific Avenue, Suite 1000
Dallas, Texas 75204

FURTHER CERTIFICATION UNDER RULE 203.3 TRCP

The original deposition was/was not returned to the deposition officer on 5-2-23;

If returned, the attached Changes and Signature page contains any changes and the reasons therefor;

If returned, the original deposition was delivered to Mr. Ali Shan Ali Bhai, Custodial Attorney;

That $1943.50 is the deposition officer's charges to the Defendant for preparing the original deposition transcript and any copies of exhibits;

That the deposition was delivered in accordance with Rule 203.3, and that a copy of this certificate was served on all parties shown herein on and filed with the Clerk.

Certified to me this 3rd day of May, 2023.

Christy Nowotny

Christy Nowotny, Texas CSR (11536), CVR-CM
Expiration Date: 03-31-24
Esquire Deposition Solutions
Firm Registration No. 286
1700 Pacific Avenue, Suite 1000
Dallas, Texas 75204

Exhibit A-176

Sealed

Exhibit A-177

CPSE Response in Opp to ET MSJ
Exhibit A-177
MDL-2022-CI-02879
exhibitsticker.com

Sales Invoice

Remit To:
Houston Pipe Line Company LP
PO Box 204317
Dallas, TX 75320-4317

Bank: Wells Fargo Bank
Acct #: 2079900565247
ABA: 121000248

Contact: Houston Accounting (invoice)
Telephone: 713-989-2338
Email: DISTRO_DEPT_ACCOUNTING_HOU@energytransfer.com

Bill To:
City Public Service Board of Trustees on Behalf of City of San Antonio
145 Navarro St
San Antonio, TX 78205-2934

Bank:
Acct #:
ABA:

Contact: Bruce Bordovsky (Payments)
Telephone:
Email: babordovsky@cpsenergy.com

Contract Party: City Public Srvc Brd of SA
Invoice Number: HS202102102327
Invoice Date: 3/22/2021
Delivery Period: February 2021

SAP Vendor:
SAP Customer: 1000005510

Due Date: 3/25/2021

Payment Method: WIR
Short Name: City Public Srvc Brd of SA

Pipeline	Prod Period	Description	Tier	Contract	Deal #	Meter	MMBTU	Rate	Amount Due
HPL	02/2021	PRODUCT		97001974	55623	987357 CPSS/HPL-KARNES BI-	50,000	$14.000	$700,000.00
HPL	02/2021	PRODUCT		97001974	55831	987357 CPSS/HPL-KARNES BI-	50,000	$30.000	$1,500,000.00
HPL	02/2021	PRODUCT		97001974	55958	987357 CPSS/HPL-KARNES BI-	200,000	$225.00	$45,000,000.00
HPL	02/2021	PRODUCT		97001974	56819	987357 CPSS/HPL-KARNES BI-	79,644	$500.00	$39,822,000.00
HPL	02/2021	PRODUCT		97001974	56804	987357 CPSS/HPL-KARNES BI-	35,000	$300.00	$10,500,000.00
HPL	02/2021	PRODUCT		97001974	56019	987342 HOUSTON SHIP CHANNEL HUB	38,467	$150.00	$5,770,050.00
HPL	02/2021	PRODUCT		97001974	56026	987342 HOUSTON SHIP CHANNEL HUB	40,000	$150.00	$6,000,000.00
Total HPL							493,111		$109,292,050.00
OASIS	02/2021	PRODUCT		97001974	55983	OASIS KAT OASIS KATY	38,214	$180.00	$6,878,520.00
OASIS	02/2021	PRODUCT		97001974	55986	OASIS KAT OASIS KATY	38,213	$180.00	$6,878,340.00

HIGHLY CONFIDENTIAL – ATTORNEY'S EYES ONLY

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SAP Customer: 1000005510

Due Date: 3/25/2021

Payment Method: WIR
Short Name: City Public Srvc Brd of SA

Pipeline	Prod Period	Description	Tier	Contract	Deal #	Meter	MMBTU	Rate	Amount Due
OASIS	02/2021	PRODUCT		97001974	57029	OASIS KAT OASIS KATY	10,000	$50.000	$500,000.00
Total OASIS							86,427		$14,256,860.00
TOTALS							**579,538 MMbtu**		**$123,548,910.00**

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Pipeline	Start	End	Description	Tier	Contract	Deal #	Meter	MMBTU	Rate	Amount Due
HPL	02/11/2021	02/11/2021	PRODUCT		97001974	55623	987357	50,000	$14.000	$700,000.00
HPL	02/11/2021	02/11/2021	PRODUCT		97001974	55831	987357	50,000	$30.000	$1,500,000.00
HPL	02/13/2021	02/13/2021	PRODUCT		97001974	56019	987342	10,000	$150.000	$1,500,000.00
HPL	02/13/2021	02/13/2021	PRODUCT		97001974	56026	987342	10,000	$150.000	$1,500,000.00
HPL	02/13/2021	02/13/2021	PRODUCT		97001974	55958	987357	50,000	$225.000	$11,250,000.00
HPL	02/14/2021	02/14/2021	PRODUCT		97001974	56019	987342	10,000	$150.000	$1,500,000.00
HPL	02/14/2021	02/14/2021	PRODUCT		97001974	56026	987342	10,000	$150.000	$1,500,000.00

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SAP Customer: 1000005510

Due Date: 3/25/2021

Payment Method: WIR
Short Name: City Public Srvc Brd of SA

Pipeline	Start	End	Description	Tier	Contract	Deal #	Meter	MMBTU	Rate	Amount Due
HPL	02/14/2021	02/14/2021	PRODUCT		97001974	55958	987357	50,000	$225.000	$11,250,000.00
HPL	02/15/2021	02/15/2021	PRODUCT		97001974	56019	987342	8,467	$150.000	$1,270,050.00
HPL	02/15/2021	02/15/2021	PRODUCT		97001974	56026	987342	10,000	$150.000	$1,500,000.00
HPL	02/15/2021	02/15/2021	PRODUCT		97001974	55958	987357	50,000	$225.000	$11,250,000.00
HPL	02/16/2021	02/16/2021	PRODUCT		97001974	56019	987342	10,000	$150.000	$1,500,000.00
HPL	02/16/2021	02/16/2021	PRODUCT		97001974	56026	987342	10,000	$150.000	$1,500,000.00
HPL	02/16/2021	02/16/2021	PRODUCT		97001974	55958	987357	50,000	$225.000	$11,250,000.00

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Payment Method: WIR
Short Name: City Public Srvc Brd of SA

Pipeline	Start	End	Description	Tier	Contract	Deal #	Meter	MMBTU	Rate	Amount Due
HPL	02/17/2021	02/17/2021	PRODUCT		97001974	56819	987357	79,644	$500.000	$39,822,000.00
HPL	02/18/2021	02/18/2021	PRODUCT		97001974	56804	987357	35,000	$300.000	$10,500,000.00
					Total HPL			493,111		$109,292,050.

HIGHLY CONFIDENTIAL – ATTORNEY'S EYES ONLY

Sales Invoice



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PO Box 204317
Dallas, TX 75320-4317

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Email: DISTRO_DEPT_ACCOUNTING_HOU@energytransfer.com

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City Public Service Board of Trustees on Behalf of City of San Antonio
145 Navarro St
San Antonio, TX 78205-2934

Bank:
Acct #:
ABA:

Contact: Bruce Bordovsky (Payments)
Telephone:
Email: babordovsky@cpsenergy.com

Contract Party: City Public Srvc Brd of SA
Invoice Number: HS202102102327
Invoice Date: 3/22/2021
Delivery Period: February 2021

SAP Vendor:
SAP Customer: 1000005510

Due Date: 3/25/2021

Payment Method: WIR
Short Name: City Public Srvc Brd of SA

Pipeline	Start	End	Description	Tier	Contract	Deal #	Meter	MMBTU	Rate	Amount Due
OASIS	02/13/2021	02/13/2021	PRODUCT		97001974	55983	OASIS KAT	10,000	$180.000	$1,800,000.00
OASIS	02/13/2021	02/13/2021	PRODUCT		97001974	55986	OASIS KAT	10,000	$180.000	$1,800,000.00
OASIS	02/14/2021	02/14/2021	PRODUCT		97001974	55983	OASIS KAT	10,000	$180.000	$1,800,000.00
OASIS	02/14/2021	02/14/2021	PRODUCT		97001974	55986	OASIS KAT	10,000	$180.000	$1,800,000.00
OASIS	02/15/2021	02/15/2021	PRODUCT		97001974	55983	OASIS KAT	8,214	$180.000	$1,478,520.00
OASIS	02/15/2021	02/15/2021	PRODUCT		97001974	55986	OASIS KAT	8,213	$180.000	$1,478,340.00
OASIS	02/16/2021	02/16/2021	PRODUCT		97001974	55983	OASIS KAT	10,000	$180.000	$1,800,000.00

HIGHLY CONFIDENTIAL – ATTORNEY'S EYES ONLY

Sales Invoice

ENERGY TRANSFER

Remit To:
Houston Pipe Line Company LP
PO Box 204317
Dallas, TX 75320-4317

Bank: Wells Fargo Bank
Acct #: 2079900565247
ABA: 121000248

Contact: Houston Accounting (invoice)
Telephone: 713-989-2338
Email: DISTRO_DEPT_ACCOUNTING_HOU@energytransfer.com

Bill To:
City Public Service Board of Trustees on Behalf of City of San Antonio
145 Navarro St
San Antonio, TX 78205-2934

Bank:
Acct #:
ABA:

Contact: Bruce Bordovsky (Payments)
Telephone:
Email: babordovsky@cpsenergy.com

Contract Party: City Public Srvc Brd of SA
Invoice Number: HS202102102327
Invoice Date: 3/22/2021
Delivery Period: February 2021

SAP Vendor:
SAP Customer: 1000005510

Due Date: 3/25/2021

Payment Method: WIR
Short Name: City Public Srvc Brd of SA

Pipeline	Start	End	Description	Tier	Contract	Deal #	Meter	MMBTU	Rate	Amount Due
OASIS	02/16/2021	02/16/2021	PRODUCT		97001974	55986	OASIS KAT	10,000	$180.000	$1,800,000.00
OASIS	02/19/2021	02/19/2021	PRODUCT		97001974	57029	OASIS KAT	10,000	$50.000	$500,000.00
					Total OASIS			86,427		$14,256,860.0

Commodity Total **579,538 MMbtu** **$123,548,910.00**

HIGHLY CONFIDENTIAL – ATTORNEY'S EYES ONLY

Exhibit A-178

CAUSE NO. MDL 2022 CI 02879

	§	IN THE DISTRICT COURT
	§	
In re CPS ENERGY LITIGATION	§	
	§	407TH JUDICIAL DISTRICT
	§	
	§	
	§	BEXAR COUNTY, TEXAS

CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS OPERATING, LLC,	§	IN THE DISTRICT COURT
	§	
Plaintiff,	§	
	§	
vs.	§	334TH JUDICIAL DISTRICT
	§	
CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY),	§	
	§	
	§	
Defendant.	§	HARRIS COUNTY, TEXAS

ORAL AND VIDEOTAPED DEPOSITION OF

PAULA GOLD-WILLIAMS

OCTOBER 3, 2022

ORAL AND VIDEOTAPED DEPOSITION OF PAULA GOLD-WILLIAMS, produced as a witness at the instance of the Plaintiff, Enterprise Products Operating, LLC, and duly sworn, was taken in the above-styled and numbered cause on the 3rd day of October 2022 from 10:00 a.m. to 6:01 p.m., before Marcy Clark, CSR in and for the State of Texas, reported by computerized stenotype machine, at the offices of Chasnoff Mungia Valkenaar Pepping & Stribling, LLP, 1020 N.E. Loop 410, 3rd Floor Conference Room, San Antonio, Texas 78209, pursuant to the Texas Rules of Civil Procedure and the provisions stated on the record or attached hereto.

CPSE Response in Opp to ET MSJ
Exhibit A-178
MDL-2022-CI-02879
exhibitsticker.com

APPEARANCES

ON BEHALF OF PLAINTIFF, ENTERPRISE PRODUCTS OPERATING, LLC:

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Thomas "Tal" DeBauche, Esq. (Via Zoom)
John A. Garza, Esq. (Via Zoom)
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akiehne@cpsenergy.com

THE VIDEOGRAPHER:

Terry Lindemann

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Exhibit 64	Email from Jimmy Kuo to Paula Gold-Williams, et al., dated 1/27/2021 with attachments (CPSE-MDL_000012894-000012897) Confidential (PREVIOUSLY MARKED)	18
Exhibit 108	Text message chain dated 2/15/2021 (CPSE-MDL_000010155) Attorneys Eyes Only (PREVIOUSLY MARKED)	40
Exhibit 116	CPS Energy - Energy Markets & Risk Management Policy Effective January 31, 2021 (CPSE-MDL_000021218-000021234) Attorneys Eyes Only	52
Exhibit 117	CPS Energy Press Release dated 2/10/2021 (CPS_EPO_00001271-00001274)	64

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Exhibit 118	CPS Energy - CEO's Report Feb. 2021 Extreme Weather Event Informational Update (CPSE-MDL_000014209-000014240) Attorneys Eyes Only	68
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Exhibit 107	City of San Antonio Community Emergency Preparedness Committee Report dated 6/24/2021 (CPS_EPO_00001628-00001673) Confidential (PREVIOUSLY MARKED)	159
Exhibit 33	Rule 15c2-12 Filing Cover Sheet with attached Voluntary Event Notice dated 3/30/2021 (CPSE-MDL_000018766-000018777) Confidential (PREVIOUSLY MARKED)	160
Exhibit 127	San Antonio Express-News article titled "CPS Energy - and ratepayers - owe $1 billion in winter storm bills"	165

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P R O C E E D I N G S

THE VIDEOGRAPHER: On the record, 10:00 a.m.

PAULA GOLD-WILLIAMS,

having been first duly sworn, testified as follows:

EXAMINATION

BY MR. DOBROWSKI:

Q Good morning. Would you please state your name for the record.

A Paula Gold-Williams.

Q Okay. Ms. Williams, have you ever had your deposition taken before?

A Yes.

Q How many times?

A I can only remember one.

Q Okay. A couple of reminder ground rules. Number 1, if you don't understand something I say, please stop me, have me repeat it or rephrase it. Is that all right?

A Yes.

Q Okay. Number 2, if you'd be kind enough to verbalize your answers as opposed to a nod of the head or a wave of the hand, that'll be better for the court reporter to take down a clear record. Okay with you?

A Yes.

able to provide the natural gas that we needed.

Q And the reason --

A That was it.

Q And the reason you had no other choice, according to you, was because of the poor management in terms of hedging and storage and purchasing baseload contracts by CPSE, right, Ms. Williams?

MS. VALKENAAR: Objection --

A No.

MS. VALKENAAR: -- form.

Q (By Mr. Dobrowski) Then why did Austin -- the electric utility in Austin not have price spikes and actually was able to service all of its customers unlike San Antonio, Ms. Williams?

MS. VALKENAAR: Objection, form.

A So Austin Energy does not run a natural gas system. It is very different. Its needs are very different, and it had weather challenges just like every other utility in Texas.

Q (By Mr. Dobrowski) Did you -- if you could look back at Exhibit Number 118. If you go to Page 17 of that document -- it's Bates-stamped 14225.

Another reason that you set out to the board of directors for the price spikes is a request by ERCOT that requested a total system-wide load shed

CAUSE NO. MDL 2022 CI 02879		
In re CPS ENERGY LITIGATION	§	IN THE DISTRICT COURT
	§	
	§	407TH JUDICIAL DISTRICT
	§	
	§	BEXAR COUNTY, TEXAS

CAUSE NO. 2021-24173		
ENTERPRISE PRODUCTS OPERATING, LLC, Plaintiff,	§	IN THE DISTRICT COURT
vs.	§	334TH JUDICIAL DISTRICT
CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY), Defendant.	§	HARRIS COUNTY, TEXAS

REPORTER'S CERTIFICATION

ORAL AND VIDEOTAPED DEPOSITION OF PAULA GOLD-WILLIAMS

OCTOBER 3, 2022

I, Marcy Clark, Certified Shorthand Reporter in and for the State of Texas, hereby certify to the following:

That the witness, PAULA GOLD-WILLIAMS, was duly sworn by the officer and that the transcript of the oral deposition is a true record of the testimony given by the witness;

That the deposition transcript was submitted on October 12, 2022 to the witness or to the

attorney for the witness for examination, signature and return to Hanna & Hanna, Inc. by November 1, 2022.

That the amount of time used by each party at the deposition is as follows:

By Mr. Dobrowski - 3 hours, 19 minutes;

By Mr. Callahan - 2 hours, 29 minutes;

That pursuant to information given to the deposition officer at the time said testimony was taken, the following includes counsel for all parties of record:

ON BEHALF OF PLAINTIFF, ENTERPRISE PRODUCTS OPERATING, LLC:

Paul J. Dobrowski, Esq.
Thomas "Tal" DeBauche, Esq.
John A. Garza, Esq.
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ON BEHALF OF DEFENDANT, CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY), AND PAULA GOLD-WILLIAMS:

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Dylan Fedderman, Esq.
Megan Sturm, Esq.
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-and-

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512.495.6300
clafond@scottdoug.com

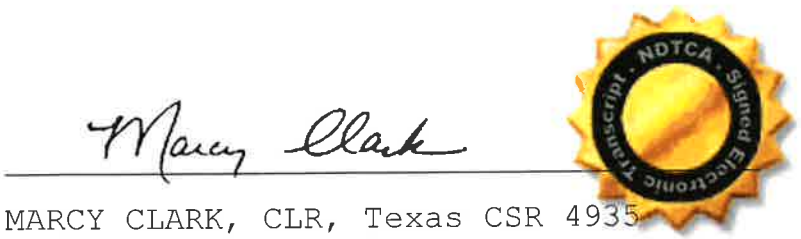
IN-HOUSE COUNSEL FOR CPS ENERGY:

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CPS ENERGY
500 McCullough Avenue
San Antonio, Texas 78215
210.353.5598
akiehne@cpsenergy.com

I further certify that I am neither counsel for, related to, nor employed by any of the parties or attorneys in the action in which this proceeding was taken, and further that I am not financially or otherwise interested in the outcome of the action.

Further certification requirements pursuant to Rule 203 of TRCP will be certified to after they have occurred.

Certified to by me this 12th day of October, 2022.



MARCY CLARK, CLR, Texas CSR 4935
Expiration Date: 1/31/23
Hanna & Hanna, Inc.
Firm Registration No. 10434
8582 Katy Freeway, Suite 105
Houston, Texas 77024
713.840.8484 - 713.583.2442
www.hannareporting.com

FURTHER CERTIFICATION BY COURT REPORTING FIRM

UNDER RULE 203 TRCP

The original deposition was/[redacted] returned to the deposition officer on November 8, 2022;

If returned, the attached Changes and Signature page contains any changes and the reasons therefor;

If returned, the original deposition was delivered to Paul J. Dobrowski, Custodial Attorney;

That $ 3,670.10 is the deposition officer's charges to the Plaintiff, Enterprise Products Operating, LLC, for preparing the original deposition transcript and any copies of exhibits;

That the deposition was delivered in accordance with Rule 203.3, and that a copy of this certificate was served on all parties shown herein and filed with the Clerk.

Certified to by me on this 8th day of November, 2022.

Ruth Hilliard

HANNA & HANNA INC.
Firm Registration No. 10434
8582 Katy Freeway, Suite 105
Houston, Texas 77024
713.840.8484 - 713.583.2442
www.hannareporting.com

CHANGES AND SIGNATURE

WITNESS NAME: PAULA GOLD-WILLIAMS

DATE OF DEPOSITION: OCTOBER 3, 2022

PAGE	LINE	CHANGE	REASON
See Exhibit A.			

JOB NO.: 25409

Exhibit A

CAUSE NO. MDL 2022 CI 02879

	§	IN THE DISTRICT COURT OF
	§	
	§	
	§	407TH JUDICIAL DISTRICT
In re CPS ENERGY LITIGATION	§	
	§	
	§	BEXAR COUNTY, TEXAS

CAUSE NO. 2021-24173

ENTERPRISE PRODUCTS OPERATING, LLC,	§	IN THE DISTRICT COURT OF
	§	
	§	
Plaintiff/Counter-Defendant,	§	
	§	
v.	§	334TH JUDICIAL DISTRICT
	§	
CITY OF SAN ANTONIO ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD (CPS ENERGY),	§	
	§	
Defendant/Counter-Plaintiff.	§	HARRIS COUNTY, TEXAS

CAUSE NO. 2021-CI-05138

CPS ENERGY,	§	IN THE DISTRICT COURT OF
	§	
	§	
Plaintiff/Counter-Defendant,	§	
	§	
v.	§	407TH JUDICIAL DISTRICT
	§	
HOUSTON PIPE LINE COMPANY, LP and OASIS PIPELINE, LP,	§	
	§	
Defendants/Counter-Plaintiffs.	§	BEXAR COUNTY, TEXAS

EXHIBIT A TO ERRATA SHEET FOR THE DEPOSITION OF PAULA GOLD-WILLIAMS TAKEN ON OCTOBER 3, 2022

Page: Line	Correction and Reason
35:20	Delete "eight." Reason: Transcription error.
56:23	Delete "trade for" and replace with "trading floor." Reason: Transcription error.
59:11-12	Delete "even a" and replace with "every." Reason: Transcription error.
61:10	Delete "the - - the provide." Reason: Transcription error.
94:25	Add "I was responding to Cory's update." before "It's." Reason: Clarification.
101:14	Add "power prices" after "forecasting." Reason: Clarification.
108:21	Delete "2021" and replace with "I retired in January 2022." Reason: Clarification.
130:9	Add "or decrease depending on the season" after "increase." Reason: Clarification.
149:14-15	Add "is for natural gas" after "spot market" and delete "are -- are probably more the common way to say that. And --" and replace with "is for power." Reason: Clarification.
149:23	Delete "Yes" and replace with "No, real-time market is for power." Reason: Clarification.
154:6	Delete "organization" and replace with "committee." Reason: Clarification.
158:6	Add "d" at the end of "designate." Reason: Transcription error.
164:19	Replace "did" with "do." Reason: Clarification.
172:9	Add "what was claimed to be owed" after "Yes." Reason: Clarification.
172:25	Delete "38.81" and replace with "38.83." Reason: Transcription error.
175:6	Replace "forever" with "for years." Reason: Clarification.
195:17	Delete "customer's" and replace with "customers." Reason: Transcription error.
216:7	Add "in Exhibit 125 related to financial obligations" after "remember" and delete "yes." Reason: Clarification.
262:2	Delete "weren't" and replace with "were." Reason: Transcription error.
297:23	Add "gas" after "natural." Reason: Clarification.
299:18-19	Delete "not" and replace the first instance of "the bills" with "invoices." Reason: Clarification.

303:7	Add "I gave the thumbs up emoji" after "Yes." Reason: Clarification.
303:21	Delete "wasn't" and replace with "was." Reason: Transcription error.
310:5	Delete "Huh-uh" and replace with "I do not know him." Reason: Clarification.

I, PAULA GOLD-WILLIAMS, have read the foregoing deposition and hereby affix my signature that same is true and correct, except as noted above.

Paula Yvette Gold-WIlliams

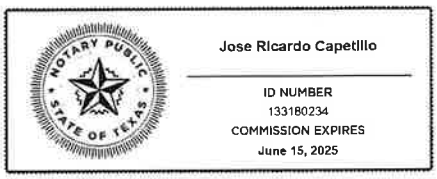
PAULA GOLD-WILLIAMS

THE STATE OF Texas)

COUNTY OF Bexar)

Before me, Jose Ricardo Capetillo, on this day personally appeared PAULA GOLD-WILLIAMS, known to me (or proved to me under oath or through Drivers License) (description of identity card or other document) to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this 4th day of November, 2022.



NOTARY PUBLIC IN AND FOR
THE STATE OF Texas
My Commission Expires: 06/15/2025

JOB NO.: 25409

Notarized online using audio-video communication

Exhibit A-179

5/31/2018 1:16 PM
Velva L. Price
District Clerk
Travis County
D-1-GN-18-002665
Victoria Benavides

D-1-GN-18-002665
NO. _____

IN THE MATTER OF	§	IN THE DISTRICT COURT
	§	
STATE OF TEXAS,	§	
Petitioner,	§	
	§	
And	§	TRAVIS COUNTY, TEXAS
	§	
THAMAN ENTERPRISE, LLC	§	
d/b/a CADDO STOP,	§	200th
Respondent.	§	_____ JUDICIAL DISTRICT

ASSURANCE OF VOLUNTARY COMPLIANCE

This Assurance of Voluntary Compliance ("Assurance") is made and entered into by and between Texas Attorney General Ken Paxton ("Attorney General") acting in the name of the State of Texas ("State"), Petitioner, and Thaman Enterprise, LLC d/b/a Caddo Stop, Respondent, pursuant to the Texas Business and Commerce Code section 17.58.

A. DEFINITIONS

As used in this Assurance, the following terms are defined as follows:

1. **"Claims Administrator"** means the entity selected by the State of Texas to administer the restitution claims for this settlement;
2. **"Effective Date"** means the date on which this Assurance is approved by the Court;
3. **"Eligible Consumer"** shall mean any consumer who paid $3.99 per gallon or more for fuel at 1001 South Caddo Street, Cleburne, Texas 76033 on August 31, 2017, and who timely and correctly fills out and submits a claim form to the Claims Administrator;
4. **"Respondent," "You,"** or **"Yours"** means Thaman Enterprise, LLC d/b/a Caddo Stop, its officers, agents, servants, employees, and attorneys, and any other persons

CPSE Response in Opp to ET MSJ
Exhibit A-179
MDL-2022-CI-02879
exhibitsticker.com

in active concert or participation with Thaman Enterprise, LLC d/b/a Caddo Stop who receive actual notice of the Assurance by personal service or otherwise;

5. **"Refund Amount"** shall be the difference between the price paid by an eligible consumer and the average price for the same grade of fuel charged by Respondent on August 29, 2017; and

6. **"State of Disaster"** means the period designated by the Texas Governor's disaster declaration pursuant to Chapter 418 of the Government Code.

B. PARTIES

1. The signatories to this Assurance are the Respondent, Thaman Enterprise, LLC d/b/a Caddo Stop, and the Petitioner, the State.

2. This action is brought by the Consumer Protection Division of the Office of the Attorney General of Texas in the name of the State as authorized under the Texas Deceptive Trade Practices – Consumer Protection Act ("DTPA"), Texas Business and Commerce Code section 17.41, *et seq*.

C. FACTUAL BACKGROUND

1. On August 23, 2017, Governor Greg Abbott declared a State of Disaster under Texas Government Code section 418.014 anticipating the landfall of then Tropical Storm Harvey (Harvey State of Disaster).

2. On August 25, 2017, Hurricane Harvey made landfall on the Texas Gulf Coast.

3. On September 1, 2017, Governor Abbott issued a price gouging declaration emphasizing the unlawful practice of price gouging: "Texans impacted by this disaster are particularly vulnerable to economic exploitation during this challenging time . . . Texas law prohibits price gouging and gives the attorney general the authority to prosecute anyone

throughout Texas who takes advantage of a declared disaster by charging an exorbitant or excessive price for fuel."

4. Respondent operates a fuel station located in Cleburne, Texas that sold fuel to consumers on August 31, 2017, which was during the Harvey State of Disaster.

5. The Attorney General's Consumer Protection Division received complaints from consumers that Respondent was charging $3.99 per gallon of regular grade gasoline during the Harvey State of Disaster.

D. VIOLATIONS OF TEXAS DECEPTIVE TRADE PRACTICES ACT

The State alleges that Respondent's conduct violated the DTPA. Specifically, the violations that have occurred include taking advantage of a disaster declared by the Governor of Texas under Chapter 418 of the Government Code by:

1. Selling fuel at an exorbitant or excessive price; or
2. Demanding an exorbitant or excessive price in connection with the sale of fuel.

E. STIPULATIONS

The parties hereby agree and stipulate that:

1. The State has jurisdiction over the subject matter and the parties in this matter under the DTPA;
2. The venue of this cause is proper in Travis County, Texas, pursuant to DTPA section 17.58(a);
3. This Assurance does not constitute an approval of Respondent's business practices by the State or the Court and Respondent shall make no representation or claim to the contrary;

4. Respondent and the State represent and warrant, each to the other, that each has the authority to enter into and make this Assurance, and to bind themselves to this Assurance;

5. This Assurance is being entered into by the parties for the sole purpose of compromising disputed claims without the necessity for protracted and expensive litigation, and this Assurance does not constitute an admission by Respondent of any violation of law or regulation; and

6. The State and Respondent agree to and do not contest the entry of this Assurance by this Court.

F. RESPONDENT'S ASSURANCES

Respondent voluntarily assures the State it will comply with the following terms:

1. Respondent shall not demand an exorbitant or excessive price for fuel or sell fuel at an exorbitant or excessive price during a State of Disaster. Respondent's price for fuel is presumed exorbitant or excessive when the price per gallon during a State of Disaster is greater than 125 percent of the Respondent's 30-day average price per gallon prior to the State of Disaster, unless Respondent can demonstrate through its written records that the price increase is attributable to additional fuel supply costs incurred by Respondent; and,

2. During any future State of Disaster and for a minimum of six months following the expiration of such State of Disaster, Respondent shall cease any ongoing or scheduled document or data destruction and shall preserve records reflecting:

    a. Each individual fuel sale transaction including price per gallon and gallons purchased;

b. The dates, times, and amounts of changes in fuel prices; and,

c. All fuel supply costs incurred by Respondent.

G. CONSUMER RESTITUTION

Respondent shall pay restitution as follows:

1. If the Respondent is able to identify and segregate credit/debit card payments from cash transactions for fuel, Respondent shall issue a chargeback or other automatic refund of the Refund Amount directly to each consumer. Within 14 days of the Effective Date of this Assurance, the Respondent will provide the State a list of consumers who received chargebacks under this provision. Such information shall include the Refund Amounts and the names of the persons receiving the chargebacks; and,

2. If the Respondent is not able to identify and segregate credit/debit card payments from cash transactions for fuel, and/or if the Respondent has additional consumers who made cash payments for their fuel transactions, the Respondent shall disgorge to the State of Texas the amount of TWO THOUSAND THREE HUNDRED AND NO/100 DOLLARS ($2,300.00) for these consumers and Respondent shall make such payment to the State within 30 days of the Effective Date. This payment will be referred to as the Restitution Payment. Respondent's payment to the State of Texas shall be made by certified check or wire transfer, payable to the "STATE OF TEXAS," bearing the reference AG# CX4053119279 and if not by wire transfer, deliver/mailed to the Office of the Attorney General, ATTN: Accounting, Division, 300 W. 15th St., MC-003, Austin, TX 78701.

The procedures for the distribution of the Restitution Payment are as follows:

3. The State will remit the Restitution Payment to the Claims Administrator to pay refunds and the costs of administration;

4. The parties have agreed to the use of the attached claim form or a substantially similar form agreed to by the parties. The Claims Administrator may begin accepting claim forms by June 11, 2018. The Claims Administrator will not accept claim forms later than September 10, 2018, which will be the Claims Deadline Date. No refunds will be distributed by the Claims Administrator until after the Claims Deadline Date passes. Consumers who properly complete the claim form will be eligible to receive a refund payment;

5. The Claims Administrator will have discretion, in consultation with the State of Texas, to determine if the claim form has been properly completed and timely submitted, and to determine the specific Refund Amount each Eligible Consumer will receive. Once all Eligible Consumers have received their Refund Amount, and once the administration costs have been paid, the Claims Administrator, in consultation with the State of Texas, may pay additional Refund Amounts to other consumers filing claims, and may also pay additional Refund Amounts to Eligible Consumers in other price gouging settlements the State has entered into;

6. Eligible Consumers may receive pro rata Refund Amounts, if full payment is not available for all Eligible Consumers;

7. Once all Refund Amounts and costs of administration have been deducted from the Restitution Payment, any residual amounts will be allocated to the Supreme Court Judicial Fund;

8. After the Claims Deadline Date, the Claims Administrator will prepare such report as the State may require; and,

9. Checks returned to the Claims Administrator shall be treated in accordance with the State of Texas' unclaimed property laws.

H. GENERAL PROVISIONS

1. Respondent and the State agree that they will submit this Assurance to a district court of competent jurisdiction in Travis County and request that the court approve this Assurance, pursuant to the terms set forth herein and the DTPA section 17.58.

2. Nothing in this Assurance shall create any private rights, causes of action or remedies against Respondent and nothing in the Assurance shall be construed as a waiver of any private rights, causes of action, or remedies of any person against Respondent with respect to the practices or conduct described herein.

3. Respondent and the State agree that nothing in this Assurance shall be constructed to affect any action or proceeding by any regulatory body or state agency, whether such action or proceeding is related to any issue addressed by this Assurance or otherwise.

4. To the extent that the provisions of this Assurance conflict with any Texas, local, or federal law or regulation that now exists, or is later enacted or amended, such law or regulation, and not this Assurance shall apply. For the purpose of this Assurance, such conflict exists if conduct prohibited by this Assurance is required or expressly permitted by such Texas, local, or federal law or regulation, or if conduct required by this Assurance is prohibited by such Texas, local or federal law or regulation.

5. This Assurance is governed by section 17.58 of the DTPA. The parties agree that, should any clause, provision, or section of this Assurance, for any reason, be held illegal, invalid,

or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision, or section of this Assurance, and this Assurance shall be construed and enforced as if such illegal, invalid, or unenforceable clause, section or provision had not been contained herein.

6. This Assurance sets forth the entire agreement between the parties. Respondent represents that he has fully read and understands this Assurance, accepts the legal consequences involved in signing this Assurance, and that there are no other representations or agreements between the parties not stated in writing herein.

7. It is also understood by the Respondent that the subsequent failure to comply with the terms of this Assurance is *prima facie* evidence of a violation of the Deceptive Trade Practices – Consumer Protection Act.

8. The terms of this Assurance are not intended to alter Respondent's lawful contractual obligations with its fuel distributor(s) and suppliers.

9. The Parties agree that this Assurance shall not be modified or terminated except by written agreement signed by the parties and filed with the Court.

EXECUTED this 31st day of May, 2018.

AGREED AS TO FORM AND SUBSTANCE:

KEN PAXTON
Attorney General of Texas

JEFFREY C. MATEER
First Assistant Attorney General

BRANTLEY STARR
Deputy First Assistant Attorney General

JAMES E. DAVIS
Deputy Attorney General for Civil Litigation

PAUL SINGER
Chief, Consumer Protection Division

/s/ Valeria Sartorio

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State Bar No. 24073758
STEVEN ROBINSON
State Bar No. 24046738
Assistant Attorneys General
Consumer Protection Division
Office of the Texas Attorney General
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Phone: (210) 225-4191
Facsimile: (210) 225-1075
Email: Valeria.Sartorio@oag.texas.gov
Steven.Robinson@oag.texas.gov

ATTORNEYS FOR PETITIONER,
STATE OF TEXAS

RESPONDENT

By: _____
for THAMAN ENTERPRISE, LLC d/b/a CADDO STOP

_____
NORMAN MAPLES
SBN 12960000
The Law Office of Norman Maples
6508 County Road 313A
Alvarado, Texas 76009
Phone: (682) 647-1916
Email: normanmaples@gmail.com

ATTORNEY FOR RESPONDENT,
THAMAN ENTERPRISE, LLC d/b/a CADDO STOP

CLAIM FORM FOR PRICE-GOUGING RESTITUTION FOR FUEL PURCHASES
DURING HURRICANE HARVEY DISASTER PROCLAMATION PERIOD

NOTE: This claim form must be emailed or mailed and postmarked on or before* September 10, *2018.

Distribution of restitution is estimated to be made by December 31, 2018.

Please provide your name and address:

1. Name: _____
   (First) (Middle) (Last)
2. Current address: _____
   Street Name and Number (include apartment number, if applicable)

   City: _____ State: _____ Zip Code: _____

3. Email address: _____

Instructions: To be eligible for restitution, please provide the information below. If you have a receipt from this transaction, please **attach the original receipt** and you need fill out only those items below which are not included in the receipt; otherwise, fill out the entire form. Submit separate forms if you purchased fuel on more than one day or at more than one station. Final determination of eligibility will be made based upon the requirements set out in the settlement agreement between the State and the gas station where you made your purchase. Note that your refund may be made on a pro rata basis if claims exceed the restitution funds available, which means you may only receive a portion of the amount that you were overcharged.

a. The name of the gas station where you purchased the fuel: _____
   Address of that station _____
   Street Name and Number

   City: _____ State_____ Zip Code_____

b. Date of purchase: _____

c. Price you paid per gallon for the fuel: $_____

d. Number of gallons of fuel purchased: _____

e. Amount of total sale: $_____

f. Make and model of vehicle for which the fuel was purchased: _____

Please affirm that you are the individual who paid for fuel as shown on your receipt by dating and signing here:

Date: _____ _____
(Sign Here)

If you have any questions, call the settlement information line at 1-888-755-9508 (toll free), or write to the Hurricane Harvey Price-Gouging Claims Administrator at the address below:

Mail this form along with your receipt to: **Hurricane Harvey Price-Gouging Claims Administrator**
c/o Dahl Administration
PO Box 3614
Minneapolis, MN 55403-0614

Or email this form and your receipt to: H**arveyClaim@DahlAdministration.com**

4/4/2019 10:00 AM
Velva L. Price
District Clerk
Travis County
D-1-GN-19-001827
Victoria Benavides

NO. D-1-GN-19-001827

IN THE MATTER OF	§	IN THE DISTRICT COURT
	§	
STATE OF TEXAS,	§	
Petitioner,	§	
	§	
And	§	TRAVIS COUNTY, TEXAS
	§	
CMDM, LLC	§	
d/b/a HANS CHEVRON,	§	
Respondent.	§	98th JUDICIAL DISTRICT

ASSURANCE OF VOLUNTARY COMPLIANCE

This Assurance of Voluntary Compliance ("Assurance") is made and entered into by and between Texas Attorney General Ken Paxton ("Attorney General") acting in the name of the State of Texas ("State"), Petitioner, and CMDM, LLC d/b/a Hans Chevron, Respondent, pursuant to the Texas Business and Commerce Code section 17.58.

A. DEFINITIONS

As used in this Assurance, the following terms are defined as follows:

1. "**Claims Administrator"** means the entity selected by the State of Texas to administer the restitution claims for this settlement;
2. **"Effective Date"** means the date on which this Assurance is approved by the Court;
3. **"Eligible Consumer"** shall mean any consumer who paid $3.99 per gallon or more for premium or supreme grade fuel (93 octane) at 2590 E. Arkansas Lane, Arlington, Texas 76014 between August 31, 2017 and September 2, 2017, and who timely and correctly fills out and submits a claim form to the Claims Administrator;
4. **"Respondent," "You,"** or **"Yours"** means CMDM, LLC d/b/a Hans Chevron, its officers, agents, servants, employees, and attorneys, and any other persons in active

concert or participation with CMDM, LLC d/b/a Hans Chevron who receive actual notice of the Assurance by personal service or otherwise;

5. **"Refund Amount"** shall be the difference between the price paid by an eligible consumer and the average price for the same grade of fuel charged by Respondent on August 30, 2017; and

6. **"State of Disaster"** means the period designated by the Texas Governor's disaster declaration pursuant to Chapter 418 of the Government Code.

B. PARTIES

1. The signatories to this Assurance are the Respondent, CMDM, LLC d/b/a Hans Chevron, and the Petitioner, the State.

2. This action is brought by the Consumer Protection Division of the Office of the Attorney General of Texas in the name of the State as authorized under the Texas Deceptive Trade Practices – Consumer Protection Act ("DTPA"), Texas Business and Commerce Code section 17.41, *et seq*.

C. FACTUAL BACKGROUND

1. On August 23, 2017, Governor Greg Abbott declared a State of Disaster under Texas Government Code section 418.014 anticipating the landfall of then Tropical Storm Harvey (Harvey State of Disaster).

2. On August 25, 2017, Hurricane Harvey made landfall on the Texas Gulf Coast.

3. On September 1, 2017, Governor Abbott issued a price gouging declaration emphasizing the unlawful practice of price gouging: "Texans impacted by this disaster are particularly vulnerable to economic exploitation during this challenging time . . . Texas law prohibits price gouging and gives the attorney general the authority to prosecute anyone

throughout Texas who takes advantage of a declared disaster by charging an exorbitant or excessive price for fuel."

4. Respondent operates a fuel station located in Arlington, Texas that sold fuel to consumers between August 31, 2017 and September 2, 2017, which was during the Harvey State of Disaster.

5. The Attorney General's Consumer Protection Division received complaints from consumers that Respondent was charging $3.99 per gallon of premium grade gasoline during the Harvey State of Disaster.

D. VIOLATIONS OF TEXAS DECEPTIVE TRADE PRACTICES ACT

The State alleges that Respondent's conduct violated the DTPA. Specifically, the violations that have occurred include taking advantage of a disaster declared by the Governor of Texas under Chapter 418 of the Government Code by:

1. Selling fuel at an exorbitant or excessive price; or
2. Demanding an exorbitant or excessive price in connection with the sale of fuel.

E. STIPULATIONS

The parties hereby agree and stipulate that:

1. The State has jurisdiction over the subject matter and the parties in this matter under the DTPA;
2. The venue of this cause is proper in Travis County, Texas, pursuant to DTPA section 17.58(a);
3. This Assurance does not constitute an approval of Respondent's business practices by the State or the Court and Respondent shall make no representation or claim to the contrary;

4. Respondent and the State represent and warrant, each to the other, that each has the authority to enter into and make this Assurance, and to bind themselves to this Assurance;

5. This Assurance is being entered into by the parties for the sole purpose of compromising disputed claims without the necessity for protracted and expensive litigation, and this Assurance does not constitute an admission by Respondent of any violation of law or regulation; and,

6. The State and Respondent agree to and do not contest the entry of this Assurance by this Court.

F. RESPONDENT'S ASSURANCES

Respondent voluntarily assures the State it will comply with the following terms:

1. Respondent shall not demand an exorbitant or excessive price for fuel or sell fuel at an exorbitant or excessive price during a State of Disaster. Respondent's price for fuel is presumed exorbitant or excessive when the price per gallon during a State of Disaster is greater than 125 percent of the Respondent's 30-day average price per gallon prior to the State of Disaster, unless Respondent can demonstrate through its written records that the price increase is attributable to additional fuel supply costs incurred by Respondent; and,

2. During any future State of Disaster and for a minimum of six months following the expiration of such State of Disaster, Respondent shall cease any ongoing or scheduled document or data destruction and shall preserve records reflecting:

    a. Each individual fuel sale transaction including price per gallon and gallons purchased;

b. The dates, times, and amounts of changes in fuel prices; and,

c. All fuel supply costs incurred by Respondent.

G. CONSUMER RESTITUTION

Respondent shall pay restitution as follows:

1. If the Respondent is able to identify and segregate credit/debit card payments from cash transactions for fuel, Respondent shall issue a chargeback or other automatic refund of the Refund Amount directly to each consumer. Within 14 days of the Effective Date of this Assurance, the Respondent will provide the State a list of consumers who received chargebacks under this provision. Such information shall include the Refund Amounts and the names of the persons receiving the chargebacks; and,

2. If Respondent is not able to identify and segregate credit/debit card payments from cash transactions for fuel, and/or if Respondent has additional consumers who made cash payments for their fuel transactions, Respondent shall disgorge to the State of Texas the amount of ONE THOUSAND FOUR HUNDRED AND 00/100 DOLLARS ($1,400.00) for these consumers and Respondent shall make such payment to the State on the Effective Date. This payment will be referred to as the Restitution Payment. Respondent's payment to the State of Texas shall be made by certified check or wire transfer, payable to the "STATE OF TEXAS," bearing the reference AG# CX4096711068 and if not by wire transfer, delivered/mailed to the Office of the Attorney General, ATTN: Accounting Division, 300 W. 15th St., MC-003, Austin, TX 78701.

The procedures for the distribution of the Restitution Payment are as follows:

3. The State will remit the Restitution Payment to the Claims Administrator to pay refunds and the costs of administration;

4. The parties have agreed to the use of the attached claim form or a substantially similar form agreed to by the parties. The Claims Administrator may begin accepting claim forms by April 15, 2019. The Claims Administrator will not accept claim forms later than June 30, 2019, which will be the Claims Deadline Date. No refunds will be distributed by the Claims Administrator until after the Claims Deadline Date passes. Consumers who properly complete the claim form will be eligible to receive a refund payment;

5. The Claims Administrator will have discretion, in consultation with the State of Texas, to determine if the claim form has been properly completed and timely submitted, and to determine the specific Refund Amount each Eligible Consumer will receive. Once all Eligible Consumers have received their Refund Amount, and once the administration costs have been paid, the Claims Administrator, in consultation with the State of Texas, may pay additional Refund Amounts to other consumers filing claims, and may also pay additional Refund Amounts to Eligible Consumers in other price gouging settlements the State has entered into;

6. Eligible Consumers may receive pro rata Refund Amounts, if full payment is not available for all Eligible Consumers;

7. Once all Refund Amounts and costs of administration have been deducted from the Restitution Payment, any residual amounts will be allocated to the Supreme Court

Judicial Fund as a civil penalty pursuant to Sec. 402.007(b)(1) of the Texas Government Code;

8. After the Claims Deadline Date, the Claims Administrator will prepare such report as the State may require; and,

9. Checks returned to the Claims Administrator shall be treated in accordance with the State of Texas' unclaimed property laws.

H. GENERAL PROVISIONS

1. Respondent and the State agree that they will submit this Assurance to a district court of competent jurisdiction in Travis County and request that the court approve this Assurance, pursuant to the terms set forth herein and the DTPA section 17.58.

2. Nothing in this Assurance shall create any private rights, causes of action or remedies against Respondent and nothing in the Assurance shall be construed as a waiver of any private rights, causes of action, or remedies of any person against Respondent with respect to the practices or conduct described herein.

3. Respondent and the State agree that nothing in this Assurance shall be constructed to affect any action or proceeding by any regulatory body or state agency, whether such action or proceeding is related to any issue addressed by this Assurance or otherwise.

4. To the extent that the provisions of this Assurance conflict with any Texas, local, or federal law or regulation that now exists, or is later enacted or amended, such law or regulation, and not this Assurance shall apply. For the purpose of this Assurance, such conflict exists if conduct prohibited by this Assurance is required or expressly permitted by such Texas, local, or federal law or regulation, or if conduct required by this Assurance is prohibited by such Texas, local or federal law or regulation.

5. This Assurance is governed by section 17.58 of the DTPA. The parties agree that, should any clause, provision, or section of this Assurance, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision, or section of this Assurance, and this Assurance shall be construed and enforced as if such illegal, invalid, or unenforceable clause, section or provision had not been contained herein.

6. This Assurance sets forth the entire agreement between the parties. Respondent represents that he has fully read and understands this Assurance, accepts the legal consequences involved in signing this Assurance, and that there are no other representations or agreements between the parties not stated in writing herein.

7. It is also understood by the Respondent that the subsequent failure to comply with the terms of this Assurance is *prima facie* evidence of a violation of the Deceptive Trade Practices – Consumer Protection Act.

8. The terms of this Assurance are not intended to alter Respondent's lawful contractual obligations with its fuel distributor(s) and suppliers.

9. The Parties agree that this Assurance shall not be modified or terminated except by written agreement signed by the parties and filed with the Court.

EXECUTED this 4th day of April, 2019.

AGREED AS TO FORM AND SUBSTANCE:

KEN PAXTON
Attorney General of Texas

JEFFREY C. MATEER
First Assistant Attorney General

DARREN L. MCCARTY
Deputy Attorney General for Civil Litigation

PAUL SINGER
Chief, Consumer Protection Division

/s/ Valeria Sartorio
VALERIA SARTORIO
State Bar No. 24073758
STEVEN ROBINSON
State Bar No. 24046738
Assistant Attorneys General
Consumer Protection Division
Office of the Texas Attorney General
112 E. Pecan, Suite 735
San Antonio, Texas 78205
Phone: (210) 225-4191
Facsimile: (210) 225-1075
Email: Valeria.Sartorio@oag.texas.gov
Steven.Robinson@oag.texas.gov

ATTORNEYS FOR PETITIONER,
STATE OF TEXAS

RESPONDENT

By: _____
for CMDM, LLC d/b/a Hans Chevron

_____
Allen Landerman
State Bar No. 11863400
Allen Landerman, P.C.
16801 Addison Road, Suite 125
Addison, Texas 75001-5512
Phone: (469) 287-7211
Facsimile: (888) 868-3979
Email: allen@landermanlaw.com

ATTORNEY FOR RESPONDENT,
CMDM, LLC d/b/a Hans Chevron

Chief, Consumer Protection Division

VALERIA SARTORI
State Bar No. 24073758
STEVEN ROBINSON
State Bar No. 24040738
Assistant Attorneys General
Consumer Protection Division
Office of the Texas Attorney General
[illegible] Suite 717
San Antonio, Texas 78205
Phone: (210) 225-1263
Facsimile: 210-270-1175
Email: Valeria.Sartori@oag.texas.gov
Steven.Robinson@oag.texas.gov

ATTORNEYS FOR PETITIONER,
STATE OF TEXAS

RESPONDENT

By: _____
for CMDM, LLC d/b/a Hans Chevron

_____
Allen Landerman
State Bar No. 11863400
Allen Landerman, P.C.
16801 Addison Road, Suite 125
Addison, Texas 75001-5512
Phone: (469) 287-7211
Facsimile: (888) 868-3979
Email: allen@landermanlaw.com

ATTORNEY FOR RESPONDENT,
CMDM, LLC d/b/a Hans Chevron

CLAIM FORM FOR PRICE-GOUGING RESTITUTION FOR FUEL PURCHASES
DURING HURRICANE HARVEY DISASTER PROCLAMATION PERIOD

NOTE: This claim form must be emailed or mailed and postmarked on or before June 30, 2019.

Distribution of restitution is estimated to be made by August 1, 2019.

Please provide your name and address:

1. Name: _____
   (First) (Middle) (Last)
2. Current address: _____
   Street Name and Number (include apartment number, if applicable)

   City: _____ State: _____ Zip Code: _____

3. Email address: _____

Instructions: To be eligible for restitution, please provide the information below. If you have a receipt from this transaction, please **attach the original receipt** and you need fill out only those items below which are not included in the receipt; otherwise, fill out the entire form. Submit separate forms if you purchased fuel on more than one day or at more than one station. Final determination of eligibility will be made based upon the requirements set out in the settlement agreement between the State and the gas station where you made your purchase. Note that your refund may be made on a pro rata basis if claims exceed the restitution funds available, which means you may only receive a portion of the amount that you were overcharged.

a. The name of the gas station where you purchased the fuel: _____
   Address of that station _____
   Street Name and Number

   City: _____ State_____ Zip Code_____

b. Date of purchase: _____

c. Price you paid per gallon for the fuel: $_____

d. Number of gallons of fuel purchased: _____

e. Amount of total sale: $_____

f. Make and model of vehicle for which the fuel was purchased: _____

Please affirm that you are the individual who paid for fuel as shown on your receipt by dating and signing here:

Date: _____ _____
(Sign Here)

If you have any questions, call the settlement information line at 1-888-755-9508 (toll free), or write to the Hurricane Harvey Price-Gouging Claims Administrator at the address below:

Mail this form along with your receipt to: **Hurricane Harvey Price-Gouging Claims Administrator**
c/o Dahl Administration
PO Box 3614
Minneapolis, MN 55403-0614

Or email this form and your receipt to: **HarveyClaim@DahlAdministration.com**

10/28/2020 9:43 AM
Velva L. Price
District Clerk
Travis County
D-1-GN-20-006547
Victoria Benavides

NO. D-1-GN-20-006547

IN THE MATTER OF	§	**IN THE DISTRICT COURT**
	§	
STATE OF TEXAS,	§	
Petitioner,	§	
	§	**TRAVIS COUNTY, TEXAS**
And	§	
	§	
	§	
LOVELY PRODUCTS, LLC	§	
Respondent.	§	126TH **JUDICIAL DISTRICT**

ASSURANCE OF VOLUNTARY COMPLIANCE

This Assurance of Voluntary Compliance ("Assurance") is made and entered into by and between Texas Attorney General Ken Paxton ("Attorney General" herein) acting in the name of the State of Texas ("State"), Petitioner, and Lovely Products, LLC, Respondent, pursuant to the Texas Business and Commerce Code Section 17.58.

A. DEFINITIONS

As used in this Assurance, the following terms are defined as follows:

1. **"Effective Date"** means the date on which this Assurance is approved by the Court;

2. **"Eligible Consumer"** shall mean any consumer who purchased masks on or after March 13, 2020;

3. **"Respondent," "You,"** or **"Yours"** means Lovely Products, LLC, its officers, agents, servants, employees, and attorneys, and any other persons in active concert or participation with Lovely Products, LLC who receive actual notice of the Assurance by personal service or otherwise; and

4. **"State of Disaster"** means the period designated by the Texas Governor's disaster declaration pursuant to Chapter 418 of the Government Code.

B. PARTIES

5. The signatories to this Assurance are the Respondent, Lovely Products, LLC and the Petitioner, the State of Texas ("State").

6. This action is brought by the Consumer Protection Division of the Office of the Attorney General of Texas in the name of the State as authorized under the Texas Deceptive Trade Practices – Consumer Protection Act ("DTPA"), Texas Business and Commerce Code section 17.41, *et seq*.

C. FACTUAL BACKGROUND

7. On March 13, 2020, Governor Greg Abbott declared a State of Disaster under Texas Government Code section 418.014 to prepare for, respond to and mitigate the spread of COVID-19 to protect the health and welfare of Texas.

8. In addition to issuing multiple executive orders to protect the public and slow the spread of COVID-19, on March 24, 2020, Governor Abbott announced the establishment of the Supply Chain Task Force to secure the purchase of millions of essential personal protection supplies.[1]

9. Respondent Lovely Products, LLC operates the website, www.saleforusa.com and offered for sale necessities such as 3M 8210 masks and KN95 masks on their website. Lovely Products sold 3M Model 8210 N95 respirators for $12 per mask. 3M has issued a statement that these types of masks range from $2.45-$3.11,[2] which indicates a markup of almost 1,000%. In addition, Lovely Products is not an authorized distributor of 3M products. Lovely Products, LLC advertises their KN95 masks provide "100% protection."

[1] The March 24, 2020 Press Release announcing Governor Gregg Abbott's GA-09 Executive Order. Available online at: https://gov.texas.gov/news/post/governor-abbott-announces-increased-ppe-supply-issues-executive-order-to-strengthen-reporting-capabilities. (Last visited on April 1, 2020).
[2] https://multimedia.3m.com/mws/media/1803670O/fraudulent-activity-price-gouging-and-counterfeit-products.pdf



However, there is no such designation as "100% protection" from Covid-19 and making such a claim causes confusion among consumers and only seeks to entice consumers to buy a product which does not provide 100% protection.

D. VIOLATIONS OF TEXAS DECEPTIVE TRADE PRACTICES ACT

10. The State alleges that Respondent's conduct violated the DTPA. Specifically, the violations that have occurred include taking advantage of a disaster declared by the Governor of Texas under Chapter 418 of the Government Code by:

a. Selling masks at an exorbitant or excessive price;

b. Demanding an exorbitant or excessive price in connection with the sale of masks in violation of DTPA § 17.46(b)(27);

c. Causing confusion or misunderstanding as to the source, sponsorship, approval, certification of goods in violation of DTPA § 17.46(b)(2); and

d. Representing that goods have sponsorship or approval which they do not have in violation of DTPA § 17.46(b)(5).

E. STIPULATIONS

The parties hereby agree and stipulate that:

11. The State has jurisdiction over the subject matter and the parties in this matter under the DTPA;

12. The venue of this cause is proper in Travis County, Texas, pursuant to DTPA section 17.58(a);

13. This Assurance does not constitute an approval of Respondent's business practices by the State or the Court and Respondent shall make no representation or claim to the contrary;

14. Respondent and the State represent and warrant, each to the other, that each has the authority to enter into and make this Assurance, and to bind themselves to this Assurance;

15. This Assurance is being entered into by the parties for the sole purpose of compromising disputed claims without the necessity for protracted and expensive litigation, and this Assurance does not constitute an admission by Respondent of any violation of law or regulation; and

16. The State and Respondent agree to and do not contest the entry of this Assurance by this Court.

F. RESPONDENT'S ASSURANCES

17. Respondent voluntarily assures the State it will comply with the following terms:

a. Respondent shall not make claims regarding that masks have benefits which they do not have;

b. Respondent shall not cause confusion or misunderstanding as to the source, sponsorship, approval, certification of masks;

c. Respondent shall not demand an exorbitant or excessive price for masks or sell masks at an exorbitant or excessive price during a State of Disaster;

d. During any future State of Disaster and for a minimum of six months following the expiration of such State of Disaster, Respondent shall cease any ongoing or scheduled document or data destruction and shall preserve records reflecting all advertisements of masks; and

e. Selling masks or other PPE unless you are an authorized retailer/distributor of such masks or PPE as required by the manufacturer.

G. CONSUMER RESTITUTION

18. Pursuant to this Assurance, Respondent agrees to provide restitution to consumers for transactions for the sale of 3M masks that took place from March 13, 2020 through the present. Within 45 days following the entry of this Assurance of Voluntary Compliance, Respondent shall provide credit card chargebacks to the consumers whose purchases are represented by the invoice numbers listed on Exhibit A. The amount of restitution paid will be the difference between what the Respondent paid for the masks and what each consumer paid for masks.

H. MONETARY PROVISION

19. The Respondent agrees to pay to the State a civil penalty pursuant to DTPA 17.47(c) in the amount of $5,000.00 and attorneys' fees in the amount of $2,500.00. The Respondent shall pay all civil penalties and attorney's fees within 45 days after the Effective Date. Payment is to be made by certified check or wire transfer payable to the "State of Texas," bearing the AG Number: CX1718240307. If not by wire transfer, payment is to be mailed to the Office of the Attorney General, ATTN: Accounting Division, PO Box 12548, MC-003, Austin, Texas 78711.

I. GENERAL PROVISIONS

20. Respondent and the State agree that they will submit this Assurance to a district court of competent jurisdiction in Travis County and request that the court approve this Assurance, pursuant to the terms set forth herein and the DTPA section 17.58.

21. Nothing in this Assurance shall create any private rights, causes of action or remedies against Respondent and nothing in the Assurance shall be construed as a waiver of any private rights, causes of action, or remedies of any person against Respondent with respect to the practices or conduct described herein.

22. Respondent and the State agree that nothing in this Assurance shall be constructed to affect any action or proceeding by any regulatory body or state agency, whether such action or proceeding is related to any issue addressed by this Assurance or otherwise.

23. To the extent that the provisions of this Assurance conflict with any Texas, local, or federal law or regulation that now exists, or is later enacted or amended, such law or regulation, and not this Assurance shall apply. For the purpose of this Assurance, such conflict exists if conduct prohibited by this Assurance is required or expressly permitted by such Texas, local, or federal law or regulation, or if conduct required by this Assurance is prohibited by such Texas, local or federal law or regulation.

24. This Assurance is governed by section 17.58 of the DTPA. The parties agree that, should any clause, provision, or section of this Assurance, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision, or section of this Assurance, and this Assurance shall be construed and enforced as if such illegal, invalid, or unenforceable clause, section or provision had not been contained herein.

25. This Assurance sets forth the entire agreement between the parties. Respondent represents that he has fully read and understands this Assurance, accepts the legal consequences involved in signing this Assurance, and that there are no other representations or agreements between the parties not stated in writing herein.

26. It is also understood by the Respondent that the subsequent failure to comply with the terms of this Assurance is *prima facie* evidence of a violation of the Deceptive Trade Practices – Consumer Protection Act.

27. The terms of this Assurance are not intended to alter Respondent's lawful contractual obligations with its mask distributor(s) and suppliers.

28. The Parties agree that this Assurance shall not be modified or terminated except by written agreement signed by the parties and filed with the Court.

EXECUTED this 28th day of October, 2020.

AGREED AS TO FORM AND SUBSTANCE:

KEN PAXTON
Attorney General of Texas

BRENT WEBSTER
First Assistant Attorney General

RYAN L. BANGERT
Deputy First Assistant Attorney General

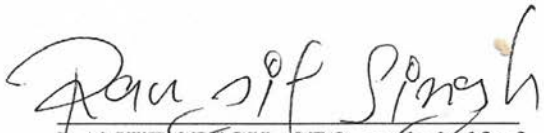
DARREN MCCARTY
Deputy Attorney General for Civil Litigation

JENNIFER S. JACKSON
Chief, Consumer Protection Division

/s/ Karyn A. Meinke

KARYN A. MEINKE
Assistant Attorney General
SBN: 24032859
Consumer Protection Division
112 E. Pecan, Suite 735
San Antonio, Texas 78205
Telephone (210) 225-4191
Fax (210) 225-1075
Email: karyn.meinke@oag.texas.gov

ATTORNEYS FOR PETITIONER
STATE OF TEXAS



RANJIT SINGH, CEO, on behalf of
LOVELY PRODUCTS, LLC
8181 Commerce Park Drive, Suite 720
Houston, TX 77036
800-471-6436 (phone)
713-485-0545 (fax)
info@saleforusa.com

EXHIBIT A								
	Name	**Invoice #**	**Number of Masks**	**Mask Type**	**Price Per Mask**	**Total Amount Consumer Paid**	**Lovely Products Price**	**Restitution Amount**
1	K.S.	LP1005-F1	2	3M Particulate Respirator 8210 Plus, N95 3M N95 8511 Mask	$12.00	$24.00	$7.20	$9.60
2	E.R.	LP1006-F1	3	3M N95 8511 Mask	$12.00	$36.00	$7.20	$14.40
3	B.L.	LP1008-F1	1	3M N95 8511 Mask	$12.00	$12.00	$7.20	$4.80
4	D.B.	LP1009-FI	3	3M N95 8511 Mask	$12.00	$36.00	$7.20	$14.40
5	S.P.	LP1011-F1	6	3M N95 8511 Mask	$12.00	$72.00	$7.20	$28.80
6	M.P.	LP1012-F1	2	3M N95 8511 Mask	$12.00	$24.00	$7.20	$9.60
7	J.C.	LP1013-F1	2	3M Particulate Respirator 8210Plus, N95	$12.00	$24.00	$7.20	$9.60
8	J.C.	LP1014-F1	2	3M Particulate Respirator 8210Plus, N95	$12.00	$24.00	$7.20	$9.60
9	L.N.	LP1015-F1	3	3M N95 8511 Mask	$12.00	$36.00	$7.20	$14.40
10	D.W.	LP1018-F1	5	3M Particulate Respirator 8210 N95 1PCs	$12.00	$60.00	$7.20	$24.00
11	N.P.	LP1019-F1	9	3M Particulate Respirator 8210Plus, N95	$12.00	$108.00	$7.20	$43.20
12	A.R.	LP1021-F1	1	3M N95 8511 Mask	$12.00	$12.00	$7.20	$4.80
13	J.C.	LP1023-F1	2	3 M 8210 Face Mask 1 Piece	$12.00	$24.00	$7.20	$9.60
14	P.M.	LP1024-F1	5	3 M 8210 Face Mask 2 Piece	$25.00	$125.00	$7.20	$89.00
15	M.U.	LP1025-F1	3	3 M 8210 Face Mask 2 Piece	$25.00	$75.00	$7.20	$53.40
16	G.B.	LP1027-F1	3	3 M 8210 Face Mask 2 Piece	$25.00	$75.00	$7.20	$53.40
17	C.W.	LP1029-F1	10	3 M 8210 Face Mask 2 Piece	$25.00	$250.00	$7.20	$178.00
18	L.A.	LP1031-F1	1	3 M 8210 Face Mask 2 Piece	$25.00	$25.00	$7.20	$17.80
19	J.C.	LP1033-F1	1	3 M 8210 Face Mask 2 Piece	$21.98	$21.98	$7.20	$14.78
20	J.C.	LP1034-F1	3	3 M 8210 Face Mask 2 Piece	$21.98	$65.94	$7.20	$44.34
21	N.M.	LP1035-F1	2	3 M 8210 Face Mask 2 Piece	$21.98	$43.96	$7.20	$29.56
22	A.T.	LP1041-F1	5	3 M 8210 Face Mask 1 Piece	$7.99	$39.95	$7.20	$3.95
23	C.L.	LP1044-F1	1	3 M 8210 Face Mask 1 Piece	$7.99	$7.99	$7.20	$0.79
			75			$1,221.82		$681.82

Automated Certificate of eService

This automated certificate of service was created by the efiling system. The filer served this document via email generated by the efiling system on the date and to the persons listed below. The rules governing certificates of service have not changed. Filers must still provide a certificate of service that complies with all applicable rules.

Judi Logan on behalf of Karyn Meinke
Bar No. 24032859
judi.logan@oag.texas.gov
Envelope ID: 47587014
Status as of 10/28/2020 6:01 PM CST

Case Contacts

Name	BarNumber	Email	TimestampSubmitted	Status
Karyn A.Meinke		Karen.Meinke@oag.texas.gov	10/28/2020 9:43:14 AM	SENT

Filed in The District Court
of Travis County, Texas

JUL 03 2018

At 2:15 p M.
Velva L. Price, District Clerk

NO. D-1-GN-18-003285

IN THE MATTER OF	§	IN THE DISTRICT COURT
	§	
STATE OF TEXAS,	§	
Petitioner,	§	
	§	
And	§	TRAVIS COUNTY, TEXAS
	§	
NANDANVAN ONE, INC. DBA	§	
OLD TOWN STORE,	§	
Respondent.	§	419TH JUDICIAL DISTRICT

FINAL ORDER APPROVING
ASSURANCE OF VOLUNTARY COMPLIANCE

On this date came on to be considered the Assurance of Voluntary Compliance in the above-referenced cause, which is approved by all parties.

Said Assurance of Voluntary Compliance is hereby APPROVED by the Court.

SIGNED this 3 day of July, 2018.

JUDGE PRESIDING

ENTERED
MR

AGREED AS TO FORM AND ENTRY REQUESTED:

KEN PAXTON
Attorney General of Texas

JEFFREY C. MATEER
First Assistant Attorney General

BRANTLEY STARR
Deputy First Assistant Attorney General

JAMES E. DAVIS
Deputy Attorney General for Civil Litigation

PAUL SINGER
Chief, Consumer Protection Division

/s/ Jennifer Roscetti
JENNIFER ROSCETTI
Assistant Attorney General
State Bar No. 24066685
Consumer Protection Division
Office of the Texas Attorney General
P.O. Box 12548
Austin, Texas 78711-2548
Phone: (512) 475-4183
Facsimile: (512) 463-8301
Email: Jennifer.Roscetti@oag.texas.gov

ATTORNEYS FOR PETITIONER
STATE OF TEXAS

RESPONDENT

By: _____

RAKESH PATEL
Vice President/Director
for NANDANVAN ONE, INC. dba
OLD TOWN STORE
509 W Ave D
Garland, TX 75040

Filed
9/7/2021 9:34 AM
Anne Lorentzen
District Clerk
Nueces County, Texas

CAUSE NO. 2020DCV-0829-A

STATE OF TEXAS, Plaintiff,	§ § §	IN THE DISTRICT COURT
v.	§ §	28th JUDICIAL DISTRICT
GREGORY MARKWARDT D/B/A HOTEL CORPUS CHRISTI BAYFRONT, Defendant.	§ § §	NUECES COUNTY, TEXAS

AGREED FINAL JUDGMENT AND PERMANENT INJUNCTION

TO THE HONORABLE JUDGE OF SAID COURT:

On this ___ day of _____, 2021, came for hearing on the above-entitled and numbered cause in which the STATE OF TEXAS (State), acting by and through the Attorney General of Texas, Ken Paxton, is the Plaintiff and GREGORY MARKWARDT D/B/A HOTEL CORPUS CHRISTI BAYFRONT (Markwardt) is the Defendant. In this action, the State alleges that Markwardt violated §17.46 of the Deceptive Trade Practices-Consumer Protection Act, Tex. Bus. & Com. Code § 17.41 *et seq*. (DTPA), by demanding and charging an excessive price for lodging following the Governor's disaster declaration due to Hurricane Harvey (price gouging). The State and Markwardt, by and through their respective attorneys of record, wish to make the following stipulations and have agreed to the entry of this Agreed Final Judgment and Permanent Injunction (Agreed Judgment).

FACTUAL BACKGROUND

1. On August 23, 2017, Governor Greg Abbott declared a State of Disaster under § 418.014 of the Texas Government Code, anticipating the landfall of then Tropical Storm Harvey (Harvey State of Disaster).

2. On August 25, 2017, Hurricane Harvey made landfall on the Texas Gulf Coast.

3. On September 1, 2017, Governor Abbott issued a price gouging declaration emphasizing the unlawful practice of price gouging: "Texans impacted by this disaster are particularly vulnerable to economic exploitation during this challenging time ... Texas law prohibits price gouging and gives the attorney general the authority to prosecute anyone throughout Texas who takes advantage of a declared disaster by charging an exorbitant or excessive price for fuel."

4. The Attorney General's Consumer Protection Division received complaints from consumers that Marqwardt was demanding and charging excessive or exorbitant prices for lodging at Hotel Corpus Christi Bayfront located at 601 N. Water Street, in Corpus Christi, Texas, 78401 (Hotel Corpus Christi Bayfront), a facility he then owned and operated during the Harvey State of Disaster.

STIPULATIONS

5. Marqwardt stipulates that he owned and operated Hotel Corpus Christi Bayfront during the Harvey State of Disaster; however, he has since sold the property to a third party and is no longer involved in its operation.

6. The parties agree to and do not contest the entry of this Agreed Judgment.

7. Markwardt stipulates that he has entered into this Agreed Judgment voluntarily in order to resolve the litigation; that he actively participated in negotiations leading to this Agreed Judgment; and that this agreement is freely and voluntarily made without duress.

8. Markwardt stipulates that he is aware of the duties placed upon him by the Agreed Judgment and is desirous and capable of carrying out those duties in full.

9. Markwardt acknowledges receipt of a copy of this Agreed Judgment and has full and actual notice of its terms.

10. The parties agree to waive the thirty (30) day period in which to file a Motion for New Trial and waive any and all rights to appeal this Agreed Judgment.

FINDINGS

11. Having reviewed the pleadings in this case and the stipulations of the parties, the Court hereby finds as follows:

a. The Court has jurisdiction over the parties;

b. Venue is proper in Nueces County, Texas; and

c. Entry of this Agreed Judgment is in the public interest.

12. It appearing to the Court that the parties agree to entry of this Agreed Judgment and that they have approved entry of such, it is therefore ordered that Markwardt shall be enjoined as recited below.

DEFINITIONS

13. IT IS HEREBY ORDERED that, as used in this Agreed Judgment, the following definitions shall be used in construing this Agreed Judgment:

a. "Defendant" means Gregory Markwardt and his agents, subcontractors, servants, employees, and any other Persons in active concert or participation with him;

b. "Person" means an individual, sole proprietorship, firm, partnership, corporation, association, joint venture or other group, or business entity, however organized;

c. "Designated Disaster Period," as defined in § 17.4625 of the DTPA, means the period: (1) beginning on the earliest of the date the disaster occurs; or the date of: (i) the proclamation or executive order of the Governor declaring the disaster; or (ii) the declaration of the disaster by the President of the United States, if any part

of Texas is named in the federally declared disaster area; and (2) ending on the 30th day after the date the disaster declaration expires or is terminated;

d. "Consumer" means an individual, partnership, corporation, this state, or a subdivision or agency of this state that seeks or acquires by purchase or lease any goods or services; and

e. "Eligible Consumer" shall mean any Consumer identified from data Marqwardt provided to the State who: (1) stayed at Hotel Corpus Christi Bayfront between the dates of August 24, 2017 and September 30, 2017; (2) paid a room rate that increased by 67% or more over the facility's average price for that room during the three months preceding August 2017; and (3) timely and correctly fills out and submits a claim form to the State in accordance with procedures set forth in the Consumer Restitution section below.

PERMANENT INJUNCTION

14. IT IS FURTHER ORDERED that Markwardt, his officers, agents, servants, employees, attorneys, and any other Persons in active concert or participation with him who receive actual notice of this order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, entity, or other devise shall be PERMANENTLY ENJOINED from engaging in the following acts or practices:

a. Taking advantage of a disaster declared by the Governor under Chapter 418 of the Texas Government Code or by the President of the United States if any part of this state is named in the federally declared disaster area, by:

i. selling or leasing lodging or any other necessity at an exorbitant or excessive price; or

ii. demanding an exorbitant or excessive price in connection with the sale or lease of lodging or any other necessity;

b. Collecting state or local taxes from a disaster victim, personnel participating in relief operations, or any other Person if, during a Designated Disaster Period, such taxes have been suspended by the Governor pursuant to Chapter 418 of the Texas Government Code;

c. Violating any regulation, proclamation, declaration, or executive order made by the Governor pursuant to Chapter 418 of the Government Code or the President of the United States, if any part of Texas is named in the federally declared disaster area;

d. Failing to provide a sales tax exemption certificate to a disaster victim, personnel participating in relief operations, or any other Person if, during a Designated Disaster Period, the Governor suspends the Hotel Occupancy Tax pursuant to Chapter 418 of the Government Code;

e. Failing to obtain a sales tax exemption certificate from evacuees;

f. Failing to maintain a registration system to record the identity and contact information from guests of the hotel or motel including the guests' names, addresses, the length of their stay, and the price charged per day; and

g. Altering, destroying, or mutilating records ordered to be kept pursuant to Subparagraphs (e) and (f) above for a three-year period after the event, provided the matter is not in litigation. If the matter is in litigation, records shall not be altered, destroyed, or mutilated until a three-year period following the entry of a final judgment that is not subject to further appeal.

15. IT IS FURTHER ORDERED that the above-referenced injunctive terms are intended to effectively prevent such activity by Markwardt and any attempt to conduct such activity through another Person in circumvention of this injunction shall be deemed a violation of the injunction.

CONSUMER RESTITUTION

16. IT IS FURTHER ORDERED that the State shall have judgment from Marqwardt in the amount of TWENTY-FIVE THOUSAND DOLLARS ($25,000) for consumer restitution (Restitution Payments) upon execution of the Agreed Judgment.

17. IT IS FURTHER ORDERED that the procedures for the distribution of the Restitution Payments are as follows:

a. The parties have agreed to the use of the attached claim form or a substantially similar form agreed to by the parties. The State may begin accepting claim forms by October 1, 2021. The State will not accept claim forms later than January 15, 2021, which will be the Claims Deadline Date. No refunds will be distributed by the State until after the Claims Deadline Date passes. Eligible Consumers who properly complete the claim form will be eligible to receive a refund payment;

b. The State will determine if the claim form has been properly completed and timely submitted, and determine the specific refund amount each Eligible Consumer will receive;

c. Eligible Consumers may receive pro rata refund amounts, if claimed amounts by Eligible Consumers exceed the Restitution Payments;

d. If the full claimed amounts by all Eligible Consumers is less than the Restitution Payments, any residual amounts will be allocated to the State for the reimbursement of attorneys' fees and court costs; and

e. Checks returned to the State shall be treated in accordance with the State of Texas' unclaimed property laws.

18. IT IS FURTHER ORDERED that Marqwardt will cooperate with reasonable requests from the State for consumer information for the purpose of restitution distribution.

MISCELLANEOUS PROVISIONS

19. IT IS FURTHER ORDERED that upon execution of the Agreed Judgment Marqwardt shall immediately pay the State a total of TWENTY-FIVE THOUSAND DOLLARS ($25,000). Payments shall be made via certified check or wire transfer, payable to "THE STATE OF TEXAS," bearing the reference AG# CX5839980697, and if not by wire transfer, delivered/mailed to the Office of the Attorney General, ATTN: Accounting Division, 300 W. 15th Street, MC-003, Austin, TX 78701. The State shall be permitted to abstract the judgment as provided by law; however, it will forbear execution so long as payment is made pursuant to the terms of the Agreed Judgment.

20. IT IS FURTHER ORDERED that if the State believes that Markwardt is in default of the Permanent Injunction for any reason, the State shall provide Markwardt with written notice by certified mail to Markwardt's last known address of the circumstances that the State believes constitute a default. Markwardt shall have ten (10) days to either provide the State with written documentation that no such default occurred or to cure such default.

21. IT IS FURTHER ORDERED that in the event of a finding of default of the Permanent Injunction the State shall be entitled to declare the unpaid principal balance, earned

interest, and any other amounts owed on the obligation immediately due. Markwardt waives all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest.

22. IT IS FURTHER ORDERED that Markwardt, by his signature below, hereby acknowledges notice of this Agreed Judgment and acceptance of the same; therefore, no injunctive writ need be issued. Plaintiff may enforce the Agreed Judgment through any procedure or process available under the laws of the State of Texas.

23. IT IS FURTHER ORDERED that Markwardt shall not represent to the public that this Agreed Judgment constitutes approval by the State or this Court of any of Markwardt's actions or business practices.

24. IT IS FURTHER ORDERED that this Agreed Judgment is final as to Markwardt and disposes of all claims between the parties in this cause. All relief asserted or which could have been asserted among the parties to this Agreed Judgment hereto based on the legal and factual allegations not expressly granted herein is denied.

25. IT IS FURTHER ORDERED that all costs of court expended or incurred in this cause are adjudged against the party incurring the same.

SIGNED this ____ day of 09/27/2021, 2021.

JUDGE PRESIDING

Signed: 9/27/2021 03:30 PM

AGREED AS TO SUBSTANCE AND FORM AND ENTRY REQUESTED:

KEN PAXTON
Attorney General of Texas

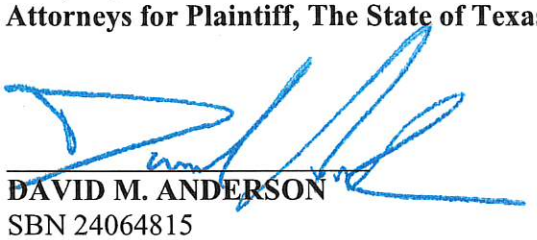
BRENT WEBSTER
First Assistant Attorney General

GRANT DORFMAN
Deputy First Assistant Attorney General

SHAWN E. COWLES
Deputy Attorney General for Civil Litigation

STEVEN ROBINSON
Chief, Consumer Protection Division

/s/ Valeria Sartorio
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valeria.sartorio@oag.texas.gov
STEVEN ROBINSON
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Attorneys for Plaintiff, The State of Texas



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Telephone: 713-739-0810
Facsimile: 713-739-0821
Attorney for Defendant, Gregory Markwardt d/b/a Hotel Corpus Christi Bayfront



GREGORY MARKWARDT D/B/A HOTEL CORPUS CHRISTI BAYFRONT
1102 N. Cherry St.
San Antonio, Texas 78202
Defendant

CLAIM FORM FOR PRICE-GOUGING RESTITUTION FOR LODGING PURCHASED FROM HOTEL CORPUS CHRISTI BAYFRONT DURING HURRICANE HARVEY DISASTER PROCLAMATION PERIOD

NOTE: This claim form must be emailed or mailed and postmarked on or before January 15, 2022.

Distribution of restitution is estimated to be made by March 15, 2022.

Please provide your name and address:

1. Name: _____
   (First) (Middle) (Last)
2. Current address: _____
   Street Name and Number (include apartment number, if applicable)

   City: _____ State: _____ Zip Code: _____
3. Email address: _____

Instructions: To be eligible for restitution, please provide the information below. *If* you have a receipt from this transaction, please attach a copy and fill out only those items below which are not included in the receipt; otherwise, fill out the entire form. Unavailability of a receipt will not disqualify you from eligibility. Final determination of eligibility will be made based upon the requirements set out in the settlement agreement between the parties in *State of Texas v. Gregory Markwardt d/b/a Hotel Corpus Christi Bayfront*; Cause #2020DCV-0829-A; 28th Judicial District Court in Nueces County, Texas).

Please note that your refund may be made on a *pro rata* basis if claims exceed the restitution funds available, which means that you may only receive a portion of the amount that you were charged.

a. Date of purchase: _____
b. Price you paid for lodging/day: $_____
c. Number of days: _____
d. Amount of total sale: $_____

By signing and dating below, you acknowledge and affirm that you paid for the above-referenced lodging:

Date: _____ _____
(Sign Here)

If you have any questions, please contact Mirna Beltran, at the Office of the Texas Attorney General – Consumer Protection Division, by phone: 210-225-4191 ext. 1103 or email: mirna.beltran@oag.texas.gov.

Automated Certificate of eService

This automated certificate of service was created by the efiling system. The filer served this document via email generated by the efiling system on the date and to the persons listed below. The rules governing certificates of service have not changed. Filers must still provide a certificate of service that complies with all applicable rules.

Judi Logan on behalf of Valeria Sartorio
Bar No. 24073758
judi.logan@oag.texas.gov
Envelope ID: 56989949
Status as of 9/8/2021 3:01 PM CST

Case Contacts

Name	BarNumber	Email	TimestampSubmitted	Status
David Anderson	24064815	anderson@ccatriallaw.com	9/7/2021 9:34:02 AM	SENT
Valeria Sartorio		Valeria.Sartorio@oag.texas.gov	9/7/2021 9:34:02 AM	SENT

Filed
6/25/2021 2:33 PM
Anne Lorentzen
District Clerk
Nueces County, Texas

NO. 2019-DCV-6116-B

STATE OF TEXAS,	§	**IN THE DISTRICT COURT**
Plaintiff,	§	
	§	
v.	§	
	§	
CORWELL ENTERPRISES, INC. d/b/a	§	**NUECES COUNTY, TEXAS**
SPRINGHILL SUITES BY,	§	
MARRIOTT HOTEL and	§	
VISHAL HOTEL, L.P. d/b/a	§	
SPRINGHILL SUITES BY	§	
MARRIOTT HOTEL,	§	
Defendant.	§	**117th JUDICIAL DISTRICT**

AGREED FINAL JUDGMENT AND PERMANENT INJUNCTION

TO THE HONORABLE DISTRICT JUDGE:

On this 28 day of June, 2021, came for hearing on the above-entitled and numbered cause in which the State of Texas (State), acting by and through its Attorney General, KEN PAXTON, is Plaintiff and Cornwell Enterprises, Inc. d/b/a Springhill Suites By, Marriott Hotel and Vishal Hotel, L.P. d/b/a Springhill Suites By, Marriott Hotel (Defendant) is Defendant. In this action, the State alleges that Defendant engaged in false, misleading, and deceptive acts and practices in violation of § 17.46 of the Deceptive Trade Practices-Consumer Protection Act ("DTPA"), TEX. BUS. & COM. CODE § 17.41 *et seq*. Specifically, the State alleges that Defendant violated the DTPA because it took advantage of a disaster declared by the Texas Governor under Chapter 418 of the Government Code by demanding or charging excessive prices for lodging. The parties, by and through their attorneys of record, have made the following stipulations and agree to the entry of this Agreed Final Judgment and Permanent Injunction (AFJPI) as a compromise and settlement of disputed claims.

STIPULATIONS

1. The Court has jurisdiction over the subject matter and parties in this action under the DTPA.

2. This AFJPI does not constitute an approval of Defendant's business and practices by the State or the Court and Defendant shall make no representation or claim to the contrary. Defendant continues to deny any illegal conduct and denies all liability but enters into this AFJPI only to buy its peace.

3. The parties agree to the entry of this AFJPI and agree that the Court has continuing jurisdiction to enforce this AFJPI.

4. This AFJPI sets forth the entire agreement between the parties and there are no other representations or agreements between the parties not stated in writing herein.

5. Defendant is aware of the terms and duties placed upon it by the AFJPI, acknowledges that it has fully read and understands this AFJPI, accepts the legal consequences involved in signing this AFJPI, and represents that it is desirous and capable of carrying out the terms and duties of this AFJPI in full.

6. Defendant acknowledges receipt of copies of this AFJPI.

7. The parties agree that, should any clause, provision, or section of this AFJPI, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision, or section of this AFJPI, and this AFJPI shall be construed and enforced as if such illegal, invalid, or unenforceable clause, section or provision had not been contained herein.

8. The parties agree to waive the thirty (30) day period in which to file a Motion for New Trial and waive any and all rights to appeal this AFJPI.

FINDINGS

9. Having reviewed the pleadings in this case and the stipulations of the parties, the Court hereby finds as follows:

a. The Court has jurisdiction over the parties;

b. The Court has jurisdiction over the subject matter of this action;

c. Venue is proper in Nueces County, Texas;

d. Entry of this AFJPI is in the public interest; and

e. The issuance and service of a writ of injunction are waived.

PERMANENT INJUNCTION

10. IT IS FURTHER ORDERED that Cornwell Enterprises, Inc. d/b/a Springhill Suites By, Marriott Hotel and Vishal Hotel, L.P. d/b/a Springhill Suites By, Marriott Hotel, its officers, agents, servants, employees, and those persons in active concert or participation with it who receive actual notice of the AFJPI by personal service or otherwise are hereby PERMANENTLY ENJOYED from the following:

a. Taking advantage of any disaster, declared by the Governor under Chapter 418 of the Government Code, by offering accommodations or other necessities at an exorbitant or excessive price;

b. Collecting state and local taxes from disaster victims, personnel participating in relief operations, or person identified by the Governor's declaration during a disaster declared by the Governor of Texas when such taxes have been suspended by the Governor pursuant to Chapter 418 of the Government Code;

c. Violating any regulation, proclamation, declaration, or executive order made by the Governor pursuant to Chapter 418 of the Government Code;

d. Failing to provide a sales-tax-exemption certificate to any disaster victim any time the Governor suspends the Hotel Occupancy Tax pursuant to Chapter 418 of the Government Code;

e. Failing to obtain a sales-tax-exemption certificate from evacuees;

f. Failing to maintain a registration system to record the identity and contact information from guests of the hotel or motel including the guests' names, addresses, the length of their stay, and the price charged per day; and

g. Altering, destroying or mutilating records ordered to be kept pursuant to Subparagraphs E and F above for a three-year period after the disaster declaration, provided the matter is not in litigation. If the matter is in litigation, records shall not be altered, destroyed or mutilated until a three-year period following the entry of a final judgment, not subject to further appeal.

MONETARY JUDGMENT

11. IT IS FURTHER ORDERED that the State shall have judgment against Defendant for civil penalties and court costs in the amount of FIVE THOUSAND DOLLARS ($5,000).

12. IT IS FURTHER ORDERED that the State shall have judgment against Defendant for attorneys' fees and court costs in the amount of FIVE THOUSAND DOLLARS ($5,000).

13. IT IS FURTHER ORDERED that the State shall have judgment against Defendant for consumer restitution in the amount of TWENTY THOUSAND DOLLARS ($20,000).

14. IT IS FURTHER ORDERED that the State will distribute restitution under the following procedures: The State will send a claim form to eligible consumers. Eligible consumers are consumers who stayed at Defendant's hotel during the aftermath of Hurricane Harvey between the dates of August 24, 2017 and September 30, 2017 and who paid a room rate that increased by 66% or more over Defendant's price for that room during the three months preceding August 2017. Distribution of restitution will be limited to eligible consumers who return the claim form before the deadline. The State will determine if the claim form has been properly completed and timely submitted, and determine the specific refund amount each eligible consumer will receive. Consumers may receive pro rata refund amounts, if claimed amounts by eligible consumers exceed the restitution payments. If the full claimed amounts by all eligible consumers is less than the

restitution award, any residual amounts for such unlocated eligible guests will be allocated to the Supreme Court Judicial Fund as a civil penalty pursuant to Sec. 402.007(b)(1) of the Texas Government Code. Checks sent to eligible consumers which are returned to the State shall be treated in accordance with the State of Texas' unclaimed property laws.

15. IT IS FURTHER ORDERED that Defendant will cooperate with reasonable requests from Plaintiff for consumer information for the purpose of restitution distribution.

16. IT IS FURTHER ORDERED that Defendant's payment of these monetary amounts to the State shall be paid upon entry of this Judgment by certified check or wire transfer, payable to the "STATE OF TEXAS," bearing the reference AG# CX4059211467 and if not by wire transfer, deliver/mailed to the Office of the Attorney General, ATTN: Accounting Division, 300 W. 15th St., MC-003, Austin, TX 78701.

MISCELLANEOUS PROVISIONS

17. IT IS FURTHER ORDERED that nothing in this AFJPI shall create any private rights, causes of action, or remedies against Defendant and nothing in the Agreed Judgment shall be construed as a waiver of any private rights, causes of action, or remedies of any person against Defendant with respect to the practices of conduct described herein.

18. IT IS FURTHER ORDERED that Defendant's indebtedness to the State identified above are for alleged violations of the DTPA, which alleged violations Defendant continues to deny; however, Defendant agrees to make payment as part of the settlement.

19. IT IS FURTHER ORDERED that the State shall be permitted to abstract the judgment as provided by law, but will forbear execution so long as payment is made pursuant to the terms of the AFJPI.

20. IT IS FURTHER ORDERED that Defendant, by its signature below, hereby

acknowledges notice of this AFJPI and acceptance of the same. Plaintiff may enforce the AFJPI through any procedure or process available under the laws of the State of Texas.

21. IT IS FURTHER ORDERED that Defendant shall not represent to the public that this AFJPI constitutes approval by the State or this Court of any of Defendant's actions or business practices.

22. IT IS FURTHER ORDERED that this AFJPI is final as to all parties and disposes of all claims asserted by the parties in this instant case. All relief asserted or which could have been asserted among the parties to this AFJPI hereto based on the legal and factual allegations in this underlying cause for alleged violations of the DTPA not expressly granted herein is denied. The State hereby fully releases, waives, and discharges Defendant and its officers, agents, representatives, and employees from any claims arising out of or related to facts alleged in this underlying cause which were brought or could have been brought in a consumer protection action, including claims for alleged violations of the DTPA, prior to the date this AFJPI is entered by the Court. This AFJPI does not, however, affect the rights of or remedies available to any third party that is not subject to this order, except as provided by law.

SIGNED this 28 day of June, 2021.

Sandra L. Wurtz

JUDGE PRESIDING

AGREED AS TO SUBSTANCE AND FORM AND ENTRY REQUESTED:

KEN PAXTON
Attorney General of Texas

BRENT WEBSTER
First Assistant Attorney General

GRANT DORFMAN
Deputy First Assistant Attorney General

SHAWN E. COWLES
Deputy Attorney General for Civil Litigation

JENNIFER S. JACKSON
Chief, Consumer Protection Division

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ATTORNEY FOR DEFENDANT

FILED
10:55 A.M. P.M.
DEC 11 2018
DAVID R. LLOYD
DISTRICT CLERK - JOHNSON COUNTY, TEXAS
BY DEPUTY

NO. DC-C201700674

THE STATE OF TEXAS, Plaintiff,	§	IN THE DISTRICT COURT
v.	§	
SUN MACRO CORPORATION D/B/A BIG WILLY'S; MR. GROUP, INC. D/B/A BIG WILLY'S; AND STAR IMPEX, INC. D/B/A BIG WILLY'S, HAPPY HILL GROCERY, and LUCKY MART, Defendants.	§	JOHNSON COUNTY, TEXAS
	§	18TH JUDICIAL DISTRICT

AGREED FINAL JUDGMENT AND PERMANENT INJUNCTION

TO THE HONORABLE JUDGE OF SAID COURT:

On this 11 day of Dec, 2018, came on to be heard the above-entitled and numbered cause wherein the STATE OF TEXAS (State) is Plaintiff and Sun Macro Corporation d/b/a Big Willy's; Mr. Group, Inc. d/b/a Big Willy's; and Star Impex, Inc. d/b/a Big Willy's, Happy Hill Grocery, and Lucky Mart, are Defendants (hereinafter "Defendants"). In this action, the State alleges that following the Texas Governor's disaster declaration due to Hurricane Harvey, Defendants engaged in price gouging by charging consumers up to $4.99 per gallon of regular unleaded grade gasoline in violation of § 17.46 of the Texas Deceptive Trade Practices Act, Tex. Bus. & Com. Code (DTPA). Specifically, the State alleges that Defendants violated the DTPA because they took advantage of a disaster declared by the governor under Chapter 418 of the Government Code by selling fuel at an exorbitant or excessive price or by demanding an exorbitant or excessive price in connection with the sale of fuel. The parties, by and through their attorneys of record, have made the following stipulations and agree to the entry of this Agreed Final

Judgment and Permanent Injunction (Agreed Judgment) as a compromise and settlement of disputed claims.

STIPULATIONS

1. The Court has jurisdiction over the subject matter and parties in this action under the DTPA;

2. This Agreed Judgment does not constitute approval by the State or the Court of Defendants' business practices, and Defendants shall make no representation or claim to the contrary;

3. The parties agree to and do not contest the entry of this Agreed Judgment and agree that the Court has continuing jurisdiction to enforce this Agreed Judgment;

4. This Agreed Judgment sets forth the entire agreement between the parties, and there are no other representations or agreements between the parties not stated in writing herein;

5. Defendants are aware of the terms and duties placed upon them by the Agreed Judgment, acknowledge that they have fully read and understand this Agreed Judgment, accept the legal consequences involved in signing this Agreed Judgment, and represent that they are desirous and capable of carrying out the terms and duties of this Agreed Judgment in full;

6. Defendants acknowledge receipt of copies of this Agreed Judgment;

7. The parties have compromised and settled all claims alleged by the State in this cause without the necessity of a trial, and this Agreed Judgment does not constitute an admission by Defendants of any violation of law or regulation;

8. The parties agree that nothing in this Agreed Judgment shall be constructed to affect any action or proceeding by any regulatory body or other state agency, whether such action or proceeding is related to any issue addressed by this Agreed Judgment or otherwise; and

9. The parties agree that, should any clause, provision, or section of this Agreed Judgment, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision, or section of this Agreed Judgment, and this Agreed Judgment shall be construed and enforced as if such illegal, invalid, or unenforceable clause, provision, or section had not been contained herein.

FINDINGS

10. Having reviewed the pleadings in this case and the stipulations of the parties, the Court hereby finds as follows:

a. The Court has jurisdiction over the parties;

b. The Court has jurisdiction over the subject matter of this action;

c. Venue is proper in Johnson County, Texas;

d. Entry of this Agreed Judgment is in the public interest; and

e. The issuance and service of a writ of injunction are waived.

FACTUAL BACKGROUND

11. On August 23, 2017, Governor Greg Abbott declared a State of Disaster under Texas Government Code § 418.014 anticipating the landfall of then Tropical Storm Harvey (Harvey State of Disaster).

12. On August 25, 2017, Hurricane Harvey made landfall on the Texas Gulf Coast.

13. On September 1, 2017, Governor Abbott issued a price gouging declaration emphasizing the unlawful practice of price gouging: "Texans impacted by this disaster are particularly vulnerable to economic exploitation during this challenging time . . . Texas law prohibits price gouging and gives the attorney general the authority to prosecute anyone throughout Texas who takes advantage of a declared disaster by charging an exorbitant or excessive price for fuel."

14. Defendants operate fuel stations located in multiple cities in Texas, namely, Burleson, Mansfield, Arlington, Lake Worth, Joshua, Cleburne, Mineral Wells, and Alvarado, that sold fuel to consumers during the Harvey State of Disaster.

15. The Attorney General's Consumer Protection Division received complaints from consumers that Defendants were charging up to $4.99 per gallon of regular unleaded grade gasoline during the Harvey State of Disaster.

DEFINITIONS

16. **IT IS ORDERED** that, as used in this Agreed Judgment, the following terms are defined as follows:

a. "Claims Administrator" means the entity selected by the State of Texas to administer the restitution claims for this settlement;

b. "Defendants," "You," or "Yours" means Sun Macro Corporation d/b/a Big Willy's; Mr. Group, Inc. d/b/a Big Willy's; and Star Impex, Inc. d/b/a Big Willy's, Happy Hill Grocery, and Lucky Mart, their officers, agents, subcontractors, servants, employees, and attorneys, and any other persons in active concert or participation with Defendants;

c. "Effective Date" means the date on which this Agreed Judgment is entered by the Court;

d. "Eligible Consumer" shall mean any consumer who paid $3.99 per gallon or more for fuel from August 31, 2017, through September 6, 2017, at Defendants' facilities located at the following addresses, and who timely and correctly fills out and submits a claim form to the Claims Administrator:

i. 1595 East Broad Street, Mansfield, Texas 76063;

ii. 4500 South Bowen Road, Arlington, Texas 76017;

iii. 6051 Lake Worth Boulevard, Lake Worth, Texas 76135;

iv. 216 NW Renfro Street, Burleson, Texas 76028;

v. 500 South Broadway Street, Joshua, Texas 76058;

vi. 707 East Jefferson Avenue, Whitney, Texas 76692;

vii. 710 South Main Street, Cleburne, Texas 76033;

viii. 1703 E Hubbard Street, Mineral Wells, Texas 76067;

ix. 420 North Broadway Street, Joshua, Texas 76058;

x. 3841 Cummings Drive, Alvarado, Texas 76009; and

xi. 8101 E FM 917, Alvarado, Texas 76009;

e. "Refund Amount" shall be the difference between the price paid by an Eligible Consumer and the average price for the same grade of fuel charged by Defendants on August 30, 2017; and

f. "State of Disaster" means the period designated by the Governor's disaster declaration pursuant to Chapter 418 of the Government Code.

PERMANENT INJUNCTION

17. **IT IS FURTHER ORDERED** that Defendants, their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with Defendants who receive actual notice of the Agreed Final Judgment and Permanent Injunction by personal service or otherwise, are hereby permanently ENJOINED from the following:

a. Demanding an exorbitant or excessive price for fuel or selling fuel at an exorbitant or excessive price during a State of Disaster. Defendants' price for fuel is presumed exorbitant or excessive when the price per gallon during a State of Disaster is

greater than 125 percent of Defendants' 30-day average price per gallon immediately prior to the State of Disaster, unless Defendants can demonstrate through their written records that the price increase is attributable to additional fuel supply costs incurred by Defendants.

18. **IT IS FURTHER ORDERED** that during any future State of Disaster and for a minimum of six months following the expiration of such State of Disaster, Defendants shall cease any ongoing or scheduled document or data destruction and shall preserve records reflecting:

a. Each individual fuel sale transaction, including price per gallon and gallons purchased;

b. The dates, times, and amounts of changes in fuel prices; and

c. All fuel supply costs incurred by Defendants.

CONSUMER RESTITUTION

19. **IT IS FURTHER ORDERED** that Defendants shall pay restitution as follows:

a. If Defendants are able to identify and segregate credit/debit card payments from cash transactions for fuel, Defendants shall issue a chargeback or other automatic refund of the Refund Amount directly to each Eligible Consumer. Within 14 days of the Effective Date of this Agreed Judgment, Defendants will provide the State a list of consumers who received chargebacks under this provision. Such information shall include the Refund Amounts and the names of the persons receiving the chargebacks; and

b. If Defendants are not able to identify and segregate credit/debit card payments from cash transactions for fuel, and/or if Defendants have additional consumers who made cash payments for their fuel transactions, Defendants shall disgorge to the

State of Texas the amount of TWENTY-SEVEN THOUSAND FOUR AND NO/100 DOLLARS ($27,004.00) for these consumers. The State shall have Judgment against Defendants, jointly and severally, in the amount of $27,004.00. This $27,004.00 payment will be referred to as the Restitution Payment. Defendants' payment to the State of Texas shall be made by certified check or wire transfer, payable to the "STATE OF TEXAS," bearing the reference AG# CX4753181818 and if not by wire transfer, delivered/mailed to the Office of the Attorney General, ATTN: Accounting Division, 300 W. 15th St., MC-003, Austin, TX 78701.

20. **IT IS FURTHER ORDERED** that the procedures for the distribution of the Restitution Payment are as follows:

a. The State will remit the Restitution Payment to the Claims Administrator to pay refunds and the costs of administration;

b. The parties have agreed to the use of the attached claim form or a substantially similar form agreed to by the parties. The Claims Administrator may begin accepting claim forms by December 1, 2018. The Claims Administrator will not accept claim forms later than January 31, 2019, which will be the Claims Deadline Date. No refunds will be distributed by the Claims Administrator until after the Claims Deadline Date passes. Eligible Consumers who properly complete the claim form will be eligible to receive a refund payment;

c. The Claims Administrator will have discretion, in consultation with the State of Texas, to determine if the claim form has been properly completed and timely submitted, and to determine the specific Refund Amount each Eligible Consumer

will receive. Once all Eligible Consumers have received their Refund Amounts, and once the administration costs have been paid, the Claims Administrator, in consultation with the State of Texas, may pay additional Refund Amounts to other consumers filing claims, and may also pay additional Refund Amounts to Eligible Consumers in other price gouging settlements the State has entered into;

d. Eligible Consumers may receive pro rata Refund Amounts, if full payment is not available for all Eligible Consumers;

e. Once all Refund Amounts and costs of administration have been deducted from the Restitution Payment, any residual amounts will be allocated to the Supreme Court Judicial Fund as a civil penalty pursuant to § 402.007(b)(1) of the Texas Government Code;

f. After the Claims Deadline Date, the Claims Administrator will prepare such report as the State may require; and

g. Checks returned to the Claims Administrator shall be treated in accordance with the State of Texas' unclaimed property laws.

ATTORNEY'S FEES

21. **IT IS FURTHER ORDERED** that the State shall have judgment against Defendants, jointly and severally, for attorney's fees and court costs in the amount of NINE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS ($9,500.00).

22. **IT IS FURTHER ORDERED** that Defendants' payments to the State for attorney's fees and court costs shall be made by certified check or wire transfer, payable to the "STATE OF TEXAS," bearing the reference AG# CX4753181818, and if not by wire transfer, delivered/mailed to the Office of the Attorney General, ATTN: Accounting Division, 300 W. 15th

St., MC-003, Austin, TX 78701.

MISCELLANEOUS PROVISIONS

23. **IT IS FURTHER ORDERED** that Defendants' payments to the State for restitution and attorney's fees and court costs, referenced in paragraphs 19.b and 22, respectively, shall be made in accordance with the following schedule: Defendants shall pay SIX THOUSAND AND NO/100 DOLLARS ($6,000.00) to the State within 10 days of the Effective Date; Defendants shall pay the remaining THIRTY THOUSAND FIVE HUNDRED FOUR AND NO/100 DOLLARS ($30,504.00) in four installments of SEVEN THOUSAND SIX HUNDRED TWENTY-SIX AND NO/100 DOLLARS ($7,626.00) with the first installment due within ninety (90) days after the Effective Date, the second installment due within one hundred and eighty (180) days after the Effective Date, the third installment due within two hundred and seventy (270) days after the Effective Date, and the remainder due within three hundred and sixty-five (365) days after the Effective Date.

24. **IT IS FURTHER ORDERED** that nothing in the Agreed Judgment shall be construed as a waiver of any private rights, causes of action, or remedies of any person against Defendants with respect to the practices or conduct described herein.

25. **IT IS FURTHER ORDERED** that to the extent that the provisions of this Agreed Judgment conflict with any Texas, local, or federal law or regulation that now exists, or is later enacted or amended, such law or regulation, and not this Agreed Judgment shall apply. For the purpose of this Agreed Judgment, such conflict exists if conduct prohibited by this Agreed Judgment is required or expressly permitted by such Texas, local, or federal law or regulation, or if conduct required by this Agreed Judgment is prohibited by such Texas, local, or federal law or regulation.

26. **IT IS FURTHER ORDERED** that the terms of this Agreed Judgment are not intended to alter Defendants' lawful contractual obligations with their fuel distributor(s) and supplier(s).

27. **IT IS FURTHER ORDERED** that Defendants' indebtedness to the State identified above is for alleged violations of the DTPA.

28. **IT IS FURTHER ORDERED** that payment to the State will be allocated in the following order until each is fully paid: (1) restitution; and (2) attorney's fees and court costs.

29. **IT IS FURTHER ORDERED** that Defendants, by the signature below of their legal representative, hereby acknowledge notice of this Agreed Judgment and acceptance of the same. Plaintiff may enforce the Agreed Judgment through any procedure or process available under the laws of the State of Texas.

30. **IT IS FURTHER ORDERED** that this Agreed Judgment is final as to all parties and disposes of all claims asserted by the parties in this instant case. All relief asserted or which could have been asserted among the parties to this Agreed Judgment hereto based on the legal and factual allegations in this underlying cause for alleged violations of the DTPA not expressly granted herein is denied. The State hereby fully releases, waives, and discharges Defendants and their officers, agents, representatives, and employees from any claims arising out of or related to facts alleged in this underlying cause for alleged violations of the DTPA prior to the date this Agreed Judgment is entered by the Court. This Agreed Judgment does not, however, affect the rights of or remedies available to any third party that is not subject to this order.

SIGNED this 11 day of Dec 2018.

JUDGE PRESIDING

AGREED AS TO SUBSTANCE AND FORM AND ENTRY REQUESTED:

Respectfully submitted,

KEN PAXTON
Attorney General of Texas

JEFFREY C. MATEER
First Assistant Attorney General

BRANTLEY STARR
Deputy First Assistant Attorney General

DARREN L. MCCARTY
Deputy Attorney General for Civil Litigation

PAUL SINGER
Division Chief, Consumer Protection Division

/s/ Pedro Perez, Jr.
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ATTORNEYS FOR THE STATE OF TEXAS

AGREED AS TO SUBSTANCE AND FORM AND ENTRY REQUESTED:

[redacted] SUHALKA, President for:
Sun Macro Corporation d/b/a Big Willy's; Mr. Group, Inc. d/b/a Big Willy's; and Star Impex, Inc. d/b/a Big Willy's, Happy Hill Grocery and Lucky Mart.

DEFENDANTS

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DANAE COUCH
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104 South Main Street
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ATTORNEYS FOR DEFENDANTS

CLAIM FORM FOR PRICE-GOUGING RESTITUTION FOR FUEL PURCHASES DURING HURRICANE HARVEY DISASTER PROCLAMATION PERIOD

NOTE: This claim form must be emailed or mailed and postmarked on or before January 31, 2019.

Distribution of restitution is estimated to be made by March 15, 2019.

Please provide your name and address:

1. Name: _____
   (First) (Middle) (Last)
2. Current address: _____
   Street Name and Number (include apartment number, if applicable)

   City: _____ State: _____ Zip Code: _____
3. Email address: _____

Instructions: To be eligible for restitution, please provide the information below. If you have a receipt from this transaction, please **attach the original receipt** and you need fill out only those items below which are not included in the receipt; otherwise, fill out the entire form. Submit separate forms if you purchased fuel on more than one day or at more than one station. Final determination of eligibility will be made based upon the requirements set out in the settlement agreement between the State and the gas station where you made your purchase. Note that your refund may be made on a pro rata basis if claims exceed the restitution funds available, which means you may only receive a portion of the amount that you were overcharged.

a. The name of the gas station where you purchased the fuel: _____
   Address of that station _____
   Street Name and Number

   City: _____ State_____ Zip Code_____
b. Date of purchase: _____
c. Price you paid per gallon for the fuel: $_____
d. Number of gallons of fuel purchased: _____
e. Amount of total sale: $_____
f. Make and model of vehicle for which the fuel was purchased: _____

Please affirm that you are the individual who paid for fuel as shown on your receipt by dating and signing here:

Date: _____ _____
(Sign Here)

If you have any questions, call the settlement information line at 1-888-755-9508 (toll free), or write to the Hurricane Harvey Price-Gouging Claims Administrator at the address below:

Mail this form along with your receipt to: **Hurricane Harvey Price-Gouging Claims Administrator**
c/o Dahl Administration
PO Box 3614
Minneapolis, MN 55403-0614

Or email this form and your receipt to: **HarveyClaim@DahlAdministration.com**

No. 17-09-00133-CVL

STATE OF TEXAS, **Plaintiff,**	§	**IN THE DISTRICT COURT**
v.	§	**LA SALLE COUNTY, TEXAS**
ENCINAL FUEL, LLC d/b/a ENCINAL FUEL STOP, **Defendant.**	§	**81st JUDICIAL DISTRICT**

AGREED FINAL JUDGMENT AND PERMANENT INJUNCTION

TO THE HONORABLE JUDGE OF SAID COURT:

On this 16th day of May, 2019, came on to be heard the above-entitled and numbered cause wherein the STATE OF TEXAS (State) is Plaintiff and ENCINAL FUEL, LLC d/b/a ENCINAL FUEL STOP (Encinal Fuel) is Defendant. In this action, the State alleges that following the Texas Governor's disaster declaration due to Hurricane Harvey, Defendant engaged in price gouging by charging consumers up to $9.99 per gallon of gasoline in violation of § 17.46 of the Texas Deceptive Trade Practices Act, Tex. Bus. & Com. Code (DTPA). Specifically, the State alleges that Defendant violated the DTPA because it took advantage of a disaster declared by the Texas Governor under Chapter 418 of the Government Code by selling fuel at an exorbitant or excessive price or demanding an exorbitant or excessive price in connection with the sale of fuel. The parties, by and through their attorneys of record, have made the following stipulations and agree to the entry of this Agreed Final Judgment and Permanent Injunction (Agreed Judgment) as a compromise and settlement of disputed claims.

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STIPULATIONS

1. The Court has jurisdiction over the subject matter and parties in this action under the DTPA.

2. This Agreed Judgment does not constitute an approval of Defendant's business practices by the State or the Court and Defendant shall make no representation or claim to the contrary.

3. The parties agree to and do not contest the entry of this Agreed Judgment and agree that the Court has continuing jurisdiction to enforce this Agreed Judgment.

4. This Agreed Judgment sets forth the entire agreement between the parties and there are no other representations or agreements between the parties not stated in writing herein.

5. Defendant is aware of the terms and duties placed upon it by the Agreed Judgment, acknowledges that it has fully read and understands this Agreed Judgment, accepts the legal consequences involved in signing this Agreed Judgment, and represents that it is desirous and capable of carrying out the terms and duties of this Agreed Judgment in full.

6. Defendant acknowledges receipt of copies of this Agreed Judgment.

7. The parties have compromised and settled all claims alleged by the State in this cause without the necessity of a trial and this Agreed Judgment does not constitute an admission by Defendant of any violation of law or regulation.

8. The parties agree that nothing in this Agreed Judgment shall be constructed to affect any action or proceeding by any regulatory body or other state agency, whether such action or proceeding is related to any issue addressed by this Agreed Judgment or otherwise.

9. The parties agree that, should any clause, provision, or section of this Agreed Judgment, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision, or section of this Agreed Judgment, and this Agreed

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Judgment shall be construed and enforced as if such illegal, invalid, or unenforceable clause, section or provision had not been contained herein.

10. The parties agree to waive the thirty (30) day period in which to file a Motion for New Trial and waive any and all rights to appeal this Agreed Judgment.

FINDINGS

11. Having reviewed the pleadings in this case and the stipulations of the parties, the Court hereby finds as follows:

a. The Court has jurisdiction over the parties;

b. The Court has jurisdiction over the subject matter of this action;

c. Venue is proper in La Salle County, Texas;

d. Entry of this Agreed Judgment is in the public interest; and

e. The issuance and service of a writ of injunction are waived.

FACTUAL BACKGROUND

12. On August 23, 2017, Governor Greg Abbott declared a State of Disaster under Texas Government Code section 418.014 anticipating the landfall of then Tropical Storm Harvey (Harvey State of Disaster).

13. On August 25, 2017, Hurricane Harvey made landfall on the Texas Gulf Coast.

14. On September 1, 2017, Governor Abbott issued a price gouging declaration emphasizing the unlawful practice of price gouging: "Texans impacted by this disaster are particularly vulnerable to economic exploitation during this challenging time . . . Texas law prohibits price gouging and gives the attorney general the authority to prosecute anyone throughout Texas who takes advantage of a declared disaster by charging an exorbitant or excessive price for fuel."

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15. Encinal Fuel operated a fuel station located in Encinal, Texas, that sold fuel to consumers from August 31, 2017 through September 3, 2017, which was during the Harvey State of Disaster.

16. The Attorney General's Consumer Protection Division received complaints from consumers that Defendant was charging up to $9.99 per gallon of gasoline during the Harvey State of Disaster.

DEFINITIONS

17. **IT IS ORDERED** that, as used in this Agreed Judgment, the following terms are defined as follows:

a. "Defendant," "You," or "Yours" means Encinal Fuel, LLC d/b/a Encinal Fuel Stop, its officers, agents, subcontractors, servants, employees, attorneys, and any other persons in active concert or participation with Encinal Fuel, LLC d/b/a Encinal Fuel Stop;

b. "State of Disaster" means the period designated by the Texas Governor's disaster declaration pursuant to Chapter 418 of the Government Code;

c. "Refund Amount" shall be the difference between the price paid by an Eligible Consumer and the average price for the same grade of fuel charged by Encinal Fuel on August 29, 2017;

d. "Claims Administrator" means the entity selected by the State of Texas to administer the restitution claims for this settlement;

e. "Effective Date" means the date on which this Agreed Judgment is entered by the Court; and

f. "Eligible Consumer" shall mean any consumer who paid $3.99 per gallon or more for fuel at the facility located at 28442 South IH-35, Encinal, La Salle County, Texas

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78019, on August 31, 2017 through September 3, 2017, and who timely and correctly fills out and submits a claim form to the Claims Administrator.

PERMANENT INJUNCTION

18. **IT IS FURTHER ORDERED** that Encinal Fuel, its officers, agents, servants, employees, attorneys, and those persons in active concert or participation with it who receive actual notice of the Agreed Judgment by personal service or otherwise are hereby **PERMANENTLY ENJOINED** from demanding an exorbitant or excessive price for fuel or selling fuel at an exorbitant or excessive price during a State of Disaster. Defendant's price for fuel is presumed exorbitant or excessive when the price per gallon during a State of Disaster is greater than 125 percent of Defendant's 30-day average price per gallon immediately prior to the State of Disaster, unless Defendant can demonstrate through its written records that the price increase is attributable to additional fuel supply costs incurred by Defendant.

19. **IT IS FURTHER ORDERED** that during any future State of Disaster and for a minimum of six months following the expiration of such State of Disaster, Defendant shall cease any ongoing or scheduled document or data destruction and shall preserve records reflecting:

a. Each individual fuel sale transaction including price per gallon and gallons purchased;

b. The dates, times, and amounts of changes in fuel prices; and

c. All fuel supply costs incurred by Defendant.

CONSUMER RESTITUTION

20. **IT IS FURTHER ORDERED** that Defendant shall pay to the State of Texas the amount of SEVENTEEN THOUSAND FIVE HUNDRED AND NO/100 DOLLARS ($17,500.00) for consumers. This $17,500.00 payment will be referred to as the Restitution Payment. Consumers

who have already been issued full refunds by Defendant will not be eligible to receive restitution. Defendant's payment to the State shall be made by certified check or wire transfer, payable to the "STATE OF TEXAS," bearing the reference AG# CX5282824539 and if not by wire transfer, delivered/mailed to the Office of the Attorney General, ATTN: Accounting Division, 300 W. 15th St., MC-003, Austin, TX 78701.

21. **IT IS FURTHER ORDERED** that the procedures for the distribution of the Restitution Payment are as follows:

a. The State will remit the Restitution Payment to the Claims Administrator to pay refunds and the costs of administration;

b. The parties have agreed to the use of the attached claim form or a substantially similar form agreed to by the parties. The Claims Administrator may begin accepting claim forms by April 23, 2019. The Claims Administrator will not accept claim forms later than June 30, 2019, which will be the Claims Deadline Date. No refunds will be distributed by the Claims Administrator until after the Claims Deadline Date passes. Eligible Consumers who properly complete the claim form will be eligible to receive a refund payment;

c. The Claims Administrator will have discretion, in consultation with the State of Texas, to determine if the claim form has been properly completed and timely submitted, and to determine the specific Refund Amount each Eligible Consumer will receive. Once all Eligible Consumers have received their Refund Amount, and once the administration costs have been paid, the Claims Administrator, in consultation with the State of Texas, may pay additional Refund Amounts to other

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consumers filing claims, and may also pay additional Refund Amounts to Eligible Consumers in other price gouging settlements the State has entered into;

d. Eligible Consumers may receive pro rata Refund Amounts, if full payment is not available for all Eligible Consumers;

e. Once all Refund Amounts and costs of administration have been deducted from the Restitution Payment, any residual amounts will be allocated to the Supreme Court Judicial Fund as a civil penalty pursuant to Sec. 402.007(b)(1) of the Texas Government Code;

f. After the Claims Deadline Date, the Claims Administrator will prepare such report as the State may require; and

g. Checks returned to the Claims Administrator shall be treated in accordance with the State of Texas' unclaimed property laws.

ATTORNEYS' FEES

22. **IT IS FURTHER ORDERED** that the State shall have judgment against Defendant for attorneys' fees and court costs in the amount of FIVE THOUSAND AND NO/100 DOLLARS ($5,000.00).

23. **IT IS FURTHER ORDERED** that Defendant's payments to the State for attorneys' fees and court costs shall be paid by certified check or wire transfer, payable to the "STATE OF TEXAS," bearing the reference AG# CX5282824539 and if not by wire transfer, deliver/mailed to the Office of the Attorney General, ATTN: Accounting Division, 300 W. 15th St., MC-003, Austin, TX 78701.

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MISCELLANEOUS PROVISIONS

24. **IT IS FURTHER ORDERED** that Defendant's payment to the State in the amount of TWENTY-TWO THOUSAND FIVE HUNDRED AND NO/100 DOLLARS ($22,500.00) for restitution and attorneys' fees and court costs referenced in Paragraphs 20.b and 22-23, respectively, shall be made upon execution of the Agreed Judgment by the parties.

25. **IT IS FURTHER ORDERED** that nothing in this Agreed Judgment shall create any private rights, causes of action, or remedies against Defendant and nothing in the Agreed Judgment shall be construed as a waiver of any private rights, causes of action, or remedies of any person against Defendant with respect to the practices or conduct described herein.

26. **IT IS FURTHER ORDERED** that to the extent that the provisions of this Agreed Judgment conflict with any Texas, local, or federal law or regulation that now exists, or is later enacted or amended, such law or regulation, and not this Agreed Judgment shall apply. For the purpose of this Agreed Judgment, such conflict exists if conduct prohibited by this Agreed Judgment is required or expressly permitted by such Texas, local, or federal law or regulation, or if conduct required by this Agreed Judgment is prohibited by such Texas, local or federal law or regulation.

27. **IT IS FURTHER ORDERED** that the terms of this Agreed Judgment are not intended to alter Defendant's lawful contractual obligations with its fuel distributor(s) and supplier(s).

28. **IT IS FURTHER ORDERED** that Defendant's indebtedness to the State identified above are for alleged violations of the DTPA.

29. **IT IS FURTHER ORDERED** that the State shall be permitted to abstract the judgment as provided by law, but will forbear execution so long as payment is made pursuant to the terms of the Agreed Judgment.

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30. **IT IS FURTHER ORDERED** that Defendant, by its signatures below, hereby acknowledges notice of this Agreed Judgment and acceptance of the same. Plaintiff may enforce the Agreed Judgment through any procedure or process available under the laws of the State of Texas.

31. **IT IS FURTHER ORDERED** that Defendant shall not represent to the public that this Agreed Judgment constitutes approval by the State or this Court of any of Defendant's actions or business practices.

32. **IT IS FURTHER ORDERED** that this Agreed Judgment is final as to all parties and disposes of all claims asserted by the parties in this instant case. All relief asserted or which could have been asserted among the parties to this Agreed Judgment hereto based on the legal and factual allegations in this underlying cause for alleged violations of the DTPA not expressly granted herein is denied. The State hereby fully releases, waives, and discharges Defendant and its officers, agents, representatives, and employees from any claims arising out of or related to facts alleged in this underlying cause for alleged violations of the DTPA prior to the date this Agreed Judgment is entered by the Court. This Agreed Judgment does not, however, affect the rights of or remedies available to any third party that is not subject to this order.

SIGNED this 16 day of May 2019.

JUDGE PRESIDING

FILED FOR RECORD
At 1:00 o'clock P M.
MAY 16 2019
MARGARITA A. ESQUEDA
COUNTY & DISTRICT CLERK
LA SALLE COUNTY, TEXAS
BY Marina Montalvo DEPUTY

AGREED AS TO SUBSTANCE AND FORM AND ENTRY REQUESTED:

KEN PAXTON
Attorney General of Texas

VOL 0124 PG 0361

JEFFREY C. MATEER
First Assistant Attorney General

DARREN L. MCCARTY
Deputy Attorney General for Civil Litigation

PAUL SINGER
Chief, Consumer Protection Division

Valeria Sartorio

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STATE OF TEXAS

Elisamar Soto

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Law Office of Elisamar Soto
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719 Chihuahua Street, Suite 101

Laredo, Texas 78040
Telephone (956) 722-0800
Fax (956) 722-0802
ATTORNEY FOR DEFENDANT, ENCINAL FUEL, LLC d/b/a ENCINAL FUEL STOP

EDELMIRO JOSE MARTINEZ
Authorized Business Signatory
28442 South IH-35
Encinal, Texas 78019
DEFENDANT, ENCINAL FUEL, LLC d/b/a ENCINAL FUEL STOP

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CLAIM FORM FOR PRICE-GOUGING RESTITUTION FOR FUEL PURCHASES DURING HURRICANE HARVEY DISASTER PROCLAMATION PERIOD

NOTE: This claim form must be emailed or mailed and postmarked on or before June 30, 2019.

Distribution of restitution is estimated to be made by August 1, 2019.

Please provide your name and address:

1. Name: _____
   (First) (Middle) (Last)
2. Current address: _____
   Street Name and Number (include apartment number, if applicable)

   City: _____ State: _____ Zip Code: _____
3. Email address: _____

Instructions: To be eligible for restitution, please provide the information below. If you have a receipt from this transaction, please **attach the original receipt** and you need fill out only those items below which are not included in the receipt; otherwise, fill out the entire form. Submit separate forms if you purchased fuel on more than one day or at more than one station. Final determination of eligibility will be made based upon the requirements set out in the settlement agreement between the State and the gas station where you made your purchase. Note that your refund may be made on a pro rata basis if claims exceed the restitution funds available, which means you may only receive a portion of the amount that you were overcharged.

a. The name of the gas station where you purchased the fuel: _____
   Address of that station _____
   Street Name and Number

   City: _____ State_____ Zip Code_____
b. Date of purchase: _____
c. Price you paid per gallon for the fuel: $_____
d. Number of gallons of fuel purchased: _____
e. Amount of total sale: $_____
f. Make and model of vehicle for which the fuel was purchased: _____

Please affirm that you are the individual who paid for fuel as shown on your receipt by dating and signing here:

Date: _____ _____
(Sign Here)

If you have any questions, call the settlement information line at 1-888-755-9508 (toll free), or write to the Hurricane Harvey Price-Gouging Claims Administrator at the address below:

Mail this form along with your receipt to: **Hurricane Harvey Price-Gouging Claims Administrator**
c/o Dahl Administration
PO Box 3614
Minneapolis, MN 55403-0614

Or email this form and your receipt to: **HarveyClaim@DahlAdministration.com**

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Filed
4/26/2019 4:31 PM
Esther Degollado
District Clerk
Webb District
Nora Ruiz
2017CVH002608D3

No. 2017CVH002608D3

STATE OF TEXAS, **Plaintiff,**	§	**IN THE DISTRICT COURT**
v.	§	**WEBB COUNTY, TEXAS**
LAFAYETTE C-STORE, LLC d/b/a TEJANO MART 505, **Defendant.**	§	**341st JUDICIAL DISTRICT**

FILED
WEBB COUNTY, TEXAS
2019 MAY 13 PM 3:11

AMENDED

AGREED FINAL JUDGMENT AND PERMANENT INJUNCTION

TO THE HONORABLE JUDGE OF SAID COURT:

On this _____ day of _____, 2019, came on to be heard the above-entitled and numbered cause wherein the STATE OF TEXAS (State) is Plaintiff and LAFAYETTE C-STORE, LLC d/b/a TEJANO MART 505 (Lafayette C-Store) is Defendant. In this action, the State alleges that following the Texas Governor's disaster declaration due to Hurricane Harvey, Defendant engaged in price gouging by charging consumers up to $9.99 per gallon of gasoline in violation of § 17.46 of the Texas Deceptive Trade Practices Act, Tex. Bus. & Com. Code (DTPA). Specifically, the State alleges that Defendant violated the DTPA because it advertised fuel with intent not to sell it as advertised and took advantage of a disaster declared by the Texas Governor under Chapter 418 of the Government Code by selling fuel at an exorbitant or excessive price or demanding an exorbitant or excessive price in connection with the sale of fuel. The parties, by and through their attorneys of record, have made the following stipulations and agree to the entry of this Agreed Final Judgment and Permanent Injunction (Agreed Judgment) as a compromise and settlement of disputed claims.

STIPULATIONS

1. The Court has jurisdiction over the subject matter and parties in this action under the DTPA.

2. This Agreed Judgment does not constitute an approval of Defendant's business practices by the State or the Court and Defendant shall make no representation or claim to the contrary.

3. The parties agree to and do not contest the entry of this Agreed Judgment and agree that the Court has continuing jurisdiction to enforce this Agreed Judgment.

4. This Agreed Judgment sets forth the entire agreement between the parties and there are no other representations or agreements between the parties not stated in writing herein.

5. Defendant is aware of the terms and duties placed upon it by the Agreed Judgment, acknowledges that it has fully read and understands this Agreed Judgment, accepts the legal consequences involved in signing this Agreed Judgment, and represents that it is desirous and capable of carrying out the terms and duties of this Agreed Judgment in full.

6. Defendant acknowledges receipt of copies of this Agreed Judgment.

7. The parties have compromised and settled all claims alleged by the State in this cause without the necessity of a trial and this Agreed Judgment does not constitute an admission by Defendant of any violation of law or regulation.

8. The parties agree that nothing in this Agreed Judgment shall be constructed to affect any action or proceeding by any regulatory body or other state agency, whether such action or proceeding is related to any issue addressed by this Agreed Judgment or otherwise.

9. The parties agree that, should any clause, provision, or section of this Agreed Judgment, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision, or section of this Agreed Judgment, and this Agreed

Judgment shall be construed and enforced as if such illegal, invalid, or unenforceable clause, section or provision had not been contained herein.

10. The parties agree to waive the thirty (30) day period in which to file a Motion for New Trial and waive any and all rights to appeal this Agreed Judgment.

FINDINGS

11. Having reviewed the pleadings in this case and the stipulations of the parties, the Court hereby finds as follows:

a. The Court has jurisdiction over the parties;

b. The Court has jurisdiction over the subject matter of this action;

c. Venue is proper in Webb County, Texas;

d. Entry of this Agreed Judgment is in the public interest; and

e. The issuance and service of a writ of injunction are waived.

FACTUAL BACKGROUND

12. On August 23, 2017, Governor Greg Abbott declared a State of Disaster under Texas Government Code section 418.014 anticipating the landfall of then Tropical Storm Harvey (Harvey State of Disaster).

13. On August 25, 2017, Hurricane Harvey made landfall on the Texas Gulf Coast.

14. On September 1, 2017, Governor Abbott issued a price gouging declaration emphasizing the unlawful practice of price gouging: "Texans impacted by this disaster are particularly vulnerable to economic exploitation during this challenging time . . . Texas law prohibits price gouging and gives the attorney general the authority to prosecute anyone throughout Texas who takes advantage of a declared disaster by charging an exorbitant or excessive price for fuel."

15. Lafayette C-Store operated a fuel station located in Laredo, Texas, that sold fuel to consumers from August 31, 2017 through September 3, 2017, which was during the Harvey State of Disaster.

16. The Attorney General's Consumer Protection Division received complaints from consumers that Defendant was charging up to $9.99 per gallon of gasoline during the Harvey State of Disaster.

DEFINITIONS

17. **IT IS ORDERED** that, as used in this Agreed Judgment, the following terms are defined as follows:

a. "Defendant," "You," or "Yours" means Lafayette C-Store, LLC d/b/a Tejano Mart 505, its officers, agents, subcontractors, servants, employees, attorneys, and any other persons in active concert or participation with Lafayette C-Store, LLC d/b/a Tejano Mart 505;

b. "State of Disaster" means the period designated by the Texas Governor's disaster declaration pursuant to Chapter 418 of the Government Code;

c. "Refund Amount" shall be the difference between the price paid by an Eligible Consumer and the average price for the same grade of fuel charged by Lafayette C-Store on August 27, 2017, for regular and plus grades, and August 28, 2017, for premium grade;

d. "Claims Administrator" means the entity selected by the State of Texas to administer the restitution claims for this settlement;

e. "Effective Date" means the date on which this Agreed Judgment is entered by the Court; and

f. "Eligible Consumer" shall mean any consumer who paid $3.99 per gallon or more for fuel at the facility located at 502 Lafayette Street, Laredo, Webb County, Texas 78041, on August 31, 2017, and who timely and correctly fills out and submits a claim form to the Claims Administrator.

PERMANENT INJUNCTION

18. **IT IS FURTHER ORDERED** that Lafayette C-Store, its officers, agents, servants, employees, attorneys, and those persons in active concert or participation with it who receive actual notice of the Agreed Judgment by personal service or otherwise are hereby **PERMANENTLY ENJOINED** from:

a. Collecting or attempting to collect a price per gallon of fuel that is other than the price posted at the fuel pump;

b. Collecting or attempting to collect a price per gallon of fuel other than the price posted on signage located at or near the dispensing pump or visible from the street; and

c. Demanding an exorbitant or excessive price for fuel or selling fuel at an exorbitant or excessive price during a State of Disaster. Defendant's price for fuel is presumed exorbitant or excessive when the price per gallon during a State of Disaster is greater than 125 percent of Defendant's 30-day average price per gallon immediately prior to the State of Disaster, unless Defendant can demonstrate through its written records that the price increase is attributable to additional fuel supply costs incurred by Defendant.

19. **IT IS FURTHER ORDERED** that during any future State of Disaster and for a minimum of six months following the expiration of such State of Disaster, Defendant shall cease any ongoing or scheduled document or data destruction and shall preserve records reflecting:

a. Each individual fuel sale transaction including price per gallon and gallons purchased;

b. The dates, times, and amounts of changes in fuel prices; and

c. All fuel supply costs incurred by Defendant.

CONSUMER RESTITUTION

20. **IT IS FURTHER ORDERED** that Defendant shall pay to the State of Texas the amount of SEVENTEEN THOUSAND FIVE HUNDRED AND NO/100 DOLLARS ($17,500.00) for consumers. This $17,500.00 payment will be referred to as the Restitution Payment. Consumers who have already been issued full refunds by Defendant will not be eligible to receive restitution. Defendant's payment to the State shall be made by certified check or wire transfer, payable to the "STATE OF TEXAS," bearing the reference AG# CX5192048165 and if not by wire transfer, delivered/mailed to the Office of the Attorney General, ATTN: Accounting Division, 300 W. 15th St., MC-003, Austin, TX 78701.

21. **IT IS FURTHER ORDERED** that the procedures for the distribution of the Restitution Payment are as follows:

a. The State will remit the Restitution Payment to the Claims Administrator to pay refunds and the costs of administration;

b. The parties have agreed to the use of the attached claim form or a substantially similar form agreed to by the parties. The Claims Administrator may begin accepting claim forms by April 23, 2019. The Claims Administrator will not accept claim forms later

than June 30, 2019, which will be the Claims Deadline Date. No refunds will be distributed by the Claims Administrator until after the Claims Deadline Date passes. Eligible Consumers who properly complete the claim form will be eligible to receive a refund payment;

c. The Claims Administrator will have discretion, in consultation with the State of Texas, to determine if the claim form has been properly completed and timely submitted, and to determine the specific Refund Amount each Eligible Consumer will receive. Once all Eligible Consumers have received their Refund Amount, and once the administration costs have been paid, the Claims Administrator, in consultation with the State of Texas, may pay additional Refund Amounts to other consumers filing claims, and may also pay additional Refund Amounts to Eligible Consumers in other price gouging settlements the State has entered into;

d. Eligible Consumers may receive pro rata Refund Amounts, if full payment is not available for all Eligible Consumers;

e. Once all Refund Amounts and costs of administration have been deducted from the Restitution Payment, any residual amounts will be allocated to the Supreme Court Judicial Fund as a civil penalty pursuant to Sec. 402.007(b)(1) of the Texas Government Code;

f. After the Claims Deadline Date, the Claims Administrator will prepare such report as the State may require; and

g. Checks returned to the Claims Administrator shall be treated in accordance with the State of Texas' unclaimed property laws.

ATTORNEYS' FEES

22. **IT IS FURTHER ORDERED** that the State shall have judgment against Defendant for attorneys' fees and court costs in the amount of FIVE THOUSAND AND NO/100 DOLLARS ($5,000.00).

23. **IT IS FURTHER ORDERED** that Defendant's payments to the State for attorneys' fees and court costs shall be paid by certified check or wire transfer, payable to the "STATE OF TEXAS," bearing the reference AG# CX5192048165 and if not by wire transfer, deliver/mailed to the Office of the Attorney General, ATTN: Accounting Division, 300 W. 15th St., MC-003, Austin, TX 78701.

MISCELLANEOUS PROVISIONS

24. **IT IS FURTHER ORDERED** that Defendant's payments to the State for restitution and attorneys' fees and court costs referenced in Paragraphs 20.b and 22-23, respectively, shall be made in accordance with the following schedule: an initial payment to the State of FIVE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS ($5,500.00) within thirty (30) days of entry of the Agreed Judgment, and thereafter, five (5) consecutive monthly payments of THREE THOUSAND FOUR HUNDRED AND NO/100 DOLLARS ($3,400.00), with the first payment due on or before May 15, 2019, and a final payment due on or before September, 15, 2019. Payments to the State shall be allocated in the following order until each is fully paid: (1) restitution; and (2) attorney's fees and court costs.

25. **IT IS FURTHER ORDERED** that nothing in this Agreed Judgment shall create any private rights, causes of action, or remedies against Defendant and nothing in the Agreed Judgment shall be construed as a waiver of any private rights, causes of action, or remedies of any person against Defendant with respect to the practices or conduct described herein.

26. **IT IS FURTHER ORDERED** that to the extent that the provisions of this Agreed Judgment conflict with any Texas, local, or federal law or regulation that now exists, or is later enacted or amended, such law or regulation, and not this Agreed Judgment shall apply. For the purpose of this Agreed Judgment, such conflict exists if conduct prohibited by this Agreed Judgment is required or expressly permitted by such Texas, local, or federal law or regulation, or if conduct required by this Agreed Judgment is prohibited by such Texas, local or federal law or regulation.

27. **IT IS FURTHER ORDERED** that the terms of this Agreed Judgment are not intended to alter Defendant's lawful contractual obligations with its fuel distributor(s) and supplier(s).

28. **IT IS FURTHER ORDERED** that Defendant's indebtedness to the State identified above are for alleged violations of the DTPA.

29. **IT IS FURTHER ORDERED** that in consideration of the State's agreement to accept payments over time, Edelmiro Jose Martinez, as shown by his signature below, agrees to guaranty in his individual capacity, all payments hereunder, and if for any reason there is a default in payments, the full amount owed becomes due. The State shall be permitted to abstract the judgment as provided by law, but will forbear execution so long as payments are made pursuant to the terms of the Agreed Judgment.

30. **IT IS FURTHER ORDERED** that Defendant, by its signatures below, hereby acknowledges notice of this Agreed Judgment and acceptance of the same. Plaintiff may enforce the Agreed Judgment through any procedure or process available under the laws of the State of Texas.

31. **IT IS FURTHER ORDERED** that Defendant shall not represent to the public that this Agreed Judgment constitutes approval by the State or this Court of any of Defendant's actions or business practices.

32. **IT IS FURTHER ORDERED** that this Agreed Judgment is final as to all parties and disposes of all claims asserted by the parties in this instant case. All relief asserted or which could have been asserted among the parties to this Agreed Judgment hereto based on the legal and factual allegations in this underlying cause for alleged violations of the DTPA not expressly granted herein is denied. The State hereby fully releases, waives, and discharges Defendant and its officers, agents, representatives, and employees from any claims arising out of or related to facts alleged in this underlying cause for alleged violations of the DTPA prior to the date this Agreed Judgment is entered by the Court. This Agreed Judgment does not, however, affect the rights of or remedies available to any third party that is not subject to this order.

SIGNED this 13th day of May 2019.

JUDGE PRESIDING

AGREED AS TO SUBSTANCE AND FORM AND ENTRY REQUESTED:

KEN PAXTON
Attorney General of Texas

JEFFREY C. MATEER
First Assistant Attorney General

DARREN L. MCCARTY
Deputy Attorney General for Civil Litigation

PAUL SINGER
Chief, Consumer Protection Division

A True copy of the original I certify
the 13th day of May 2019
ESTHER DEGOLLADO
Clerk of the District Courts and
County Courts at Law Webb County, Texas
By _____ Deputy

DISTRICT COURT OF WEBB COUNTY, TEXAS

Valeria Sartorio
VALERIA SARTORIO
SBN 24073758
STEVEN ROBINSON
SBN 24046738
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STATE OF TEXAS

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ATTORNEY FOR DEFENDANT,
LAFAYETTE C-STORE, LLC d/b/a
TEJANO MART 505

EMILIANO ANDRES MARTINEZ
Authorized Business Signatory
502 Lafayette Street
Laredo, Texas 78041
DEFENDANT, LAFAYETTE C-STORE, LLC
d/b/a TEJANO MART 505

EDELMIRO JOSE MARTINEZ
502 Lafayette Street
Laredo, Texas 78041
INDIVIDUALLY, AS GUARANTOR FOR
DEFENDANT, LAFAYETTE C-STORE, LLC
d/b/a TEJANO MART 505

CLAIM FORM FOR PRICE-GOUGING RESTITUTION FOR FUEL PURCHASES
DURING HURRICANE HARVEY DISASTER PROCLAMATION PERIOD

NOTE: This claim form must be emailed or mailed and postmarked on or before June 30, 2019.

Distribution of restitution is estimated to be made by August 1, 2019.

Please provide your name and address:

1. Name: _____
   (First) (Middle) (Last)
2. Current address: _____
   Street Name and Number (include apartment number, if applicable)

   City: _____ State: _____ Zip Code: _____
3. Email address: _____

Instructions: To be eligible for restitution, please provide the information below. If you have a receipt from this transaction, please **attach the original receipt** and you need fill out only those items below which are not included in the receipt; otherwise, fill out the entire form. Submit separate forms if you purchased fuel on more than one day or at more than one station. Final determination of eligibility will be made based upon the requirements set out in the settlement agreement between the State and the gas station where you made your purchase. Note that your refund may be made on a pro rata basis if claims exceed the restitution funds available, which means you may only receive a portion of the amount that you were overcharged.

a. The name of the gas station where you purchased the fuel: _____
   Address of that station _____
   Street Name and Number

   City: _____ State_____ Zip Code_____
b. Date of purchase: _____
c. Price you paid per gallon for the fuel: $_____
d. Number of gallons of fuel purchased: _____
e. Amount of total sale: $_____
f. Make and model of vehicle for which the fuel was purchased: _____

Please affirm that you are the individual who paid for fuel as shown on your receipt by dating and signing here:

Date: _____ _____
(Sign Here)

If you have any questions, call the settlement information line at 1-888-755-9508 (toll free), or write to the Hurricane Harvey Price-Gouging Claims Administrator at the address below:

Mail this form along with your receipt to: **Hurricane Harvey Price-Gouging Claims Administrator**
c/o Dahl Administration
PO Box 3614
Minneapolis, MN 55403-0614

Or email this form and your receipt to: **HarveyClaim@DahlAdministration.com**

NO. S-20-5066CV-C

IN THE MATTER OF:	§	IN THE DISTRICT COURT
	§	
STATE OF TEXAS,	§	San Patricio County - 343rd District Court
Petitioner,	§	
	§	SAN PATRICIO COUNTY, TEXAS
AND	§	
	§	
GOPAUL INVESTMENTS, INC.	§	
Respondent.	§	_____ JUDICIAL DISTRICT

ASSURANCE OF VOLUNTARY COMPLIANCE

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW, the STATE OF TEXAS ("State"), acting by and through its Attorney General, Ken Paxton, and Gopaul Investments, Inc., ("Respondent"), and respectfully submit the following Assurance of Voluntary Compliance ("AVC") for the Court's approval and filing in accordance with the Deceptive Trade Practices-Consumer Protection Act ("DTPA"),[1] section 17.58 of the Texas Business & Commerce Code.

PARTIES

1. The signatories to this AVC are the Petitioner, the State of Texas and the Respondent.

ACTS OF AGENTS

2. Whenever in this AVC it is alleged that Respondent did any act, it is meant that Respondent is alleged to have performed or participated in the act, or Respondent's, agents, or employees allegedly performed or participated in the act on behalf of and under the authority of the Respondent.

[1] TEX. BUS. & COM. CODE ANN. §17.41 *et seq.*

Filed 1/21/2020 11:58 AM
Heather B. Marks
District Clerk
San Patricio County, Texas

BACKGROUND

3. Pursuant to Texas law, it is illegal to take advantage of a disaster declared by the Governor by selling necessities, such as food, fuel, and medicine, at excessive or exorbitant prices. TEX. BUS. & COM. CODE § 17.46(b)(27). On August 23, 2017, and pursuant to Tex. Gov't Code §418.014, the Texas Governor initially declared a state of disaster for thirty counties, due to the threat of imminent disaster from then Tropical Depression Harvey, and the Governor extended the disaster proclamation on June 6, 2019. On August 25, 2017, and pursuant to Tex. Gov't Code § 418.020, the Texas Governor suspended all laws authorizing or requiring the collection of state or local hotel or motel occupancy taxes from the victims of Hurricane Harvey, or personnel participating in relief operations, and the Governor extended the suspension on September 21, 2017, for a suspension period of August 23, 2017 through October 23, 2017. On September 1, 2017, the Governor issued a proclamation reiterating that the price gouging laws in Texas apply throughout the state of Texas following a disaster declaration. Executive orders, proclamations, and regulations issued by the Governor have the force and effect of law. *See* TEX. GOV'T CODE § 418.012.

4. During the course of its investigation, the State alleged that once Hurricane Harvey made landfall, Respondent engaged in price gouging by offering, demanding, or charging excessive prices for lodging, thus allegedly taking advantage of disaster victims and personnel participating in relief operations. The State also alleges that in violation of the suspension of occupancy taxes issued by the Governor, Respondent continued to charge and collect state and local hotel occupancy taxes from Hurricane Harvey disaster victims and personnel participating in relief operations.

VIOLATIONS OF TEXAS DECEPTIVE TRADE PRACTICES

5. The State contends that such alleged conduct, if proven, would violate Sections 17.46(a), (b)(12), and (b)(27) of the DTPA.[2]

TERMS OF COMPLIANCE

6. Respondent, Respondent's officers, agents, servants, employees, and any other person in active concert or participation with Respondent, hereby agree and voluntarily assures the Office of the Attorney General of Texas effective the day of the entry of this AVC, that Respondent shall permanently refrain from:

(a) Taking advantage of any disaster, declared by the Governor under Chapter 418 of the Government Code, by advertising, offering for sale, or selling or leasing lodging or other necessities at an exorbitant or excessive price;

(b) Taking advantage of any disaster, declared by the Governor under Chapter 418 of the Government Code, demanding from consumers an exorbitant price or excessive price in connection with the sale or lease of lodging or other necessities;

(c) Collecting state and local taxes from disaster victims or personnel participating in relief operations, or persons identified by the Governor's declaration during a disaster declared by the Governor of Texas when such taxes have been suspended by the Governor pursuant to Chapter 418 of the

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[2] § 17.46(a): "false, misleading, or deceptive acts or practices in the conduct of any trade or commerce;"
§ 17.46(b)(12): "representing that an agreement confers or involves rights, remedies, or obligations which it does not have or involve, or which are prohibited by law;"
§ 17.46(b)(27): "Taking advantage of a disaster, declared by the Governor under Chapter 418 of the Government Code, by offering, demanding, selling and/or leasing fuel, food, medicine, lodging, or other necessity at an exorbitant or excessive price."

Government Code;

(d) Violating any regulation, proclamation, declaration, or executive order made by the Governor pursuant to Chapter 418 of the Government Code;

(e) Failing to provide a sales-tax-exemption certificate to any disaster victim any time the Governor suspends the Hotel Occupancy Tax pursuant to Chapter 418 of the Government Code; and

(f) Failing to obtain a sales-tax-exemption certificate from evacuees.

MONETARY PROVISIONS

7. Respondent further agrees to pay the sum of TEN THOUSAND TWO HUNDRED FIFTY-SIX DOLLARS AND SEVENTY CENTS ($10,256.70) as restitution.

8. Respondent further agrees to pay the sum of TEN THOUSAND FIVE HUNDRED DOLLARS ($10,500) to the State of Texas as a civil penalty pursuant to DTPA § 17.47(c).

9. Respondent further agrees to pay the sum of TEN THOUSAND FIVE HUNDRED DOLLARS ($10,500) to the State of Texas for the State's reasonable attorneys' fees and investigative costs.

10. Respondent agrees to payments to the State in accordance with the following schedule: an initial $10,000 payment will be made upon execution of the AVC by the parties, with $3,000 payments due on February 1, 2020, May 1, 2020, August 1, 2020, December 1, 2020, February 1, 2021, May 1, 2021, and a final payment of $3,256.70 due on August 1, 2021. Payments will first be allocated to restitution, then to civil penalties, and then to attorneys' fees.

11. Respondent agrees to make such payment by certified check, money order, or wire

transfer, payable to the "Office of the Attorney General," bearing the reference AG No. CX0395241090, and if not by wire transfer, delivered/mailed to the Office of the Attorney General, ATTN: Accounting Division MC-003, P.O. Box 12548, Austin, Texas 78711-2548.

12. The parties agree that restitution to consumers as provided in this AVC shall be through the Consumer Protection Division of the Office of the Attorney General. With respect to amounts of restitution that the STATE OF TEXAS may collect, it is hereby ordered that the review, determination, and allocations of amounts of money to be restored to consumers shall be within the sole discretion of the Consumer Protection Division. There are 174 consumers that the Consumer Protection Division has identified as being eligible for restitution pursuant to this settlement.

13. The parties agree that in the event the State is unable to disburse the entire restitution amount assessed herein, after exercising reasonable diligence to affect same, then and in that event, any residual restitution amounts will be allocated to the Supreme Court Judicial Fund as a civil penalty pursuant to Sec. 402.007(b)(1) of the Texas Government Code. In addition, any returned checks will be treated in accordance with the State of Texas' unclaimed property laws.

STIPULATIONS

14. The parties hereby agree and stipulate that:

(a) The Court has jurisdiction over the subject matter and the parties in this matter under the DTPA;

(b) The venue of this cause is proper in San Patricio County, Texas, pursuant

to DTPA § 17.58(a); and

(c) The State and Respondent agree to and do not contest the filing of this AVC.

GENERAL PROVISIONS

15. It is agreed and understood that nothing in this AVC shall be construed as a waiver of private rights, causes of action, or remedies of any person against Respondent with respect to any alleged act or practice described in this AVC. It is agreed and understood that nothing in this AVC will be construed to limit the authority of the Office of the Attorney General to seek enforcement in a court of competent jurisdiction of Respondent's compliance with the terms in this AVC.

16. The State and Respondent acknowledge, as set forth in Tex. Bus. & Com. Code §17.58(c), that unless this AVC is rescinded by agreement of the parties or voided by the Court for good cause, the subsequent failure to comply with the terms of this AVC is *prima facie* evidence of a violation of the DTPA in any action by the State of Texas acting by and through the Office of the Attorney General. Respondent does not waive and hereby expressly reserves all defenses to any claim that they have failed to comply with the terms of this AVC.

17. The State's agreement to this AVC does not constitute any approval by the State of any alleged practice of Respondent, and Respondent will not represent that this AVC constitutes approval by the Office of the Attorney General or the Court of any of Respondent's alleged practices.

18. Respondent's signature on this AVC does not constitute an admission of

wrongdoing or an admission of a violation of any applicable legal provisions. Further, the Respondent and State agree that nothing herein may be taken as or construed to be an admission or concession of any violation of any law, or of any other matter of fact or law or of any liability or wrongdoing, all of which Respondent expressly denies. This AVC is being signed in order to avoid possible litigation and to resolve all disputed claims and contentions in connection with this matter.

19. The parties agree that nothing in AVC shall be constructed to affect any action or proceeding by any other regulatory body or state agency, whether such action or proceeding is related to any issue addressed by this AVC or otherwise.

20. The parties agree that, should any clause, provision, or section of this AVC, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision, or section of this AVC, and this AVC shall be construed and enforced as if such illegal, invalid, or unenforceable clause, section or provision had not been contained herein.

21. The State hereby fully releases, waives, and discharges Respondent and its officers, agents, representatives, and employees from any claims arising out of or related to facts alleged in this underlying cause which were brought or could have been brought in a consumer protection action, including claims for alleged violations of the DTPA, prior to the date this AVC is executed by the parties.

22. Respondent has actively participated in the negotiations leading up to this AVC. Respondent is aware of the obligations this AVC places on it and is capable of carrying out those duties. Respondent does not dispute that entry of this AVC is in the public interest.

23. This AVC shall be deemed effective the day it is approved by the parties and filed with the Clerk of the Court.

24. It is further agreed and understood that this AVC will be filed and placed in the public record, in compliance with Tex. Bus. & Com. Code §17.58(a), with all costs of filing assessed against Respondent.

Executed effective as of January 21, 2020.

APPROVED AS TO FORM AND SUBSTANCE:

KEN PAXTON
Attorney General of Texas

JEFFREY C. MATEER
First Assistant Attorney General

DARREN L. McCARTY
Deputy Attorney General for Civil Litigation

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Authorized Business Signatory
Gopaul Investments, Inc.
Respondent

Filed
9/12/2019 8:45 AM
Anne Lorentzen
District Clerk
Nueces County, Texas

CAUSE NO. 2017DCV-4142-H

THE STATE OF TEXAS, **Plaintiff,**	§	**IN THE DISTRICT COURT**
v.	§	**NUECES COUNTY, TEXAS**
ROBSTOWN ENTERPRISES, INC. **Defendant.**	§	**347TH JUDICIAL DISTRICT**

AGREED FINAL JUDGMENT

TO THE HONORABLE JUDGE OF SAID COURT:

On this 17 day of Sept., 2019, came for hearing on the above-entitled and numbered cause in which THE STATE OF TEXAS (State), acting by and through the Attorney General of Texas, Ken Paxton, is Plaintiff and ROBSTOWN ENTERPRISES, INC., (Defendant) is Defendant. In this action, the State alleges that following the Texas Governor's disaster declaration due to Hurricane Harvey, Defendant engaged in price gouging in violation of §17.46 of the Texas Deceptive Trade Practices Act, Tex. Bus. & Com. Code (DTPA). Specifically, the State alleges that Defendant violated the DTPA because it took advantage of a disaster declared by the Texas Governor under Chapter 418 of the Government Code by demanding or charging excessive prices for lodging. The parties, by and through their attorneys of record, have made the following stipulations and agree to the entry of this Agreed Final Judgment (Agreed Judgment) as a compromise and settlement of disputed claims.

STIPULATIONS

1. The Court has jurisdiction over the subject matter and parties in this action under the DTPA.

2. This Agreed Judgment does not constitute an approval of Defendant's business practices by the State or the Court and Defendant shall make no representation or claim to the

contrary.

3. The parties agree to the entry of this Agreed Judgment and agree that the Court has continuing jurisdiction to enforce this Agreed Judgment.

4. Defendant has strongly denied the State's allegations and continues to do so; however, Defendant agrees to entry of this Agreed Judgment to save costs of litigation. The parties stipulate that this Agreed Judgment does not constitute an admission by Defendant of any violation of the law. The parties further stipulate that Defendant has adjusted the room rates and/or provided refunds to any guests who were charged above the rate that was in effect prior to the Governor's proclamation.

5. This Agreed Judgment sets forth the entire agreement between the parties and there are no other representations or agreements between the parties not stated in writing herein.

6. Defendant is aware of the terms and duties placed upon it by the Agreed Judgement, acknowledges that it has fully read and understands this Agreed Judgment, accepts the legal consequences involved in signing this Agreed Judgment, and represents that it is desirous and capable of carrying out the terms and duties of this Agreed Judgment in full.

7. Defendant acknowledges receipt of copies of this Agreed Judgment.

8. The parties agree that nothing in this Agreed Judgment shall be constructed to affect any action or proceeding by any other regulatory body or state agency, whether such action or proceeding is related to any issue addressed by this Agreed Judgment or otherwise.

9. The parties agree that, should any clause, provision, or section of this Agreed Judgment, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision, or section of this Agreed Judgment, and this Agreed Judgment shall be construed and enforced as if such illegal, invalid, or

unenforceable clause, section or provision had not been contained herein.

10. The parties agree to waive the thirty (30) day period in which to file a Motion for New Trial and waive any and all rights to appeal this Agreed Judgment.

FINDINGS

11. Having reviewed the pleadings in this case and the stipulations of the parties, the Court hereby finds as follows:

a. The Court has jurisdiction over the parties;

b. The Court has jurisdiction over the subject matter of this action;

c. Venue is proper in Nueces County, Texas;

d. Entry of this Agreed Judgment is in the public interest; and

e. The issuance and service of a writ of injunction are waived.

PERMANENT INJUNCTION

12. IT IS FURTHER ORDERED that Robstown Enterprises, Inc., its officers, agents, servants, employees, and those persons in active concert or participation with it who receive actual notice of the Agreed Judgment by personal service or otherwise are hereby PERMANENTLY ENJOINED from the following:

a. Taking advantage of any disaster, declared by the Governor under Chapter 418 of the Government Code, by advertising, offering for sale, or selling accommodations or other necessities at an exorbitant or excessive price;

b. Collecting state and local taxes from disaster victims, personnel participating in relief operations, or persons identified by the Governor's declaration during a disaster declared by the Governor of Texas when such taxes have been suspended by the Governor pursuant to Chapter 418 of the Government Code;

c. Violating any regulation, proclamation, declaration, or executive order made by the Governor pursuant to Chapter 418 of the Government Code;

d. Failing to provide a sales-tax-exemption certificate to any disaster victim any time the Governor suspends the Hotel Occupancy Tax pursuant to Chapter 418 of the Government Code;

e. Failing to obtain a sales-tax-exemption certificate from evacuees.

MONETARY JUDGMENT

13. IT IS FURTHER ORDERED that the State shall have judgment against Defendant for civil penalties and court costs in the amount of FIFTEEN THOUSAND DOLLARS ($15,000).

14. IT IS FURTHER ORDERED that the State shall have judgment against Defendant for attorneys' fees and court costs in the amount of TEN THOUSAND DOLLARS ($10,000).

15. IT IS FURTHER ORDERED that Defendant's payments to the State shall be made in accordance with the following schedule: an initial $4,000 payment will be made upon execution of the Agreed Judgment by the parties, with $3,000 payments due on November 25, 2019, February 24, 2020, May 25, 2020, August 24, 2020, February 22, 2021, May 31, 2021, and August 30, 2021. Payments will first be allocated to civil penalties and then to attorneys' fees.

16. IT IS FURTHER ORDERED that Defendant's payments to the State shall be paid by certified check or wire transfer, payable to the "STATE OF TEXAS," bearing the reference AG# CX3550425622 and if not by wire transfer, deliver/mailed to the Office of the Attorney General, ATTN: Accounting Division, 300 W. 15th St., MC-003, Austin, TX 78701.

MISCELLANEOUS PROVISIONS

17. IT IS FURTHER ORDERED that nothing in this Agreed Judgment shall create any private rights, causes of action, or remedies against Defendant and nothing in the Agreed Judgment shall be construed as a waiver of any private rights, causes of action, or remedies of any person against Defendant with respect to the practices or conduct described herein.

18. IT IS FURTHER ORDERED that Defendant's indebtedness to the State identified above are for alleged violations of the DTPA, which alleged violations Defendant continues to deny; however, Defendant agrees to make payment as part of the settlement.

19. IT IS FURTHER ORDERED that the State shall be permitted to abstract the judgment as provided by law, but will forbear execution so long as payment is made pursuant to the terms of the Agreed Judgment.

20. IT IS FURTHER ORDERED that Defendant, by its signatures below, hereby acknowledges notice of this Agreed Judgment and acceptance of the same. Plaintiff may enforce the Agreed Judgment through any procedure or process available under the laws of the State of Texas.

21. IT IS FURTHER ORDERED that Defendant shall not represent to the public that this Agreed Judgment constitutes approval by the State or this Court of any of Defendant's actions or business practices.

22. IT IS FURTHER ORDERED that this Agreed Judgment is final as to all parties and disposes of all claims asserted by the parties in this instant case. All relief asserted or which could have been asserted among the parties to this Agreed Judgment hereto based on the legal and factual allegations in this underlying cause for alleged violations of the DTPA not expressly granted herein is denied. The State hereby fully releases, waives, and discharges Defendant and its officers, agents, representatives, and employees from any claims arising out of or related to facts alleged in this underlying cause which were brought or could have been brought in a consumer protection action, including claims for alleged violations of the DTPA, prior to the date this Agreed Judgment is entered by the Court. This Agreed Judgment does not, however, affect

the rights of or remedies available to any third party that is not subject to this order, except as provided by law.

SIGNED this 17 day of Sept., 2019.

JUDGE PRESIDING

AGREED AS TO SUBSTANCE AND FORM AND ENTRY REQUESTED:

KEN PAXTON
Attorney General of Texas

JEFFREY C. MATEER
First Assistant Attorney General

DARREN L. MCCARTY
Deputy Attorney General for Civil Litigation

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Authorized Business Signatory
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Filed
9/7/2021 9:34 AM
Anne Lorentzen
District Clerk
Nueces County, Texas

CAUSE NO. 2020DCV-0829-A

STATE OF TEXAS, Plaintiff,	§ § §	IN THE DISTRICT COURT
v.	§ §	28th JUDICIAL DISTRICT
GREGORY MARKWARDT D/B/A HOTEL CORPUS CHRISTI BAYFRONT, Defendant.	§ § §	NUECES COUNTY, TEXAS

AGREED FINAL JUDGMENT AND PERMANENT INJUNCTION

TO THE HONORABLE JUDGE OF SAID COURT:

On this ___ day of _____, 2021, came for hearing on the above-entitled and numbered cause in which the STATE OF TEXAS (State), acting by and through the Attorney General of Texas, Ken Paxton, is the Plaintiff and GREGORY MARKWARDT D/B/A HOTEL CORPUS CHRISTI BAYFRONT (Markwardt) is the Defendant. In this action, the State alleges that Markwardt violated §17.46 of the Deceptive Trade Practices-Consumer Protection Act, Tex. Bus. & Com. Code § 17.41 *et seq*. (DTPA), by demanding and charging an excessive price for lodging following the Governor's disaster declaration due to Hurricane Harvey (price gouging). The State and Markwardt, by and through their respective attorneys of record, wish to make the following stipulations and have agreed to the entry of this Agreed Final Judgment and Permanent Injunction (Agreed Judgment).

FACTUAL BACKGROUND

1. On August 23, 2017, Governor Greg Abbott declared a State of Disaster under § 418.014 of the Texas Government Code, anticipating the landfall of then Tropical Storm Harvey (Harvey State of Disaster).

2. On August 25, 2017, Hurricane Harvey made landfall on the Texas Gulf Coast.

3. On September 1, 2017, Governor Abbott issued a price gouging declaration emphasizing the unlawful practice of price gouging: "Texans impacted by this disaster are particularly vulnerable to economic exploitation during this challenging time ... Texas law prohibits price gouging and gives the attorney general the authority to prosecute anyone throughout Texas who takes advantage of a declared disaster by charging an exorbitant or excessive price for fuel."

4. The Attorney General's Consumer Protection Division received complaints from consumers that Marqwardt was demanding and charging excessive or exorbitant prices for lodging at Hotel Corpus Christi Bayfront located at 601 N. Water Street, in Corpus Christi, Texas, 78401 (Hotel Corpus Christi Bayfront), a facility he then owned and operated during the Harvey State of Disaster.

STIPULATIONS

5. Marqwardt stipulates that he owned and operated Hotel Corpus Christi Bayfront during the Harvey State of Disaster; however, he has since sold the property to a third party and is no longer involved in its operation.

6. The parties agree to and do not contest the entry of this Agreed Judgment.

7. Markwardt stipulates that he has entered into this Agreed Judgment voluntarily in order to resolve the litigation; that he actively participated in negotiations leading to this Agreed Judgment; and that this agreement is freely and voluntarily made without duress.

8. Markwardt stipulates that he is aware of the duties placed upon him by the Agreed Judgment and is desirous and capable of carrying out those duties in full.

9. Markwardt acknowledges receipt of a copy of this Agreed Judgment and has full and actual notice of its terms.

10. The parties agree to waive the thirty (30) day period in which to file a Motion for New Trial and waive any and all rights to appeal this Agreed Judgment.

FINDINGS

11. Having reviewed the pleadings in this case and the stipulations of the parties, the Court hereby finds as follows:

a. The Court has jurisdiction over the parties;

b. Venue is proper in Nueces County, Texas; and

c. Entry of this Agreed Judgment is in the public interest.

12. It appearing to the Court that the parties agree to entry of this Agreed Judgment and that they have approved entry of such, it is therefore ordered that Markwardt shall be enjoined as recited below.

DEFINITIONS

13. IT IS HEREBY ORDERED that, as used in this Agreed Judgment, the following definitions shall be used in construing this Agreed Judgment:

a. "Defendant" means Gregory Markwardt and his agents, subcontractors, servants, employees, and any other Persons in active concert or participation with him;

b. "Person" means an individual, sole proprietorship, firm, partnership, corporation, association, joint venture or other group, or business entity, however organized;

c. "Designated Disaster Period," as defined in § 17.4625 of the DTPA, means the period: (1) beginning on the earliest of the date the disaster occurs; or the date of: (i) the proclamation or executive order of the Governor declaring the disaster; or (ii) the declaration of the disaster by the President of the United States, if any part

of Texas is named in the federally declared disaster area; and (2) ending on the 30th day after the date the disaster declaration expires or is terminated;

d. "Consumer" means an individual, partnership, corporation, this state, or a subdivision or agency of this state that seeks or acquires by purchase or lease any goods or services; and

e. "Eligible Consumer" shall mean any Consumer identified from data Marqwardt provided to the State who: (1) stayed at Hotel Corpus Christi Bayfront between the dates of August 24, 2017 and September 30, 2017; (2) paid a room rate that increased by 67% or more over the facility's average price for that room during the three months preceding August 2017; and (3) timely and correctly fills out and submits a claim form to the State in accordance with procedures set forth in the Consumer Restitution section below.

PERMANENT INJUNCTION

14. IT IS FURTHER ORDERED that Markwardt, his officers, agents, servants, employees, attorneys, and any other Persons in active concert or participation with him who receive actual notice of this order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, entity, or other devise shall be PERMANENTLY ENJOINED from engaging in the following acts or practices:

a. Taking advantage of a disaster declared by the Governor under Chapter 418 of the Texas Government Code or by the President of the United States if any part of this state is named in the federally declared disaster area, by:

i. selling or leasing lodging or any other necessity at an exorbitant or excessive price; or

ii. demanding an exorbitant or excessive price in connection with the sale or lease of lodging or any other necessity;

b. Collecting state or local taxes from a disaster victim, personnel participating in relief operations, or any other Person if, during a Designated Disaster Period, such taxes have been suspended by the Governor pursuant to Chapter 418 of the Texas Government Code;

c. Violating any regulation, proclamation, declaration, or executive order made by the Governor pursuant to Chapter 418 of the Government Code or the President of the United States, if any part of Texas is named in the federally declared disaster area;

d. Failing to provide a sales tax exemption certificate to a disaster victim, personnel participating in relief operations, or any other Person if, during a Designated Disaster Period, the Governor suspends the Hotel Occupancy Tax pursuant to Chapter 418 of the Government Code;

e. Failing to obtain a sales tax exemption certificate from evacuees;

f. Failing to maintain a registration system to record the identity and contact information from guests of the hotel or motel including the guests' names, addresses, the length of their stay, and the price charged per day; and

g. Altering, destroying, or mutilating records ordered to be kept pursuant to Subparagraphs (e) and (f) above for a three-year period after the event, provided the matter is not in litigation. If the matter is in litigation, records shall not be altered, destroyed, or mutilated until a three-year period following the entry of a final judgment that is not subject to further appeal.

15. IT IS FURTHER ORDERED that the above-referenced injunctive terms are intended to effectively prevent such activity by Markwardt and any attempt to conduct such activity through another Person in circumvention of this injunction shall be deemed a violation of the injunction.

CONSUMER RESTITUTION

16. IT IS FURTHER ORDERED that the State shall have judgment from Marqwardt in the amount of TWENTY-FIVE THOUSAND DOLLARS ($25,000) for consumer restitution (Restitution Payments) upon execution of the Agreed Judgment.

17. IT IS FURTHER ORDERED that the procedures for the distribution of the Restitution Payments are as follows:

a. The parties have agreed to the use of the attached claim form or a substantially similar form agreed to by the parties. The State may begin accepting claim forms by October 1, 2021. The State will not accept claim forms later than January 15, 2021, which will be the Claims Deadline Date. No refunds will be distributed by the State until after the Claims Deadline Date passes. Eligible Consumers who properly complete the claim form will be eligible to receive a refund payment;

b. The State will determine if the claim form has been properly completed and timely submitted, and determine the specific refund amount each Eligible Consumer will receive;

c. Eligible Consumers may receive pro rata refund amounts, if claimed amounts by Eligible Consumers exceed the Restitution Payments;

d. If the full claimed amounts by all Eligible Consumers is less than the Restitution Payments, any residual amounts will be allocated to the State for the reimbursement of attorneys' fees and court costs; and

e. Checks returned to the State shall be treated in accordance with the State of Texas' unclaimed property laws.

18. IT IS FURTHER ORDERED that Marqwardt will cooperate with reasonable requests from the State for consumer information for the purpose of restitution distribution.

MISCELLANEOUS PROVISIONS

19. IT IS FURTHER ORDERED that upon execution of the Agreed Judgment Marqwardt shall immediately pay the State a total of TWENTY-FIVE THOUSAND DOLLARS ($25,000). Payments shall be made via certified check or wire transfer, payable to "THE STATE OF TEXAS," bearing the reference AG# CX5839980697, and if not by wire transfer, delivered/mailed to the Office of the Attorney General, ATTN: Accounting Division, 300 W. 15th Street, MC-003, Austin, TX 78701. The State shall be permitted to abstract the judgment as provided by law; however, it will forbear execution so long as payment is made pursuant to the terms of the Agreed Judgment.

20. IT IS FURTHER ORDERED that if the State believes that Markwardt is in default of the Permanent Injunction for any reason, the State shall provide Markwardt with written notice by certified mail to Markwardt's last known address of the circumstances that the State believes constitute a default. Markwardt shall have ten (10) days to either provide the State with written documentation that no such default occurred or to cure such default.

21. IT IS FURTHER ORDERED that in the event of a finding of default of the Permanent Injunction the State shall be entitled to declare the unpaid principal balance, earned

interest, and any other amounts owed on the obligation immediately due. Markwardt waives all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest.

22. IT IS FURTHER ORDERED that Markwardt, by his signature below, hereby acknowledges notice of this Agreed Judgment and acceptance of the same; therefore, no injunctive writ need be issued. Plaintiff may enforce the Agreed Judgment through any procedure or process available under the laws of the State of Texas.

23. IT IS FURTHER ORDERED that Markwardt shall not represent to the public that this Agreed Judgment constitutes approval by the State or this Court of any of Markwardt's actions or business practices.

24. IT IS FURTHER ORDERED that this Agreed Judgment is final as to Markwardt and disposes of all claims between the parties in this cause. All relief asserted or which could have been asserted among the parties to this Agreed Judgment hereto based on the legal and factual allegations not expressly granted herein is denied.

25. IT IS FURTHER ORDERED that all costs of court expended or incurred in this cause are adjudged against the party incurring the same.

SIGNED this ____ day of 09/27/2021, 2021.

JUDGE PRESIDING

Signed: 9/27/2021 03:30 PM

AGREED AS TO SUBSTANCE AND FORM AND ENTRY REQUESTED:

KEN PAXTON
Attorney General of Texas

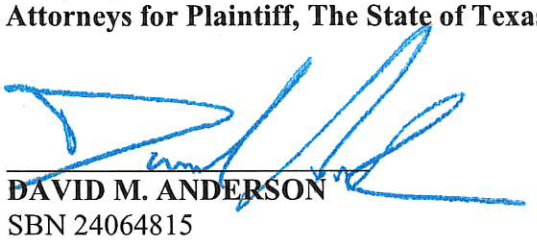
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Attorney for Defendant, Gregory Markwardt d/b/a Hotel Corpus Christi Bayfront



GREGORY MARKWARDT D/B/A HOTEL CORPUS CHRISTI BAYFRONT
1102 N. Cherry St.
San Antonio, Texas 78202
Defendant

CLAIM FORM FOR PRICE-GOUGING RESTITUTION FOR LODGING PURCHASED FROM HOTEL CORPUS CHRISTI BAYFRONT DURING HURRICANE HARVEY DISASTER PROCLAMATION PERIOD

NOTE: This claim form must be emailed or mailed and postmarked on or before January 15, 2022.

Distribution of restitution is estimated to be made by March 15, 2022.

Please provide your name and address:

1. Name: _____
   (First) (Middle) (Last)
2. Current address: _____
   Street Name and Number (include apartment number, if applicable)

   City: _____ State: _____ Zip Code: _____
3. Email address: _____

Instructions: To be eligible for restitution, please provide the information below. *If* you have a receipt from this transaction, please attach a copy and fill out only those items below which are not included in the receipt; otherwise, fill out the entire form. Unavailability of a receipt will not disqualify you from eligibility. Final determination of eligibility will be made based upon the requirements set out in the settlement agreement between the parties in *State of Texas v. Gregory Markwardt d/b/a Hotel Corpus Christi Bayfront*; Cause #2020DCV-0829-A; 28th Judicial District Court in Nueces County, Texas).

Please note that your refund may be made on a *pro rata* basis if claims exceed the restitution funds available, which means that you may only receive a portion of the amount that you were charged.

a. Date of purchase: _____
b. Price you paid for lodging/day: $_____
c. Number of days: _____
d. Amount of total sale: $_____

By signing and dating below, you acknowledge and affirm that you paid for the above-referenced lodging:

Date: _____ _____
(Sign Here)

If you have any questions, please contact Mirna Beltran, at the Office of the Texas Attorney General – Consumer Protection Division, by phone: 210-225-4191 ext. 1103 or email: mirna.beltran@oag.texas.gov.

Automated Certificate of eService

This automated certificate of service was created by the efiling system. The filer served this document via email generated by the efiling system on the date and to the persons listed below. The rules governing certificates of service have not changed. Filers must still provide a certificate of service that complies with all applicable rules.

Judi Logan on behalf of Valeria Sartorio
Bar No. 24073758
judi.logan@oag.texas.gov
Envelope ID: 56989949
Status as of 9/8/2021 3:01 PM CST

Case Contacts

Name	BarNumber	Email	TimestampSubmitted	Status
David Anderson	24064815	anderson@ccatriallaw.com	9/7/2021 9:34:02 AM	SENT
Valeria Sartorio		Valeria.Sartorio@oag.texas.gov	9/7/2021 9:34:02 AM	SENT

NO. S-19-6060CV-A

STATE OF TEXAS, Plaintiff,	§	IN THE DISTRICT COURT
v.	§	SAN PATRICIO COUNTY, TEXAS
PORTLAND PROPERTIES, INC. d/b/a COUNTRY INN & SUITES, Defendant.	§	36TH JUDICIAL DISTRICT

AGREED FINAL JUDGMENT AND PERMANENT INJUNCTION

TO THE HONORABLE DISTRICT JUDGE:

On this 28 day of June, 2021, came ~~for hearing~~ to be considered on the above-entitled and numbered cause in which the State of Texas (State), acting by and through its Attorney General, KEN PAXTON, is Plaintiff and PORTLAND PROPERTIES, INC. d/b/a COUNTRY INN & SUITES (Defendant) is Defendant. In this action, the State alleges that Defendant engaged in false, misleading, and deceptive acts and practices in violation of § 17.46 of the Deceptive Trade Practices-Consumer Protection Act ("DTPA"), TEX. BUS. & COM. CODE § 17.41 *et seq.* Specifically, the State alleges that Defendant violated the DTPA because it took advantage of a disaster declared by the Texas Governor under Chapter 418 of the Government Code by demanding or charging excessive prices for lodging. The parties, by and through their attorneys of record, have made the following stipulations and agree to the entry of this Agreed Final Judgment and Permanent Injunction (AFJPI) as a compromise and settlement of disputed claims.

STIPULATIONS

1. The Court has jurisdiction over the subject matter and parties in this action under the DTPA.

2. This AFJPI does not constitute an approval of Defendant's business and practices by the State or the Court and Defendant shall make no representation or claim to the contrary. Defendant

FILED
AT 12:15 M O'CLOCK
JUN 29 2021
HEATHER B. MARKS, CLERK DISTRICT COURT
SAN PATRICIO COUNTY, TEXAS
BY: DEPUTY

continues to deny any illegal conduct and denies all liability but enters into this AFJPI only to buy its peace.

3. The parties agree to the entry of this AFJPI and agree that the Court has continuing jurisdiction to enforce this AFJPI.

4. This AFJPI sets forth the entire agreement between the parties and there are no other representations or agreements between the parties not stated in writing herein.

5. Defendant is aware of the terms and duties placed upon it by the AFJPI, acknowledges that it has fully read and understands this AFJPI, accepts the legal consequences involved in signing this AFJPI, and represents that it is desirous and capable of carrying out the terms and duties of this AFJPI in full.

6. Defendant acknowledges receipt of copies of this AFJPI.

7. The parties agree that, should any clause, provision, or section of this AFJPI, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision, or section of this AFJPI, and this AFJPI shall be construed and enforced as if such illegal, invalid, or unenforceable clause, section or provision had not been contained herein.

8. The parties agree to waive the thirty (30) day period in which to file a Motion for New Trial and waive any and all rights to appeal this AFJPI.

FINDINGS

9. Having reviewed the pleadings in this case and the stipulations of the parties, the Court hereby finds as follows:

a. The Court has jurisdiction over the parties;

b. The Court has jurisdiction over the subject matter of this action;

c. Venue is proper in San Patricio County, Texas;

d. Entry of this AFJPI is in the public interest; and

e. The issuance and service of a writ of injunction are waived.

PERMANENT INJUNCTION

10. IT IS FURTHER ORDERED that Portland Properties, Inc. d/b/a Country Inn & Suites, its officers, agents, servants, employees, and those persons in active concert or participation with it who receive actual notice of the AFJPI by personal service or otherwise are hereby PERMANENTLY ENJOYED from the following:

a. Taking advantage of any disaster, declared by the Governor under Chapter 418 of the Government Code, by offering accommodations or other necessities at an exorbitant or excessive price;

b. Collecting state and local taxes from disaster victims, personnel participating in relief operations, or person identified by the Governor's declaration during a disaster declared by the Governor of Texas when such taxes have been suspended by the Governor pursuant to Chapter 418 of the Government Code;

c. Violating any regulation, proclamation, declaration, or executive order made by the Governor pursuant to Chapter 418 of the Government Code;

d. Failing to provide a sales-tax-exemption certificate to any disaster victim any time the Governor suspends the Hotel Occupancy Tax pursuant to Chapter 418 of the Government Code;

e. Failing to obtain a sales-tax-exemption certificate from evacuees;

f. Failing to maintain a registration system to record the identity and contact information from guests of the hotel or motel including the guests' names, addresses, the length of their stay, and the price charged per day; and

g. Altering, destroying or mutilating records ordered to be kept pursuant to Subparagraphs E and F above for a three-year period after the disaster declaration, provided the matter is not in litigation. If the matter is in litigation, records shall not be altered, destroyed or mutilated until a three-year period following the entry of a final judgment, not subject to further appeal.

MONETARY JUDGMENT

11. IT IS FURTHER ORDERED that the State shall have judgment against Defendant for civil penalties and court costs in the amount of FIVE THOUSAND DOLLARS ($5,000).

12. IT IS FURTHER ORDERED that the State shall have judgment against Defendant for attorneys' fees and court costs in the amount of FIVE THOUSAND DOLLARS ($5,000).

13. IT IS FURTHER ORDERED that the State shall have judgment against Defendant for consumer restitution in the amount of TWENTY THOUSAND DOLLARS ($20,000).

14. IT IS FURTHER ORDERED that the State will distribute restitution under the following procedures: The State will send a claim form to eligible consumers. Eligible consumers are consumers who stayed at Defendant's hotel during the aftermath of Hurricane Harvey between the dates of August 24, 2017 and September 30, 2017 and who paid a room rate that increased by 66% or more over Defendant's price for that room during the three months preceding August 2017. Distribution of restitution will be limited to eligible consumers who return the claim form before the deadline. The State will determine if the claim form has been properly completed and timely submitted, and determine the specific refund amount each eligible consumer will receive. Consumers may receive pro rata refund amounts, if claimed amounts by eligible consumers exceed the restitution payments. If the total claimed amounts by all eligible consumers is less than the restitution award, any residual amounts for such unlocated eligible guests will be allocated to the Supreme Court Judicial Fund as a civil penalty pursuant to Sec. 402.007(b)(1) of the Texas Government Code. Checks sent to eligible consumers which are returned to the State shall be treated in accordance with the State of Texas' unclaimed property laws.

15. IT IS FURTHER ORDERED that Defendant will cooperate with reasonable requests from Plaintiff for consumer information for the purpose of restitution distribution.

16. IT IS FURTHER ORDERED that Defendant's payment of these monetary amounts to the State shall be paid upon entry of this Judgment by certified check or wire transfer, payable to the "STATE OF TEXAS," bearing the reference AG# CX6925852474 and if not by wire transfer, deliver/mailed to the Office of the Attorney General, ATTN: Accounting Division, 300 W. 15th St., MC-003, Austin, TX 78701.

MISCELLANEOUS PROVISIONS

17. IT IS FURTHER ORDERED that nothing in this AFJPI shall create any private rights, causes of action, or remedies against Defendant and nothing in the Agreed Judgment shall be construed as a waiver of any private rights, causes of action, or remedies of ay person against Defendant with respect to the practices of conduct described herein.

18. IT IS FURTHER ORDERED that Defendant's indebtedness to the State identified above are for alleged violations of the DTPA, which alleged violations Defendant continues to deny; however, Defendant agrees to make payment as part of the settlement.

19. IT IS FURTHER ORDERED that the State shall be permitted to abstract the judgment as provided by law, but will forbear execution so long as payment is made pursuant to the terms of the AFJPI.

20. IT IS FURTHER ORDERED that Defendant, by its signature below, hereby acknowledges notice of this AFJPI and acceptance of the same. Plaintiff may enforce the AFJPI through any procedure or process available under the laws of the State of Texas.

21. IT IS FURTHER ORDERED that Defendant shall not represent to the public that this AFJPI constitutes approval by the State or this Court of any of Defendant's actions or business practices.

22. IT IS FURTHER ORDERED that this AFJPI is final as to all parties and disposes

of all claims asserted by the parties in this instant case. All relief asserted or which could have been asserted among the parties to this AFJPI hereto based on the legal and factual allegations in this underlying cause for alleged violations of the DTPA not expressly granted herein is denied. The State hereby fully releases, waives, and discharges Defendant and its officers, agents, representatives, and employees from any claims arising out of or related to facts alleged in this underlying cause which were brought or could have been brought in a consumer protection action, including claims for alleged violations of the DTPA, prior to the date this AFJPI is entered by the Court. This AFJPI does not, however, affect the rights of or remedies available to any third party that is not subject to this order, except as provided by law.

SIGNED this 28 day of June, 2021.

JUDGE PRESIDING

Starr Boldrick Bauer

AGREED AS TO SUBSTANCE AND FORM AND ENTRY REQUESTED:

KEN PAXTON
Attorney General of Texas

BRENT WEBSTER
First Assistant Attorney General

GRANT DORFMAN
Deputy First Assistant Attorney General

SHAWN E. COWLES
Deputy Attorney General for Civil Litigation

JENNIFER S. JACKSON
Chief, Consumer Protection Division

STEVEN ROBINSON
State Bar No. 24046738
VALERIA SARTORIO
State Bar No. 24073758
Assistant Attorney General
Office of the Attorney General
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112 E. Pecan Street, Suite 735
San Antonio, TX 78205
(210) 225-4191; Fax (210) 225-1075
steven.robinson@oag.texas.gov
ATTORNEYS FOR THE STATE OF TEXAS

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A Professional Corporation
615 N. Upper Broadway, Suite 1100
Corpus Christi, TX 78401-0748
(361) 888-9201; Fax (361) 888-8353
fjm@wbwpc.com
ATTORNEY FOR DEFENDANT

12/3/2020 9:00 AM
Velva L. Price
District Clerk
Travis County
D-1-GN-20-007368
Ruben Tamez

NO. D-1-GN-20-007368

IN THE MATTER OF	§	IN THE DISTRICT COURT
	§	
STATE OF TEXAS,	§	
Petitioner,	§	
	§	
vs.	§	TRAVIS COUNTY, TEXAS
	§	
CTD, INC.,	§	
Respondent.	§	261ST JUDICIAL DISTRICT

ASSURANCE OF VOLUNTARY COMPLIANCE

This Assurance of Voluntary Compliance (this "**Assurance**") is made and entered into by and between Texas Attorney General Ken Paxton (the "**Attorney General**") acting in the name of the State of Texas (the "**State**"), as Petitioner, and CTD, Inc. ("**CTD**"), as Respondent, pursuant to Section 17.58 of the Texas Business and Commerce Code.

A. DEFINITIONS

As used in this Assurance, the following terms are defined as follows:

1. **"COVID-19 Disaster"** means the Disaster Declaration declared by the Texas Governor (the "**Governor**") on March 13, 2020 and recorded in Tex. Gov. Proclamation No. 41-3720, 45 Tex. Reg. 2094 (Mar. 27, 2020), and as extended from time to time thereafter.
2. **"Disaster Declaration"** means (i) a proclamation or executive order by the Governor declaring a disaster pursuant to Chapter 418 of the Texas Government Code or (ii) a declaration of a disaster by the President of the United States, if any part of the State is named in the federally declared disaster area.
3. **"DTPA"** means Chapter 17, Subchapter E of the Texas Business and Commerce Code.

4. **"Effective Date"** means the date this Assurance is approved by the Court.

5. **"National Disaster Declaration"** means a declaration of a disaster by the President of the United States in which the federally declared disaster area is the entirety of all states within the United States.

6. **"Price Adjustment"** means an increase in price of an individual product on Respondent's website.

7. **"Price Gouging Statute"** means Section 17.46(b)(27) of the DTPA.

8. **"Respondent," "You,"** or **"Yours"** means CTD, its successors, employees, agents, assigns, and officers.

9. **"State of Disaster"** means the period: (i) beginning on the earlier of: (a) the date a disaster occurs or (b) the date of a Disaster Declaration or a National Disaster Declaration, as applicable, and (ii) ending on the 30th day after the date the Disaster Declaration or National Disaster Declaration, as applicable, as may be extended, expires, or is terminated.

B. PARTIES

1. The signatories to this Assurance are Respondent and the State.

2. This action is brought by the Consumer Protection Division of the Office of the Attorney General of Texas in the name of the State as authorized under the DTPA, Section 17.41, *et seq.*

C. NATURE OF ALLEGED VIOLATIONS

1. Respondent is an e-commerce retailer of ammunition, firearms, and related products based in Fort Worth, Texas. Its headquarters and shipping facility are both in Fort

Worth, Texas. Respondent does not manufacturer these products; it acquires them and then sells them via its website to consumers nationwide. Its website is http://www.CheaperThanDirt.com.

2. The same week that the Governor declared the COVID-19 Disaster, Respondent began to experience an increased demand and limited supply for its ammunition, as the orders on its website substantially increased. By no later than March 14, 2020, in response to the increased demand for its products and limited supply, Respondent raised the prices on hundreds of its top selling products.

3. Additionally, during the weekend of March 14, Respondent made the decision to make Price Adjustments on its website. Rather than proceeding in the normal manner, which usually takes several days for price changes to appear on its website, Respondent attempted to make manual "real-time" Price Adjustments so that the price increases would be immediately reflected on its website. Making these manual "real-time" price changes caused confusion for consumers because the prices consumers saw on the website pages when selecting items for purchase were different from the prices that appeared in the final check-out cart on Respondent's website.

D. ALLEGED VIOLATIONS OF TEXAS DECEPTIVE TRADE PRACTICES ACT

The State alleges that Respondent's conduct violated the DTPA as follows:

1. Respondent engaged in false, misleading, or deceptive acts or practices in violation of Section 17.46(a) of the DTPA by representing prices for some of its products on Respondent's website that were different from the prices in the check-out cart on Respondent's website; and

2. Respondent violated Section 17.47(b)(27) of the DTPA by:

    a. Selling another necessity at an exorbitant or excessive price; and/or

b. Demanding an exorbitant or excessive price in connection with the sale of another necessity.

E. STIPULATIONS

Subject to the Asserted Defenses (defined below) and the other terms and conditions of this Assurance, the parties hereby agree and stipulate that:

1. Respondent is an e-commerce retailer that does not have any brick-and-mortar storefronts in Texas or in any other state.
2. For purposes of this Assurance, Respondent's home county is Tarrant County, Texas.
3. The State has jurisdiction over the subject matter and the parties in this matter under the DTPA;
4. The venue of this cause is proper in Travis County, Texas, pursuant to DTPA Section 17.58(a);
5. This Assurance does not constitute an approval of Respondent's business practices by the State or the Court and Respondent shall make no representation or claim to the contrary;
6. Respondent and the State represent and warrant, each to the other, that each has the authority to enter into and make this Assurance, and to bind themselves to this Assurance;
7. This Assurance is being entered into by the parties for the sole purpose of compromising disputed claims amongst the parties without the necessity for protracted and expensive litigation, and this Assurance does not constitute an

admission by Respondent of any violation of law, rule, or regulation, including, without limitation, the DTPA; and

8. The State and, subject to the other terms and conditions of this Assurance, Respondent agree to and do not contest the entry of this Assurance by this Court.

F. RESPONDENT'S RESPONSE

Respondent denies any violation of law, rule, or regulation, including, without limitation, the DTPA, and, even if the allegations in Paragraph C of this Assurance are taken as true as alleged by the State, Respondent does not waive and specifically maintains and reserves all of its legal, statutory, and common-law defenses (collectively, the "**Asserted Defenses**").

G. RESPONDENT'S ASSURANCES

Subject to and without Respondent waiving the Asserted Defenses and the other terms and conditions of this Assurance, and with the understanding that for the purposes of this Assurance the State views "another necessity" in the Price Gouging Statute to include ammunition, which the Respondent denies with respect to at least the COVID-19 Disaster, Respondent voluntarily agrees to comply with the following terms:

1. Respondent will not, during the applicable State of Disaster, take advantage of the COVID-19 Disaster by:

    a. selling or leasing fuel, food, medicine, lodging, building materials, construction tools, or another necessity at an exorbitant or excessive price; or

    b. demanding an exorbitant or excessive price in connection with the sale or lease of fuel, food, medicine, lodging, building materials, construction tools, or another necessity.

2. Respondent will not, during the applicable State of Disaster, take advantage of any future Disaster Declaration that applies to Respondent or any future National Disaster Declaration by:

   a. selling or leasing fuel, food, medicine, lodging, building materials, construction tools, or another necessity at an exorbitant or excessive price; or

   b. demanding an exorbitant or excessive price in connection with the sale or lease of fuel, food, medicine, lodging, building materials, construction tools, or another necessity.

3. During the COVID-19 Disaster, any future Disaster Declaration that applies to Respondent, or any future National Disaster Declaration, and for a minimum of six months following the expiration of such applicable State of Disaster, Respondent shall preserve records reflecting:

   a. Each individual sale transaction during such foregoing period;

   b. The dates, times, and amounts of changes in prices during such foregoing period; and

   c. All supply costs incurred by Respondent during such foregoing period.

4. If Respondent makes any Price Adjustments, it agrees to reflect such Price Adjustment simultaneously throughout its website in its entirety for each of its products that has a Price Adjustment. If Respondent makes a Price Adjustment on a product that is not reflected throughout the website in its entirety, Respondent will promptly rectify the price discrepancy when it is discovered or brought to Respondent's attention.

Notwithstanding the foregoing, Respondent shall not be considered to be taking advantage of a Disaster Declaration if the Respondent's home county is neither included nor affected by the Disaster Declaration.

H. CONSUMER REFUNDS

1. Pursuant to this Assurance, Respondent agrees to provide refunds to the consumers referenced in Exhibit A in the total amount of Four Hundred Two Thousand Seven Hundred Eighty Six Dollars and Nine cents ($402,786.09). The refunds provided by Respondent to the consumers referenced in Exhibit A will be partial refunds of a recent purchase from Respondent's website. The partial refund amount for each of the consumers referenced in Exhibit A is determined solely by the State. Within 60 days following the Effective Date, Respondent shall provide refund checks or a credit card credit/chargeback to the consumers whose purchases are represented by the invoice numbers listed on Exhibit A. The partial refund amounts to be paid by Respondent for each of the invoice numbers is also included on Exhibit A. If any of the checks are returned to Respondent or are otherwise undeliverable, or if any of the credits/chargebacks are not processed, Respondent will consult with the State about alternative mailing addresses, and if the State provides Respondent with an alternative mailing address or if Respondent on its own identifies an alternative mailing address, Respondent will thereafter make a second attempt to provide such remaining consumers with their partial refunds. The second refund payment attempt shall only be by mail and shall be made within 210 days following the date the first attempt is made. No matter how the partial refund amount is provided, Respondent shall provide consumers with an explanation letter or email transmittal, as applicable, that is substantially similar to the letter attached as Exhibit B. To the extent Respondent uses checks, the envelopes that Respondent uses to issue the checks shall be reasonably approved by the State before mailing. Furthermore, if

Respondent decides to retain a third party to administer the issuance of the checks, Respondent shall consult with the State before retaining such third party and will not retain such third party without the prior approval of the State.

2. Checks returned to Respondent after the second payment attempt, or after the first attempt if an alternative address is not located, shall be treated in accordance with the unclaimed property laws of the state where the consumers receiving refund payments reside.

3. Within sixteen (16) months following the Effective Date, Respondent will provide a final report to the State in the form of an affidavit which will refer to the invoice numbers in Exhibit A and indicate whether the persons associated with the invoice numbers have cashed their checks or whether the partial refund payment has been treated in accordance with the relevant unclaimed property laws.

4. Unless agreed between the parties otherwise, every three months from the Effective Date until the final report referenced in Paragraph H.3 of this Assurance is provided to the State, Respondent agrees to provide the State a status report indicating how many checks and/or credits/chargebacks were issued to the consumers referenced in Exhibit A during the relevant reporting period, how many of these checks were cashed by the recipients, how many credit card credits/chargebacks were processed, and the total amount of refunds represented by the cashed checks and credits/chargebacks. The first status report will be due 90 days after the Effective Date.

I. ATTORNEYS' FEES

Respondent agrees to pay to the State its attorneys' fees in the amount of Thirty Two Thousand and No/100 Dollars ($32,000.00). Respondent shall pay such foregoing amount within 30 days after the Effective Date. Respondent's attorneys' fees payment to the State shall be made

in accordance with the following instructions: by certified check or wire transfer, payable to the "STATE OF TEXAS," bearing the reference AG# CX4066053152, and if not by wire transfer, delivered/mailed to the Office of the Attorney General, ATTN: Accounting Division, 300 W. 15th St., MC-003, Austin, TX 78701.

J. DISPUTE RESOLUTION

If the State believes that Respondent has not complied with any provision of this Assurance and, if in the State's sole reasonable discretion the failure to comply does not threaten the health or safety of the citizens of the State and/or does not create an emergency requiring immediate action, the State will provide written notice to Respondent of such alleged failure to comply. Respondent shall have thirty (30) days from receipt of such notice to provide a good faith written response, including either a statement that Respondent believes it is in full compliance with the relevant provision or a statement explaining how the alleged violation occurred, how it has been addressed or when it will be addressed, and what Respondent will do to make sure the alleged violation does not occur again. Within that thirty (30) day period, Respondent may request a meeting to discuss the alleged violation. If Respondent makes such a request, the State will meet with Respondent, either by phone or in person, at the earliest possible date, but in no event more than ten (10) business days from the date of Respondent's request. Respondent shall provide its written response in advance of any meeting with the State, unless the State agrees to waive this requirement. The request for, or occurrence of, a meeting does not enlarge the period of time for Respondent to provide its written response, although the State may agree to provide Respondent with more than thirty (30) days to respond.

K. GENERAL PROVISIONS

1. Respondent and the State agree that they will submit this Assurance to a district court of competent jurisdiction in Travis County and request that the court approve this Assurance, pursuant to the terms set forth herein and in Section 17.58 of the DTPA.

2. Nothing in this Assurance shall create any private rights, causes of action or remedies against Respondent, and nothing in the Assurance shall be construed as a waiver of any private rights, private causes of action, or private remedies of any person against Respondent with respect to the practices or conduct described herein.

3. Respondent and the State agree that nothing in this Assurance shall be constructed to affect any action or proceeding by any regulatory body or state agency, other than the State, whether such action or proceeding is related to any issue addressed by this Assurance or otherwise.

4. To the extent that the provisions of this Assurance conflict with any Texas, local, or federal law, rule, or regulation that now exists, or is later enacted or amended, such law, rule, or regulation, and not this Assurance, shall apply. For the purpose of this Assurance, such conflict exists if conduct prohibited by this Assurance is required or expressly permitted by such Texas, local, or federal law, rule, or regulation, or if conduct required by this Assurance is prohibited by such Texas, other state, local or federal law, rule, or regulation.

5. If the State finds it necessary to enforce Paragraph G-1 or G-2 of this Assurance following the Effective Date, and if in that instance it is determined that consumers from outside of the State may be the basis for a violation of this Assurance, and if the specific state(s) where the affected consumers reside in notify the State that they are pursuing claims on behalf of their

consumers, the State will defer the out of state claim to such state(s). Nothing in this provision, however, prevents the State from pursuing enforcement claims involving residents of the State.

6. This Assurance is governed by Section 17.58 of the DTPA. The parties agree that, should any clause, provision, or section of this Assurance, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision, or section of this Assurance, and this Assurance shall be construed and enforced as if such illegal, invalid, or unenforceable clause, section or provision had not been contained herein.

7. This Assurance sets forth the entire agreement between the parties. Respondent represents that it has fully read and understands this Assurance, accepts the legal consequences involved in signing this Assurance, and that there are no other representations or agreements between the parties not stated in writing herein.

8. It is also understood by Respondent that the subsequent failure to comply with the terms of this Assurance is *prima facie* evidence of a violation of the DTPA. However, an inadvertent, occasional good faith mistake on the part of Respondent will not constitute a violation of this Assurance.

9. The terms of this Assurance are not intended to alter Respondent's lawful contractual obligations with its ammunition distributor(s) and suppliers.

10. The State hereby waives, releases, and forever discharges Respondent and its successors and assigns, and each of its and their affiliates, employees, agents, representatives, officers, directors, members, managers, and shareholders, in all cases, from the civil claims that arise from the matters alleged herein in Paragraphs C and D of this Assurance, that could have been brought by the Office of the Attorney General of Texas under the DTPA up to including the Effective Date of this Assurance. Notwithstanding anything to the contrary herein, subject to the

meet and confer provision in Paragraph J of this Assurance, nothing in this release shall prevent the State from enforcing the terms of this Assurance, if it finds it necessary to do so.

11. The parties agree that this Assurance shall not be modified or terminated except by written agreement signed by the parties and filed with the Court.

EXECUTED this 3rd day of December, 2020.

KEN PAXTON
Attorney General of Texas

BRENT WEBSTER
First Assistant Attorney General

SHAWN COWLES
Deputy Attorney General for Civil Litigation

JENNIFER S. JACKSON
Chief, Consumer Protection Division

/s/ Pedro Perez, Jr.
PEDRO PEREZ, JR.
Assistant Attorney General
Deputy Chief, Consumer Protection Division
State Bar No. 00788184
Office of the Attorney General
P.O. Box 12548
Austin, Texas 78711-2548
Phone: (512) 475-4656
Facsimile: (512) 473-8301
Email: pedro.perez@oag.texas.gov

ATTORNEYS FOR PETITIONER
STATE OF TEXAS

RESPONDENT:

CTD, INC.

By: _____
Name: MICHAEL TENNY
Title: CEO

Agreed as to Form:

_____
C. Andrew Weber
State Bar No. 00797641
KELLY HART & HALLMAN LLP
303 Colorado Street, Suite 2000
Austin, Texas 78701
Phone: (512) 495-6451
Fax: (512) 495-6401
Email: andrew.weber@kellyhart.com

P. Taylor Spalla
State Bar No. 24073509
KELLY HART & HALLMAN LLP
201 Main Street, Suite 2500
Fort Worth, Texas 76102
Phone: (817) 878-3542
Fax: (817) 878-9280
Email: taylor.spalla@kellyhart.com

ATTORNEYS FOR RESPONDENT CTD, INC.

EXHIBIT A

Invoice	Restitution CTD
15160693	$34.46
15160712	$34.46
15160816	$34.46
15162302	$34.46
15164323	$34.46
15164600	$34.46
15167117	$30.63
15167650	$30.63
15168239	$183.78
15168814	$59.36
15169722	$35.13
15169922	$91.89
15170619	$117.10
15170720	$35.13
15170876	$46.84
15170891	$11.71
15171100	$23.42
15171368	$23.42
15171497	$58.55
15171533	$23.42
15171557	$35.13
15171580	$234.20
15171582	$11.71
15171611	$23.42
15171612	$35.13
15171672	$23.42
15171758	$46.84
15172146	$58.55
15172187	$23.42
15172234	$35.13
15172394	$81.97
15172511	$58.55
15172610	$46.84
15172738	$117.10
15172945	$46.84
15172989	$187.36
15173121	$11.71
15173151	$11.71
15173256	$117.10
15173560	$11.71
15173643	$23.42
15173731	$23.42
	$2,242.45

Invoice	Restitution CTD
15173977	$58.55
15174016	$35.13
15174375	$11.71
15174619	$58.55
15174813	$46.84
15174975	$11.71
15175739	$23.42
15175839	$117.10
15175952	$11.71
15176031	$44.00
15176095	$117.10
15176159	$22.00
15176176	$117.10
15176205	$61.26
15176324	$61.26
15176371	$11.71
15176388	$23.42
15176459	$35.13
15176723	$22.00
15176725	$11.00
15176978	$44.00
15177059	$11.00
15177135	$33.00
15177199	$23.42
15177273	$55.00
15177361	$50.00
15177409	$25.00
15177500	$22.00
15177571	$22.00
15177579	$44.00
15177624	$12.50
15177759	$11.00
15177930	$33.00
15178005	$22.00
15178051	$100.00
15178211	$22.00
15178241	$25.00
15178285	$33.00
15178290	$22.00
15178296	$75.00
15178319	$33.00
15178333	$15.00
	$1,633.62

Invoice	Restitution CTD
15178365	$11.00
15178480	$25.00
15178560	$22.00
15178620	$50.00
15178688	$15.00
15178696	$22.00
15178710	$23.42
15178812	$44.00
15178882	$50.00
15179024	$44.00
15179090	$5.00
15179146	$55.00
15179151	$33.00
15179162	$22.00
15179205	$11.00
15179219	$117.10
15179220	$5.00
15179260	$22.00
15179420	$11.00
15179447	$12.50
15179462	$22.00
15179582	$22.00
15179640	$46.84
15179657	$5.00
15179793	$25.00
15179797	$11.00
15179859	$25.00
15179912	$80.00
15179940	$22.00
15180064	$5.00
15180083	$11.00
15180132	$22.00
15180276	$11.00
15180300	$55.00
15180336	$11.00
15180354	$25.00
15180361	$15.00
15180378	$11.00
15180522	$58.55
15180587	$22.00
15180605	$22.00
15180631	$22.00
	$1,149.41

EXHIBIT A

Invoice	Restitution CTD		Invoice	Restitution CTD		Invoice	Restitution CTD
15180749	$11.00		15182741	$22.00		15185673	$22.00
15180761	$37.50		15182769	$66.00		15185780	$12.50
15180868	$33.00		15182835	$33.00		15185798	$23.42
15180998	$12.50		15182854	$22.00		15185896	$58.55
15181027	$22.00		15182966	$44.00		15186025	$25.00
15181055	$22.00		15182986	$22.00		15186398	$12.50
15181075	$58.55		15183012	$33.00		15186581	$35.13
15181093	$11.00		15183246	$44.00		15186591	$11.71
15181143	$25.00		15183255	$22.00		15186683	$37.50
15181164	$22.00		15183302	$22.00		15186784	$25.00
15181203	$11.00		15183570	$11.00		15187290	$11.71
15181256	$25.00		15183617	$33.00		15188406	$11.71
15181259	$22.00		15183685	$11.00		15188993	$11.71
15181293	$55.00		15183738	$11.00		15189308	$35.13
15181363	$44.00		15183764	$25.00		15189434	$23.42
15181371	$22.00		15183765	$44.00		15189566	$11.71
15181434	$11.00		15183789	$33.00		15189598	$11.71
15181483	$22.00		15183795	$22.00		15189675	$35.13
15181509	$22.00		15183810	$11.00		15189762	$35.13
15181519	$11.00		15183824	$11.00		15189901	$46.84
15181548	$23.42		15183870	$11.00		15190022	$23.42
15181615	$22.00		15183933	$11.00		15190113	$93.68
15181690	$33.00		15183985	$22.00		15190158	$23.42
15181712	$11.00		15184040	$11.00		15190696	$11.71
15181800	$22.00		15184041	$22.00		15190742	$23.42
15181804	$44.00		15184048	$22.00		15190780	$23.42
15181809	$11.00		15184050	$44.00		15190943	$81.97
15182082	$11.00		15184053	$11.00		15190968	$70.26
15182087	$44.00		15184084	$12.50		15191025	$35.13
15182240	$22.00		15184100	$22.00		15191058	$23.42
15182325	$22.00		15184179	$50.00		15191541	$11.71
15182402	$22.00		15184308	$55.00		15191595	$23.42
15182428	$12.50		15184374	$22.00		15191773	$117.10
15182439	$22.00		15184383	$25.00		15191802	$35.13
15182506	$11.00		15184421	$22.00		15191822	$11.71
15182511	$22.00		15184469	$25.00		15191914	$11.71
15182535	$22.00		15184475	$11.00		15192206	$23.42
15182558	$22.00		15184537	$22.00		15192253	$11.71
15182597	$10.00		15184860	$50.00		15192379	$23.42
15182598	$11.00		15185114	$37.50		15192489	$23.42
15182695	$11.00		15185141	$25.00		15192518	$23.42
15182709	$22.00		15185650	$35.13		15192645	$23.42
	$952.47			$1,110.13			$1,246.95

EXHIBIT A

Invoice	Restitution CTD		Invoice	Restitution CTD		Invoice	Restitution CTD
15192864	$11.71		15200591	$35.13		15207078	$35.13
15193895	$35.13		15201021	$23.42		15207116	$23.42
15194053	$35.13		15201220	$35.13		15207174	$14.84
15194231	$23.42		15201995	$23.42		15207248	$35.13
15194297	$117.10		15202469	$46.84		15207283	$37.10
15194544	$58.55		15202764	$11.71		15207302	$46.84
15194728	$23.42		15202809	$46.84		15207450	$117.10
15195298	$58.55		15203047	$58.55		15207766	$58.55
15195505	$23.42		15203112	$11.71		15208146	$58.55
15195570	$46.84		15203280	$11.71		15208162	$23.42
15195847	$23.42		15203427	$11.71		15208488	$35.13
15195866	$23.42		15203451	$35.13		15208516	$117.10
15195898	$23.42		15203562	$58.55		15208657	$58.55
15196047	$46.84		15203672	$11.71		15208861	$23.42
15196297	$23.42		15203726	$58.55		15209238	$23.42
15196557	$23.42		15203770	$35.13		15209319	$58.55
15196687	$46.84		15204164	$23.42		15209607	$70.26
15196692	$70.26		15204240	$35.13		15209706	$11.71
15196915	$11.71		15204430	$23.42		15209733	$7.42
15197229	$11.71		15204600	$58.55		15209743	$23.42
15197415	$23.42		15204884	$11.71		15210039	$35.13
15197454	$23.42		15204985	$11.71		15210124	$23.42
15197556	$11.71		15205002	$35.13		15210582	$23.42
15197674	$23.42		15205351	$46.84		15210633	$11.71
15197975	$11.71		15205380	$58.55		15210682	$58.55
15199203	$35.13		15205421	$11.71		15210859	$37.10
15199246	$46.84		15205535	$11.71		15210932	$23.42
15199372	$23.42		15205540	$70.26		15211053	$11.71
15199501	$35.13		15205551	$70.26		15211416	$29.68
15199521	$35.13		15205569	$37.10		15211432	$44.52
15199584	$11.71		15205897	$29.68		15211547	$22.26
15199806	$23.42		15205915	$7.42		15211704	$58.55
15199839	$46.84		15206007	$11.71		15211796	$11.71
15200236	$46.84		15206059	$58.55		15212012	$58.55
15200288	$23.42		15206171	$29.68		15212014	$35.13
15200294	$23.42		15206291	$23.42		15212103	$46.84
15200423	$23.42		15206627	$14.84		15212135	$23.42
15200434	$35.13		15206711	$58.55		15212285	$35.13
15200458	$11.71		15206805	$46.84		15212356	$46.84
15200489	$35.13		15206853	$44.52		15212378	$35.13
15200544	$23.42		15207017	$37.10		15212511	$23.42
15200576	$23.42		15207037	$11.71		15212597	$44.52
	$1,334.94			$1,394.76			$1,619.22

EXHIBIT A

Invoice	Restitution CTD		Invoice	Restitution CTD		Invoice	Restitution CTD
15213026	$23.42		15217885	$37.10		15224691	$37.10
15213033	$23.42		15217961	$29.68		15224710	$58.55
15213388	$58.55		15218110	$35.13		15224947	$7.42
15213904	$22.26		15218453	$37.10		15225267	$35.13
15214046	$23.42		15219221	$23.42		15225856	$22.26
15214299	$11.71		15219249	$23.42		15225892	$11.71
15214379	$29.68		15219334	$148.40		15226084	$58.55
15214706	$58.55		15219412	$23.42		15226087	$46.84
15214777	$14.84		15219531	$37.10		15226132	$46.84
15214779	$23.42		15219533	$58.55		15226243	$74.20
15214781	$23.42		15219678	$37.10		15226244	$37.10
15215014	$117.10		15219742	$35.13		15226293	$23.42
15215035	$14.84		15220167	$46.84		15226367	$35.13
15215133	$23.42		15220434	$35.13		15226425	$29.68
15215135	$58.55		15220863	$23.42		15226507	$23.42
15215150	$29.68		15220981	$58.55		15226824	$23.42
15215230	$23.42		15221081	$35.13		15226834	$37.10
15215440	$35.13		15221129	$23.42		15226857	$37.10
15215582	$23.42		15221509	$23.42		15226908	$11.71
15215588	$11.71		15221690	$23.42		15227180	$23.42
15215854	$35.13		15221873	$23.42		15227193	$58.55
15215986	$11.71		15222165	$23.42		15227584	$58.55
15216044	$35.13		15222284	$23.42		15227672	$35.13
15216062	$23.42		15222324	$44.52		15227674	$23.42
15216065	$11.71		15222454	$11.71		15227712	$23.42
15216068	$44.52		15222466	$23.42		15227732	$29.68
15216314	$11.71		15222507	$11.71		15227761	$23.42
15216464	$59.36		15222535	$29.68		15228270	$23.42
15216514	$7.42		15222582	$7.42		15228329	$74.20
15216590	$11.71		15222719	$35.13		15228499	$58.55
15216636	$11.71		15222724	$11.71		15228594	$35.13
15216655	$111.30		15223043	$81.97		15228711	$74.20
15216713	$23.42		15223141	$70.26		15229056	$11.71
15216850	$7.42		15223779	$70.26		15229134	$11.71
15216892	$23.42		15223810	$35.13		15229165	$23.42
15217253	$46.84		15224087	$11.71		15229323	$46.84
15217277	$58.55		15224221	$11.71		15229436	$37.10
15217299	$11.71		15224226	$23.42		15229769	$37.10
15217331	$23.42		15224557	$23.42		15229908	$23.42
15217337	$46.84		15224569	$29.68		15229933	$117.10
15217450	$35.13		15224629	$23.42		15230063	$23.42
15217686	$148.40		15224674	$117.10		15230150	$23.42
	$1,449.94			$1,538.52			$1,553.01

EXHIBIT A

Invoice	Restitution CTD		Invoice	Restitution CTD		Invoice	Restitution CTD
15230292	$70.26		15236898	$23.42		15244267	$37.10
15230300	$117.10		15236898	$14.84		15244329	$59.36
15230377	$29.68		15237138	$11.71		15244335	$11.71
15230596	$14.84		15237195	$444.98		15244500	$11.71
15230649	$58.55		15237265	$117.10		15244500	$14.84
15231162	$23.42		15237397	$11.71		15244506	$46.84
15231189	$23.42		15237424	$35.13		15244646	$111.30
15231355	$37.10		15237695	$23.42		15244911	$11.71
15231453	$35.13		15237796	$58.55		15245334	$23.42
15231827	$58.55		15237953	$29.68		15245554	$11.71
15231960	$29.68		15238129	$93.68		15245586	$23.42
15232001	$44.52		15238156	$23.42		15245770	$7.42
15232123	$11.71		15238360	$35.13		15245861	$11.71
15232136	$46.84		15238464	$58.55		15246052	$35.13
15232159	$23.42		15238673	$37.10		15246052	$22.26
15232567	$58.55		15239018	$58.55		15246327	$11.71
15232883	$29.68		15239168	$44.52		15246550	$35.13
15232960	$37.10		15239193	$29.68		15246616	$11.71
15233094	$14.84		15239258	$117.10		15246824	$35.13
15233372	$23.42		15239438	$35.13		15246838	$44.52
15233614	$35.13		15239574	$70.26		15246875	$117.10
15234087	$46.84		15240200	$163.24		15247113	$11.71
15234205	$58.55		15240806	$58.55		15247113	$7.42
15234238	$11.71		15241543	$117.10		15247154	$35.13
15234253	$23.42		15241643	$11.71		15247187	$23.42
15234516	$23.42		15241647	$46.84		15247369	$46.84
15234688	$35.13		15241698	$37.10		15248007	$29.68
15234745	$58.55		15241958	$58.55		15248183	$23.42
15234826	$29.68		15242603	$35.13		15248253	$11.71
15234840	$11.71		15242855	$23.42		15248271	$23.42
15234951	$22.26		15243022	$11.71		15248342	$35.13
15235062	$35.13		15243379	$11.71		15248385	$37.10
15235247	$23.42		15243519	$23.42		15249158	$111.30
15235306	$37.10		15243527	$35.13		15249357	$11.71
15235494	$23.42		15243579	$35.13		15249591	$14.84
15236017	$23.42		15243738	$58.55		15249613	$11.71
15236168	$7.42		15243785	$37.10		15249613	$14.84
15236227	$23.42		15243858	$74.20		15249736	$23.42
15236398	$46.84		15243955	$46.84		15249935	$23.42
15236541	$29.68		15244069	$11.71		15250058	$14.84
15236638	$58.55		15244162	$23.42		15250133	$14.84
15236890	$74.20		15244170	$29.68		15250166	$35.13
	$1,526.81			$2,323.90			$1,255.97

EXHIBIT A

Invoice	Restitution CTD		Invoice	Restitution CTD		Invoice	Restitution CTD
15250357	$14.84		15261031	$35.13		15267646	$11.71
15250470	$58.55		15261042	$117.10		15267819	$46.84
15250700	$35.13		15261376	$37.10		15268135	$11.71
15251306	$89.04		15261479	$37.10		15268135	$7.42
15251966	$29.68		15261600	$23.42		15268192	$58.55
15251974	$51.94		15261830	$46.84		15268218	$23.42
15252115	$7.42		15262130	$37.10		15268226	$23.42
15252237	$23.42		15262197	$11.71		15268350	$44.52
15252237	$7.42		15262256	$46.84		15268377	$23.42
15252451	$46.84		15262359	$74.20		15268494	$44.52
15253848	$35.13		15262608	$58.55		15268728	$23.42
15254028	$44.52		15262972	$11.71		15268816	$23.42
15254303	$11.71		15263034	$29.68		15269075	$58.55
15254852	$93.68		15263149	$93.68		15269111	$14.84
15255196	$7.42		15263182	$14.84		15269222	$11.71
15255761	$58.55		15263240	$23.42		15269426	$23.42
15256119	$23.42		15263480	$35.13		15269640	$23.42
15256709	$11.71		15263543	$23.42		15269800	$58.55
15257149	$35.13		15263715	$23.42		15269902	$46.84
15257246	$11.71		15263734	$117.10		15270011	$58.55
15257839	$51.94		15263870	$14.84		15270285	$23.42
15257845	$29.68		15263896	$11.71		15270535	$111.30
15257891	$117.10		15264039	$11.71		15270675	$117.10
15258055	$11.71		15264249	$23.42		15270708	$22.26
15258075	$23.42		15264691	$23.42		15270785	$23.42
15258134	$35.13		15264782	$11.71		15271067	$37.10
15258175	$37.10		15264797	$22.26		15271077	$37.10
15258396	$74.20		15264830	$35.13		15271354	$37.10
15258645	$58.55		15264976	$23.42		15271388	$46.84
15258972	$23.42		15265187	$22.26		15271468	$46.84
15259142	$11.71		15265330	$14.84		15271492	$117.10
15259147	$14.84		15265691	$11.71		15271567	$35.13
15259176	$46.84		15265709	$11.71		15271598	$46.84
15259249	$74.20		15265736	$11.71		15271624	$58.55
15259289	$35.13		15265779	$14.84		15271658	$22.26
15259765	$35.13		15266119	$58.55		15271739	$148.40
15259857	$23.42		15266409	$58.55		15271810	$58.55
15260220	$35.13		15266449	$14.84		15271906	$22.26
15260275	$23.42		15266853	$23.42		15271929	$29.68
15260390	$46.84		15266952	$22.26		15271990	$23.42
15260699	$23.42		15266970	$22.26		15272003	$23.42
15261017	$11.71		15267399	$11.71		15272020	$22.26
	$1,541.30			$1,373.77			$1,748.60

EXHIBIT A

Invoice	Restitution CTD		Invoice	Restitution CTD		Invoice	Restitution CTD
15272235	$23.42		15278191	$117.10		15283282	$23.42
15272281	$117.10		15278206	$14.84		15283494	$37.10
15272534	$46.84		15278325	$117.10		15283676	$74.20
15272627	$11.71		15278421	$58.55		15283753	$11.71
15272921	$35.13		15278529	$51.94		15283787	$37.10
15273139	$46.84		15278788	$46.84		15284045	$35.13
15273236	$117.10		15278947	$58.55		15284135	$23.42
15273258	$22.26		15279083	$117.10		15284173	$11.71
15273431	$35.13		15279318	$14.84		15284782	$35.13
15273537	$23.42		15279509	$58.55		15284807	$22.26
15273919	$46.84		15279588	$23.42		15284887	$35.13
15273998	$35.13		15279724	$11.71		15285010	$11.71
15274014	$46.84		15279742	$23.42		15285440	$58.55
15274067	$23.42		15279798	$468.40		15285871	$11.71
15274369	$23.42		15280551	$46.84		15285886	$46.84
15274379	$11.71		15280746	$152.23		15285992	$35.13
15274405	$7.42		15280759	$35.13		15286117	$23.42
15275281	$74.20		15280920	$46.84		15286117	$14.84
15275347	$58.55		15280991	$35.13		15286134	$11.71
15275536	$46.84		15281025	$93.68		15286273	$58.55
15275561	$11.71		15281098	$29.68		15286510	$11.71
15275721	$35.13		15281113	$37.10		15286541	$70.26
15275866	$37.10		15281187	$22.26		15286626	$22.26
15275922	$11.71		15281243	$11.71		15286656	$23.42
15275957	$58.55		15281243	$7.42		15286815	$22.26
15276052	$23.42		15281302	$22.26		15287210	$23.42
15276102	$74.20		15281409	$74.20		15287426	$59.36
15276136	$58.55		15281465	$23.42		15287716	$81.97
15276202	$46.84		15281721	$23.42		15287720	$23.42
15276397	$14.84		15281885	$35.13		15287749	$23.42
15276420	$35.13		15282076	$58.55		15287770	$37.10
15276458	$23.42		15282082	$23.42		15287854	$11.71
15276633	$59.36		15282220	$23.42		15287971	$37.10
15276951	$11.71		15282375	$22.26		15287976	$23.42
15277018	$11.71		15282376	$74.20		15288052	$23.42
15277018	$44.52		15282538	$7.42		15288120	$23.42
15277069	$11.71		15282555	$35.13		15288163	$44.52
15277128	$117.10		15282757	$74.20		15289277	$35.13
15277143	$23.42		15282991	$23.42		15289491	$11.71
15277240	$58.55		15283030	$46.84		15289499	$23.42
15277384	$58.55		15283063	$58.55		15289653	$23.42
15277842	$37.10		15283264	$23.42		15289858	$46.84
	$1,717.65			$2,349.64			$1,321.48

EXHIBIT A

Invoice	Restitution CTD		Invoice	Restitution CTD		Invoice	Restitution CTD
15290018	$29.68		15295733	$70.26		15300374	$22.26
15290288	$46.84		15295779	$11.71		15300628	$58.55
15290371	$11.71		15295779	$7.42		15300638	$11.71
15290371	$37.10		15295831	$35.13		15300734	$37.10
15290449	$23.42		15296046	$70.26		15300862	$46.84
15290576	$11.71		15296098	$23.42		15301003	$23.42
15290610	$35.13		15296107	$117.10		15301383	$58.55
15290666	$29.68		15296189	$11.71		15301639	$11.71
15290846	$44.52		15296235	$35.13		15301655	$11.71
15290897	$23.42		15296287	$74.20		15302365	$23.42
15291117	$11.71		15296405	$58.55		15302839	$23.42
15291184	$58.55		15296530	$46.84		15302869	$23.42
15291228	$11.71		15296616	$46.84		15302904	$35.13
15291381	$23.42		15296833	$29.68		15303102	$23.42
15291470	$11.71		15297085	$46.84		15303383	$37.10
15291588	$35.13		15297217	$46.84		15303616	$11.71
15291640	$35.13		15297398	$11.71		15303663	$70.26
15291800	$23.42		15297426	$74.20		15303919	$44.52
15292071	$37.10		15297677	$29.68		15304033	$58.55
15292321	$23.42		15297773	$103.88		15304225	$11.71
15292471	$14.84		15297993	$58.55		15304342	$23.42
15292995	$23.42		15298039	$23.42		15304585	$23.42
15293476	$117.10		15298236	$23.42		15304611	$35.13
15293519	$7.42		15298256	$11.71		15304627	$117.10
15293690	$117.10		15298297	$74.20		15305246	$23.42
15293720	$58.55		15298373	$11.71		15305570	$11.71
15293723	$23.42		15298388	$22.26		15305608	$22.26
15293749	$7.42		15298642	$58.55		15305649	$58.55
15293878	$37.10		15298907	$23.42		15305785	$81.62
15294042	$35.13		15299246	$23.42		15305869	$35.13
15294196	$11.71		15299276	$37.10		15306000	$35.13
15294398	$11.71		15299303	$23.42		15306071	$23.42
15294417	$23.42		15299396	$58.55		15306597	$46.84
15294468	$46.84		15299784	$22.26		15306625	$58.55
15294549	$11.71		15299855	$46.84		15306754	$117.10
15294636	$74.20		15299898	$7.42		15306800	$11.71
15294879	$37.10		15299990	$23.42		15306915	$58.55
15294999	$23.42		15300106	$35.13		15307279	$70.26
15295063	$58.55		15300190	$74.20		15307417	$23.42
15295502	$23.42		15300223	$35.13		15307517	$46.84
15295510	$35.13		15300240	$22.26		15307778	$35.13
15295625	$117.10		15300364	$37.10		15307822	$11.71
	$1,480.32			$1,704.89			$1,614.93

EXHIBIT A

Invoice	Restitution CTD		Invoice	Restitution CTD		Invoice	Restitution CTD
15307835	$11.71		15315816	$35.13		15337905	$14.84
15307953	$23.42		15315919	$81.97		15339121	$111.30
15307974	$14.84		15316460	$29.68		15340982	$7.42
15308092	$23.42		15316743	$58.55		15341601	$14.84
15308295	$23.42		15316879	$23.42		15341720	$7.42
15308465	$23.42		15317387	$35.13		15341770	$37.60
15308608	$46.84		15317675	$58.55		15341933	$112.80
15308747	$11.71		15317750	$23.42		15342137	$7.42
15309035	$23.42		15317846	$11.71		15342943	$18.80
15309197	$35.13		15318162	$117.10		15343113	$14.84
15309322	$58.55		15318175	$58.55		15346315	$7.42
15309345	$46.84		15318203	$74.20		15347341	$14.84
15309364	$74.20		15318637	$35.13		15348505	$18.80
15309749	$14.84		15318649	$117.10		15351568	$7.42
15309837	$23.42		15318726	$11.71		15351882	$18.80
15310344	$14.84		15318794	$23.42		15352593	$14.84
15310375	$46.84		15318825	$11.71		15353059	$56.40
15310557	$11.71		15319021	$7.42		15355513	$18.80
15310576	$7.42		15319037	$46.84		15359121	$75.20
15310917	$35.13		15320028	$7.42		15359916	$75.20
15310925	$11.71		15320447	$7.42		15361359	$7.42
15311119	$23.42		15320624	$37.10		15361563	$7.42
15311572	$11.71		15321129	$44.52		15362844	$37.10
15311625	$23.42		15321389	$44.52		15363991	$22.26
15311791	$11.71		15322933	$22.26		15364319	$18.80
15312078	$46.84		15323086	$37.10		15365098	$22.26
15312229	$11.71		15325416	$29.68		15365365	$37.10
15312879	$46.84		15327032	$14.84		15366982	$29.68
15312899	$11.71		15329438	$7.42		15367319	$18.80
15313062	$22.26		15329805	$7.42		15367926	$7.42
15313420	$11.71		15329931	$7.42		15369061	$94.00
15313929	$58.55		15330526	$7.42		15369343	$37.60
15313979	$29.68		15330943	$14.84		15369407	$74.20
15313981	$29.68		15331044	$7.42		15369954	$112.80
15314154	$351.30		15331309	$37.10		15370392	$188.00
15314260	$58.55		15331582	$74.20		15370917	$14.84
15314577	$74.20		15333887	$44.52		15370964	$75.20
15314595	$11.71		15335640	$18.80		15372327	$37.10
15314728	$11.71		15335825	$18.80		15372930	$14.84
15315387	$11.71		15335870	$14.84		15373478	$18.80
15315535	$22.26		15336313	$29.68		15373862	$94.00
15315681	$46.84		15337567	$56.40		15375356	$37.60
	$1,510.35			$1,451.88			$1,662.24

EXHIBIT A

Invoice	Restitution CTD
15375583	$56.40
15376043	$74.20
15376767	$37.10
15378636	$188.00
15378969	$37.10
15380341	$37.60
15381536	$14.84
15381695	$37.60
15383354	$37.10
15383362	$94.00
15383739	$37.60
15384279	$18.80
15384302	$29.68
15384692	$37.60
15384842	$94.00
15071043A	$191.97
15071816A	$191.97
15072626B	$191.97
15072770A	$191.97
15072965A	$575.05
15073994A	$80.55
15074160A	$191.97
15074314A	$200.00
15074314A	$105.52
15074499A	$383.94
15074642A	$191.97
15074677A	$191.97
15074705A	$702.90
15074738A	$383.94
15074813A	$352.00
15074817A	$44.10
15074833A	$191.97
15074888A	$383.94
15074891A	$191.97
15074911A	$25.72
15074921A	$77.16
15074930A	$40.00
15074935A	$69.90
15074937A	$148.50
15074939A	$191.97
15074947A	$77.16
15074952A	$47.74
	$6,449.44

Invoice	Restitution CTD
15074952A	$26.86
15074973A	$40.23
15074993A	$320.00
15075002A	$105.52
15075011A	$352.00
15075012A	$191.97
15075035A	$191.97
15075049A	$105.52
15075073A	$105.52
15075076A	$29.35
15075079A	$320.00
15075117A	$191.97
15075129A	$105.52
15075139A	$160.00
15075151A	$29.35
15075168A	$80.00
15075178A	$55.92
15075181A	$26.86
15075192A	$26.86
15075198A	$26.86
15075199A	$191.97
15075202A	$352.00
15075209A	$37.52
15075211A	$40.00
15075221A	$18.03
15075246A	$55.00
15075310A	$46.72
15075310A	$29.35
15075321A	$25.72
15075324A	$77.16
15075334A	$41.60
15075334A	$105.52
15075344A	$29.35
15075386A	$128.60
15075388A	$105.52
15075393A	$27.96
15075393A	$51.44
15075393A	$29.40
15075398A	$352.00
15075414A	$209.70
15075416A	$18.03
15075425A	$40.00
	$4,504.87

Invoice	Restitution CTD
15075445B	$18.03
15075447A	$187.10
15075456A	$105.52
15075463A	$183.10
15075467A	$105.52
15075473A	$40.00
15075473A	$105.52
15075481A	$575.05
15075482A	$77.16
15075486A	$25.72
15075496A	$82.50
15075505A	$146.75
15075506A	$20.39
15075510A	$228.20
15075513A	$71.34
15075521A	$29.35
15075522A	$25.72
15075530A	$105.52
15075541A	$105.52
15075553A	$33.94
15075574A	$90.15
15075576A	$352.00
15075580A	$139.80
15075588A	$33.76
15075592A	$27.40
15075607A	$29.35
15075611A	$20.39
15075612A	$128.60
15075620A	$35.41
15075620A	$29.35
15075646A	$88.05
15075662A	$589.74
15075662A	$514.40
15075665A	$80.00
15075666A	$234.30
15075668A	$46.72
15075670A	$117.40
15075674A	$55.00
15075681A	$137.50
15075696A	$25.72
15075703A	$25.72
15075720A	$37.52
	$5,110.23

EXHIBIT A

Invoice	Restitution CTD
15075728A	$320.00
15075744A	$70.82
15075752A	$94.52
15075754A	$17.90
15075754A	$37.42
15075773A	$416.00
15075775A	$294.87
15075783A	$211.04
15075788A	$26.86
15075801A	$105.52
15075802A	$58.70
15075804A	$80.58
15075806A	$316.56
15075809A	$33.94
15075811A	$575.05
15075822A	$105.52
15075831A	$120.00
15075831A	$51.44
15075838B	$320.00
15075848A	$320.00
15075850A	$190.24
15075852A	$29.35
15075858A	$182.20
15075866A	$58.70
15075869A	$25.72
15075873A	$58.70
15075873A	$105.52
15075876A	$105.52
15075878A	$135.76
15075879A	$80.58
15075883A	$294.87
15075890A	$80.55
15075890A	$352.00
15075892A	$77.16
15075898A	$104.00
15075903A	$26.86
15075904A	$102.88
15075907A	$228.20
15075907A	$105.52
15075912A	$105.52
15075918A	$234.30
15075919A	$352.00
	$6,612.89

Invoice	Restitution CTD
15075921A	$13.98
15075923A	$176.10
15075932A	$147.00
15075935A	$40.00
15075941A	$27.40
15075944A	$25.72
15075945A	$233.60
15075947A	$294.87
15075949A	$294.87
15075960A	$40.00
15075978A	$191.97
15075981A	$29.35
15075983A	$102.88
15075985A	$25.72
15075987A	$191.97
15075994A	$102.88
15076014A	$191.97
15076017A	$211.04
15076022A	$182.20
15076036A	$147.00
15076042A	$110.00
15076048A	$81.56
15076048A	$33.76
15076050A	$20.39
15076051A	$54.09
15076053A	$75.04
15076055A	$73.50
15076057A	$82.50
15076069A	$294.87
15076095A	$30.68
15076106A	$294.87
15076107A	$105.52
15076110A	$58.70
15076111A	$29.35
15076112A	$36.62
15076118A	$29.35
15076126A	$23.63
15076132A	$575.05
15076132A	$257.20
15076133A	$422.08
15076133A	$67.88
15076139A	$107.44
	$5,534.60

Invoice	Restitution CTD
15076140A	$211.04
15076141A	$25.72
15076146A	$29.35
15076151A	$51.44
15076156A	$51.44
15076158A	$80.00
15076160A	$105.52
15076168A	$80.00
15076169A	$55.00
15076195A	$53.72
15076195A	$105.52
15076213A	$58.70
15076218A	$105.52
15076222A	$154.32
15076223A	$120.00
15076227A	$294.87
15076228A	$1,179.48
15076233A	$29.35
15076235A	$80.00
15076236A	$146.75
15076236A	$26.86
15076239A	$29.35
15076239A	$14.85
15076242A	$76.70
15076269A	$352.00
15076281A	$26.86
15076284A	$191.97
15076286A	$58.70
15076295A	$51.44
15076297A	$105.52
15076301A	$55.00
15076302A	$320.00
15076312A	$58.70
15076313A	$53.72
15076315A	$27.50
15076318A	$53.72
15076320A	$400.00
15076324A	$320.00
15076338A	$211.04
15076351A	$80.58
15076361A	$107.44
15076371A	$105.52
	$5,745.21

EXHIBIT A

Invoice	Restitution CTD
15076378A	$36.06
15076384A	$320.00
15076393A	$36.06
15076394A	$211.04
15076417A	$146.75
15076430A	$274.00
15076436A	$58.70
15076449A	$165.00
15076456A	$352.00
15076468A	$105.52
15076477A	$228.20
15076483A	$105.52
15076483A	$33.76
15076493A	$352.00
15076493A	$320.00
15076498A	$182.20
15076500A	$191.97
15076508A	$62.40
15076513A	$36.06
15076514A	$237.80
15076515A	$25.72
15076530A	$102.88
15076530A	$153.40
15076530A	$176.40
15076549A	$191.97
15076550A	$88.05
15076552A	$26.85
15076552A	$40.00
15076554A	$575.05
15076566A	$506.50
15076581A	$294.87
15076589A	$191.97
15076590A	$33.76
15076595A	$18.03
15076596A	$352.00
15076602A	$124.80
15076603A	$80.00
15076604A	$105.52
15076612A	$80.00
15076613A	$33.94
15076620A	$20.80
15076622A	$29.35
	$6,706.90

Invoice	Restitution CTD
15076636A	$26.85
15076646A	$168.80
15076654A	$146.75
15076655A	$407.80
15076657A	$67.00
15076657A	$105.52
15076663A	$105.52
15076664A	$14.70
15076667A	$25.72
15076670A	$101.95
15076674A	$105.52
15076676A	$29.35
15076677A	$55.00
15076689A	$58.70
15076691A	$320.00
15076693A	$352.00
15076715A	$25.72
15076715A	$14.70
15076717A	$105.52
15076721A	$200.00
15076722A	$109.60
15076725A	$105.52
15076727A	$18.03
15076731A	$294.87
15076739A	$105.52
15076752A	$40.00
15076756A	$120.00
15076763A	$33.50
15076763A	$105.52
15076764A	$80.00
15076765A	$55.00
15076766A	$67.00
15076769A	$47.26
15076776A	$29.35
15076778A	$40.00
15076778A	$29.35
15076795A	$105.52
15076805A	$294.87
15076806A	$55.00
15076807A	$352.00
15076812A	$26.85
15076826A	$128.60
	$4,680.48

Invoice	Restitution CTD
15076830A	$211.04
15076838A	$211.04
15076840A	$105.52
15076852A	$268.50
15076852A	$352.00
15076854A	$146.75
15076854A	$102.88
15076861A	$29.35
15076868A	$40.00
15076871A	$18.76
15076878A	$25.72
15076883A	$191.97
15076889A	$29.35
15076890A	$320.00
15076895A	$25.72
15076907A	$40.00
15076922A	$320.00
15076922A	$228.20
15076925A	$294.87
15076925A	$169.70
15076927A	$294.87
15076927A	$33.94
15076938A	$33.94
15076946A	$29.35
15076952A	$139.80
15076960A	$186.88
15076979A	$40.00
15076981A	$146.75
15076982A	$191.97
15076992A	$88.05
15076996A	$212.46
15076996A	$108.18
15076998A	$105.52
15076999A	$105.52
15077008A	$51.44
15077008A	$58.80
15077020A	$58.70
15077020A	$37.42
15077023A	$58.70
15077041A	$29.35
15077056A	$191.97
15077060A	$211.04
	$5,546.02

EXHIBIT A

Invoice	Restitution CTD
15077075A	$54.09
15077089A	$36.06
15077108A	$352.00
15077114A	$179.00
15077117A	$23.36
15077127A	$105.52
15077128A	$134.25
15077130A	$320.00
15077133A	$69.90
15077150A	$25.72
15077156A	$40.00
15077159A	$352.00
15077159A	$320.00
15077161A	$58.70
15077168A	$352.00
15077183A	$142.73
15077186A	$352.00
15077193A	$294.87
15077210A	$320.00
15077225A	$506.50
15077230A	$26.85
15077244A	$211.04
15077248A	$20.39
15077249A	$161.10
15077249A	$58.08
15077254A	$27.50
15077254A	$25.72
15077263A	$294.87
15077270A	$29.35
15077272A	$117.40
15077272A	$153.40
15077295A	$352.00
15077298A	$297.00
15077300A	$135.04
15077303A	$191.97
15077303A	$352.00
15077328A	$33.76
15077330A	$54.09
15077336A	$46.72
15077337A	$191.97
15077340A	$352.00
15077353A	$212.46
	$7,383.41

Invoice	Restitution CTD
15077356A	$191.97
15077360A	$294.87
15077363A	$228.20
15077382A	$294.87
15077392A	$58.70
15077394A	$58.70
15077394A	$105.52
15077396A	$67.00
15077409A	$82.50
15077411A	$67.52
15077418A	$128.60
15077434A	$320.00
15077453A	$105.52
15077455A	$25.72
15077458A	$161.10
15077458A	$233.60
15077468A	$25.72
15077484A	$146.75
15077484A	$102.88
15077492A	$88.05
15077495A	$26.85
15077496A	$111.84
15077528A	$352.00
15077531A	$228.20
15077541A	$120.00
15077541A	$58.70
15077545A	$51.44
15077554A	$105.52
15077557A	$203.90
15077557A	$107.40
15077558A	$74.25
15077573A	$36.06
15077573A	$54.80
15077604A	$105.52
15077609A	$18.03
15077610A	$29.35
15077610A	$77.16
15077620A	$27.50
15077624A	$105.52
15077625A	$37.42
15077628A	$44.55
15077629A	$105.52
	$4,869.32

Invoice	Restitution CTD
15077632A	$26.85
15077633A	$29.35
15077643A	$88.05
15077663A	$40.00
15077664A	$46.72
15077673A	$36.62
15077683A	$320.00
15077690A	$134.00
15077695A	$105.52
15077707A	$27.96
15077729A	$18.76
15077752A	$58.70
15077754A	$146.75
15077760A	$352.00
15077760A	$105.52
15077763A	$160.00
15077767A	$36.62
15077782A	$67.05
15077782A	$89.50
15077809A	$105.52
15077810A	$294.87
15077812A	$128.60
15077814A	$575.05
15077818A	$105.52
15077820A	$374.20
15077823A	$58.70
15077823A	$105.52
15077831A	$640.00
15077833A	$105.52
15077837A	$70.89
15077837A	$80.00
15077844A	$20.39
15077850A	$320.00
15077853A	$40.78
15077860A	$105.52
15077865A	$51.44
15077873A	$20.39
15077874A	$29.35
15077880A	$88.05
15077885A	$29.35
15077885A	$27.40
15077890A	$29.35
	$5,296.38

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Invoice	Restitution CTD
15077900A	$105.52
15077909A	$228.20
15077918A	$62.40
15077923A	$106.23
15077933A	$20.39
15077941A	$105.52
15077944A	$352.00
15077949A	$228.20
15077949A	$82.50
15077953A	$80.00
15077955A	$26.82
15077966A	$20.39
15077969A	$105.52
15077970A	$191.97
15077975A	$134.00
15078013A	$320.00
15078015A	$58.70
15078016A	$110.00
15078020A	$27.50
15078024A	$26.85
15078040A	$352.00
15078043A	$80.00
15078060A	$105.52
15078067A	$25.72
15078069A	$105.52
15078070A	$211.04
15078071A	$29.35
15078085A	$89.50
15078089A	$352.00
15078100A	$211.04
15078116A	$80.00
15078120A	$18.03
15078126A	$352.00
15078130A	$58.70
15078134A	$146.75
15078141A	$53.70
15078150A	$51.44
15078152A	$89.50
15078152A	$74.84
15078154A	$18.03
15078156A	$320.00
15078163A	$88.05
	$5,305.44

Invoice	Restitution CTD
15078166A	$352.00
15078166A	$294.87
15078172A	$77.16
15078180A	$40.78
15078184A	$58.80
15078209A	$105.52
15078231A	$294.87
15078237A	$58.70
15078254A	$167.50
15078256A	$117.40
15078258A	$20.80
15078260A	$116.80
15078262A	$27.50
15078265A	$70.89
15078269A	$105.52
15078269A	$25.72
15078269A	$33.94
15078284A	$40.00
15078291A	$70.08
15078293A	$29.35
15078295A	$36.06
15078305A	$26.82
15078306A	$352.00
15078313A	$141.64
15078315A	$29.35
15078315A	$25.72
15078327A	$67.00
15078332A	$41.60
15078332A	$37.42
15078340A	$25.72
15078342A	$320.00
15078346A	$55.00
15078348A	$117.40
15078366A	$105.52
15078386A	$76.70
15078390A	$294.00
15078403A	$20.80
15078403A	$18.03
15078409A	$29.35
15078418A	$105.52
15078429A	$47.56
15078430A	$352.00
	$4,433.41

Invoice	Restitution CTD
15078434A	$54.80
15078435A	$105.52
15078441A	$105.52
15078442A	$46.72
15078442A	$17.90
15078445A	$29.35
15078446A	$61.17
15078450A	$69.90
15078452A	$105.52
15078454A	$53.70
15078458A	$47.56
15078464A	$40.00
15078467A	$77.16
15078470A	$58.70
15078472A	$320.00
15078473A	$18.03
15078491A	$105.52
15078502A	$352.00
15078502A	$211.04
15078510A	$191.97
15078511A	$316.56
15078512A	$160.00
15078512A	$29.35
15078514A	$41.60
15078515A	$118.15
15078518A	$105.52
15078523A	$316.56
15078524A	$117.40
15078528A	$137.50
15078535A	$41.94
15078536A	$105.52
15078545A	$41.94
15078546A	$58.70
15078550A	$58.70
15078552A	$320.00
15078554A	$320.00
15078558A	$191.97
15078559A	$352.00
15078576A	$37.52
15078582A	$105.52
15078584A	$18.03
15078585A	$352.00
	$5,418.56

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Invoice	Restitution CTD
15078591A	$29.35
15078591A	$105.52
15078595A	$18.76
15078597A	$128.60
15078597A	$132.30
15078608A	$211.04
15078609A	$27.40
15078610A	$70.89
15078612A	$110.00
15078617A	$105.52
15078620A	$18.03
15078624A	$320.00
15078625A	$105.52
15078627A	$40.00
15078627A	$29.35
15078635A	$109.86
15078652A	$105.52
15078653A	$589.74
15078653A	$105.52
15078657A	$240.00
15078657A	$117.40
15078661A	$120.00
15078671A	$40.00
15078671A	$37.42
15078678A	$13.98
15078686A	$105.52
15078688A	$47.56
15078696A	$352.00
15078702A	$117.40
15078703A	$40.78
15078705A	$29.35
15078711A	$105.52
15078712A	$105.52
15078723A	$40.00
15078723A	$29.35
15078724A	$41.94
15078727A	$352.00
15078727A	$320.00
15078729A	$37.42
15078734A	$105.52
15078735A	$275.00
15078750A	$77.16
	$5,113.76

Invoice	Restitution CTD
15078762A	$25.72
15078763A	$27.96
15078764A	$88.05
15078765A	$211.04
15078767A	$35.80
15078768A	$25.72
15078786A	$375.20
15078793A	$102.88
15078798A	$80.55
15078808A	$36.06
15078828A	$110.00
15078831A	$141.64
15078834A	$257.20
15078838A	$135.04
15078841A	$58.70
15078846A	$40.00
15078849A	$18.76
15078862A	$33.94
15078869A	$76.70
15078883A	$118.90
15078883A	$90.15
15078887A	$117.40
15078893A	$58.70
15078898A	$352.00
15078905A	$352.00
15078906A	$73.50
15078914A	$18.03
15078928A	$51.44
15078931A	$29.35
15078931A	$105.52
15078934A	$228.20
15078936A	$320.00
15078938A	$274.00
15078944A	$211.04
15078946A	$83.20
15078947A	$294.87
15078957A	$105.52
15078974A	$25.72
15078976A	$58.70
15078978A	$26.85
15078992A	$105.52
15078996A	$134.25
	$5,115.82

Invoice	Restitution CTD
15078997A	$141.64
15079011A	$80.00
15079021A	$72.12
15079039A	$88.05
15079056A	$46.72
15079057A	$29.35
15079057A	$25.72
15079063A	$191.97
15079074A	$23.78
15079084A	$211.04
15079086A	$36.62
15079092A	$211.04
15079102A	$105.52
15079105A	$36.06
15079113A	$58.70
15079114A	$29.35
15079116A	$105.52
15079125A	$58.70
15079140A	$320.00
15079141A	$55.92
15079143A	$294.87
15079146A	$55.00
15079149A	$88.05
15079153A	$23.78
15079154A	$23.63
15079158A	$105.52
15079165A	$589.74
15079173A	$575.05
15079179A	$77.16
15079183A	$37.42
15079185A	$58.08
15079187A	$320.00
15079194A	$352.00
15079198A	$74.84
15079205A	$294.87
15079213A	$105.52
15079217A	$154.32
15079219A	$105.52
15079221A	$29.35
15079221A	$105.52
15079231A	$95.12
15079234A	$88.05
	$5,581.23

EXHIBIT A

Invoice	Restitution CTD
15079241A	$105.52
15079241A	$25.72
15079242A	$228.20
15079243A	$128.60
15079247A	$51.44
15079248A	$352.00
15079248A	$105.52
15079251A	$51.44
15079252A	$40.00
15079252A	$29.35
15079265A	$29.35
15079266A	$33.76
15079268A	$29.35
15079270A	$80.00
15079270A	$105.52
15079278A	$211.04
15079285A	$18.03
15079305A	$23.63
15079313A	$53.70
15079314A	$320.00
15079321A	$104.00
15079322A	$191.97
15079326A	$89.50
15079328A	$29.35
15079330A	$179.00
15079335A	$25.72
15079341A	$105.52
15079342A	$228.20
15079343A	$41.94
15079344A	$25.72
15079350A	$88.05
15079350A	$105.52
15079375A	$51.44
15079402A	$105.52
15079407A	$191.97
15079411A	$54.09
15079412A	$29.35
15079412A	$14.85
15079415A	$29.35
15079420A	$36.06
15079422A	$18.03
15079423A	$320.00
	$4,087.32

Invoice	Restitution CTD
15079427A	$80.00
15079429A	$105.52
15079430A	$191.97
15079431A	$211.04
15079435A	$352.00
15079435A	$320.00
15079440A	$33.94
15079466A	$153.40
15079468A	$56.28
15079469A	$67.52
15079477A	$146.75
15079482A	$72.12
15079493A	$62.40
15079494A	$36.06
15079507A	$294.87
15079518A	$20.39
15079520A	$51.44
15079520A	$61.36
15079523A	$59.40
15079526A	$83.20
15079537A	$55.00
15079540A	$44.10
15079544A	$105.52
15079549A	$54.80
15079550A	$40.00
15079556A	$169.70
15079563A	$211.04
15079567A	$54.09
15079573A	$40.00
15079580A	$80.55
15079583A	$108.18
15079585A	$40.78
15079588A	$294.87
15079593A	$23.36
15079593A	$41.94
15079595A	$77.16
15079598A	$88.05
15079615A	$124.80
15079628A	$62.40
15079633A	$18.03
15079639A	$80.00
15079640A	$211.04
	$4,485.07

Invoice	Restitution CTD
15079643A	$33.50
15079650A	$128.60
15079660A	$73.24
15079663A	$27.50
15079677A	$51.44
15079681A	$187.10
15079695A	$102.88
15079700A	$228.20
15079705A	$13.98
15079709A	$575.05
15079715A	$352.00
15079722A	$191.97
15079726A	$54.80
15079731A	$37.52
15079747A	$76.70
15079748A	$105.52
15079749A	$211.04
15079769A	$105.52
15079771A	$105.52
15079774A	$18.03
15079781A	$294.87
15079783A	$37.42
15079787A	$352.00
15079788A	$23.63
15079806A	$58.70
15079811A	$27.50
15079814A	$704.00
15079814A	$320.00
15079815A	$320.00
15079819A	$40.00
15079824A	$81.56
15079824A	$55.92
15079828A	$70.82
15079828A	$105.52
15079838A	$589.74
15079840A	$187.10
15079844A	$54.80
15079847A	$105.52
15079857A	$352.00
15079861A	$352.00
15079861A	$105.52
15079867A	$105.52
	$7,024.25

EXHIBIT A

Invoice	Restitution CTD
15079882A	$40.78
15079883A	$202.56
15079884A	$27.50
15079890A	$58.70
15079893A	$40.78
15079895A	$146.75
15079902A	$37.52
15079904A	$105.52
15079909A	$105.52
15079911A	$53.72
15079915A	$352.00
15079919A	$320.00
15079937A	$70.82
15079946A	$27.50
15079949A	$29.35
15079950A	$352.00
15079952A	$352.00
15079958A	$105.52
15079960A	$320.00
15079975A	$120.00
15079990A	$15.34
15080006A	$352.00
15080014A	$105.52
15080015A	$51.44
15080037A	$36.06
15080043A	$102.88
15080044A	$95.12
15080053A	$26.86
15080056A	$70.82
15080067A	$41.94
15080072A	$40.78
15080079A	$25.72
15080089A	$29.35
15080090A	$67.52
15080095A	$105.52
15080102A	$179.00
15080109A	$102.88
15080112A	$77.16
15080131A	$191.97
15080136A	$93.44
15080140A	$29.35
15080140A	$25.72
	$4,734.93

Invoice	Restitution CTD
15080142A	$128.60
15080146A	$105.52
15080147A	$70.82
15080150A	$167.50
15080164A	$191.97
15080175A	$53.72
15080181A	$27.50
15080183A	$105.52
15080186A	$18.03
15080189A	$80.00
15080196A	$54.80
15080197A	$93.44
15080200A	$105.52
15080205A	$14.70
15080206A	$105.52
15080229A	$128.60
15080233A	$26.85
15080234A	$69.90
15080242A	$135.04
15080249A	$53.70
15080251A	$211.04
15080253A	$51.44
15080257A	$29.35
15080262A	$352.00
15080270A	$54.09
15080280A	$320.00
15080281A	$53.72
15080288A	$33.76
15080289A	$53.70
15080293A	$67.52
15080299A	$320.00
15080312A	$54.09
15080320A	$80.00
15080329A	$116.80
15080339A	$40.00
15080346A	$211.04
15080350A	$67.52
15080354A	$211.04
15080370A	$352.00
15080373A	$320.00
15080374A	$316.56
15080395A	$18.03
	$5,070.95

Invoice	Restitution CTD
15080402A	$110.00
15080407A	$26.86
15080411A	$294.87
15080414A	$41.60
15080426A	$294.87
15080429A	$29.35
15080435A	$105.52
15080440A	$20.80
15080444A	$47.26
15080449A	$141.64
15080464A	$83.88
15080465A	$352.00
15080465A	$228.20
15080466A	$352.00
15080469A	$37.52
15080471A	$191.97
15080471A	$352.00
15080472A	$105.52
15080483A	$53.72
15080487A	$182.20
15080487A	$352.00
15080491A	$36.06
15080500A	$234.50
15080503A	$105.52
15080504A	$294.87
15080520A	$41.60
15080526A	$40.00
15080535A	$53.70
15080537A	$294.87
15080538A	$67.52
15080540A	$54.09
15080547A	$29.70
15080551A	$294.87
15080551A	$575.05
15080556A	$105.52
15080557A	$40.00
15080566A	$27.40
15080568A	$67.52
15080571A	$27.50
15080577A	$40.00
15080579A	$77.16
15080580A	$40.78
	$5,952.01

EXHIBIT A

Invoice	Restitution CTD
15080584A	$228.20
15080585A	$228.20
15080585A	$80.00
15080594A	$105.52
15080630A	$55.00
15080630A	$35.80
15080640A	$105.52
15080643A	$211.04
15080648A	$25.72
15080671A	$82.50
15080679A	$80.00
15080694A	$135.76
15080701A	$18.03
15080704A	$23.36
15080704A	$26.86
15080711A	$154.32
15080721A	$18.03
15080722A	$18.03
15080729A	$25.72
15080731A	$69.90
15080751A	$105.52
15080760A	$352.00
15080775A	$29.35
15080781A	$320.00
15080784A	$26.86
15080784A	$25.72
15080786A	$26.86
15080788A	$201.00
15080792A	$105.52
15080801A	$62.40
15080803A	$29.35
15080807A	$146.75
15080810A	$105.52
15080811A	$51.44
15080818A	$58.70
15080818A	$51.44
15080824A	$537.20
15080842A	$27.96
15080845A	$91.55
15080856A	$40.78
15080867A	$191.97
15080870A	$53.72
	$4,369.12

Invoice	Restitution CTD
15080872A	$58.70
15080879A	$105.52
15080882A	$29.35
15080885A	$352.00
15080909A	$294.87
15080911A	$105.52
15080913A	$128.60
15080916A	$105.52
15080920A	$29.35
15080920A	$25.72
15080921A	$26.86
15080936A	$105.52
15080939A	$191.97
15080954A	$105.52
15080960A	$146.75
15080972A	$53.70
15080980A	$134.00
15080984A	$40.00
15080989A	$105.52
15080997A	$18.03
15081009A	$37.52
15081011A	$55.00
15081018A	$40.23
15081024A	$105.52
15081024A	$67.88
15081026A	$72.12
15081027A	$117.40
15081029A	$191.97
15081033A	$95.12
15081036A	$352.00
15081053A	$105.52
15081059A	$320.00
15081067A	$80.00
15081072A	$58.70
15081077A	$53.72
15081087A	$26.86
15081098A	$40.00
15081098A	$25.72
15081099A	$352.00
15081100A	$40.00
15081105A	$105.52
15081107A	$58.70
	$4,564.52

Invoice	Restitution CTD
15081113A	$294.87
15081129A	$53.72
15081136A	$62.40
15081146A	$139.80
15081149A	$40.00
15081151A	$51.44
15081155A	$47.26
15081166A	$25.72
15081169A	$36.06
15081170A	$53.72
15081174A	$105.52
15081175A	$72.12
15081181A	$105.52
15081185A	$191.97
15081188A	$105.52
15081203A	$81.56
15081208A	$116.80
15081209A	$105.52
15081229A	$69.90
15081234A	$47.56
15081249A	$25.72
15081257A	$25.72
15081263A	$191.97
15081263A	$67.52
15081267A	$117.40
15081268A	$46.72
15081268A	$36.06
15081269A	$58.70
15081271A	$139.80
15081271A	$40.00
15081275A	$128.60
15081279A	$139.80
15081286A	$294.87
15081293A	$80.00
15081296A	$46.72
15081298A	$139.80
15081305A	$105.52
15081309A	$230.10
15081314A	$53.70
15081314A	$33.94
15081316A	$102.90
15081330A	$294.87
	$4,207.41

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Invoice	Restitution CTD
15081339A	$19.36
15081350A	$53.72
15081352A	$40.00
15081352A	$26.86
15081356A	$228.20
15081357A	$105.52
15081359A	$124.80
15081361A	$352.00
15081367A	$105.52
15081369A	$110.00
15081377A	$88.05
15081378A	$211.04
15081387A	$40.00
15081415A	$18.03
15081418A	$80.00
15081425A	$33.94
15081426A	$80.00
15081428A	$58.70
15081443A	$29.35
15081453A	$40.00
15081455A	$29.35
15081469A	$58.70
15081471A	$51.44
15081502A	$54.80
15081509A	$26.86
15081522A	$105.52
15081525A	$105.52
15081528A	$29.35
15081529A	$352.00
15081538A	$47.26
15081538A	$40.00
15081549A	$23.78
15081549A	$18.03
15081555A	$211.04
15081562A	$105.52
15081563A	$40.78
15081570A	$105.52
15081578A	$51.44
15081583A	$105.52
15081590A	$27.50
15081590A	$67.52
15081596A	$53.70
	$3,556.24

Invoice	Restitution CTD
15081608A	$27.40
15081610A	$294.87
15081620A	$69.90
15081627A	$53.72
15081627A	$77.16
15081630A	$81.56
15081638A	$134.25
15081649A	$191.97
15081660A	$203.90
15081668A	$44.55
15081677A	$26.85
15081688A	$105.52
15081695A	$294.87
15081709A	$320.00
15081710A	$26.86
15081711A	$26.86
15081713A	$101.28
15081714A	$25.72
15081716A	$53.72
15081717A	$26.86
15081720A	$27.50
15081722A	$233.60
15081723A	$70.82
15081723A	$105.52
15081727A	$294.87
15081734A	$146.75
15081735A	$105.52
15081737A	$105.52
15081739A	$73.24
15081763A	$128.60
15081765A	$51.44
15081772A	$124.80
15081773A	$191.97
15081781A	$352.00
15081793A	$51.44
15081798A	$40.00
15081803A	$25.72
15081811A	$40.00
15081811A	$27.50
15081812A	$29.70
15081821A	$25.72
15081824A	$53.72
	$4,493.77

Invoice	Restitution CTD
15081833A	$100.50
15081836A	$294.87
15081847A	$58.70
15081877A	$106.23
15081877A	$105.52
15081888A	$25.72
15081896A	$29.35
15081896A	$51.44
15081901A	$105.52
15081909A	$55.92
15081934A	$161.16
15081937A	$141.64
15081938A	$106.23
15081943A	$104.00
15081946A	$53.72
15081950A	$29.35
15081952A	$108.18
15081954A	$51.44
15081969A	$58.70
15081972A	$58.70
15081975A	$35.80
15081976A	$41.94
15081982A	$146.75
15081995A	$20.80
15082007A	$72.12
15082017A	$35.41
15082018A	$320.00
15082020A	$54.09
15082024A	$88.05
15082024A	$77.16
15082025A	$320.00
15082031A	$102.88
15082036A	$44.10
15082041A	$101.95
15082043A	$191.97
15082052A	$105.52
15082054A	$105.52
15082060A	$80.00
15082062A	$80.00
15082066A	$352.00
15082076A	$69.90
15082080A	$116.80
	$4,369.65

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Invoice	Restitution CTD
15082085A	$294.87
15082096A	$53.72
15082099A	$58.70
15082105A	$36.06
15082108A	$18.76
15082110A	$25.72
15082110A	$37.42
15082112A	$26.86
15082115A	$884.61
15082118A	$506.50
15082123A	$320.00
15082127A	$40.00
15082137A	$53.72
15082139A	$200.00
15082140A	$58.70
15082145A	$294.87
15082148A	$374.20
15082154A	$29.70
15082158A	$320.00
15082159A	$29.35
15082162A	$27.50
15082165A	$77.16
15082171A	$27.96
15082172A	$320.00
15082183A	$105.52
15082183A	$74.84
15082187A	$100.50
15082196A	$105.52
15082197A	$33.94
15082203A	$58.80
15082212A	$15.34
15082228A	$58.70
15082230A	$40.78
15082234A	$88.05
15082238A	$105.52
15082239A	$53.70
15082242A	$40.00
15082242A	$51.44
15082250A	$18.76
15082250A	$58.70
15082256A	$58.70
15082256A	$54.09
	$5,239.28

Invoice	Restitution CTD
15082268A	$26.85
15082280A	$105.52
15082292A	$122.34
15082299A	$40.00
15082302A	$29.35
15082302A	$25.72
15082306A	$40.00
15082308A	$211.04
15082316A	$80.55
15082337A	$514.40
15082345A	$26.86
15082345A	$25.72
15082348A	$40.00
15082356A	$26.86
15082360A	$13.98
15082362A	$27.50
15082362A	$35.80
15082367A	$36.06
15082368A	$117.40
15082369A	$51.44
15082370A	$88.20
15082371A	$53.72
15082373A	$105.52
15082374A	$58.70
15082384A	$142.68
15082387A	$40.00
15082387A	$25.72
15082389A	$105.52
15082393A	$27.40
15082395A	$120.00
15082411A	$352.00
15082426A	$18.03
15082435A	$320.00
15082435A	$742.50
15082437A	$67.05
15082438A	$191.97
15082438A	$352.00
15082449A	$41.94
15082454A	$58.70
15082454A	$51.44
15082455A	$80.00
15082458A	$40.00
	$4,680.48

Invoice	Restitution CTD
15082461A	$575.05
15082461A	$422.08
15082467A	$58.70
15082469A	$25.72
15082471A	$101.82
15082480A	$26.86
15082482A	$211.04
15082483A	$23.78
15082489A	$80.00
15082496A	$111.84
15082501A	$120.00
15082502A	$55.00
15082507A	$53.72
15082516A	$55.00
15082521A	$105.52
15082522A	$211.04
15082525A	$29.35
15082532A	$105.52
15082532A	$33.76
15082539A	$26.86
15082542A	$29.35
15082561A	$320.00
15082564A	$105.52
15082566A	$187.10
15082572A	$506.50
15082590A	$40.00
15082594A	$25.72
15082598A	$77.16
15082599A	$18.76
15082616A	$191.97
15082619A	$80.00
15082621A	$26.85
15082635A	$25.72
15082636A	$51.44
15082636A	$30.68
15082637A	$33.50
15082643A	$105.52
15082644A	$108.18
15082646A	$105.52
15082662A	$18.03
15082676A	$35.41
15082677A	$117.40
	$4,672.99

EXHIBIT A

Invoice	Restitution CTD
15082688A	$294.87
15082695A	$69.90
15082696A	$18.03
15082705A	$25.72
15082711A	$88.05
15082714A	$26.85
15082714A	$23.63
15082714A	$105.52
15082724A	$25.72
15082730A	$352.00
15082730A	$54.80
15082735A	$88.05
15082740A	$105.52
15082746A	$40.00
15082768A	$14.85
15082777A	$339.40
15082783A	$20.39
15082799A	$352.00
15082805A	$15.34
15082809A	$19.36
15082830A	$575.05
15082832A	$25.72
15082840A	$352.00
15082843A	$122.34
15082886A	$122.34
15082889A	$23.78
15082890A	$374.20
15082894A	$23.36
15082894A	$13.98
15082898A	$294.87
15082905A	$82.50
15082906A	$33.50
15082919A	$294.87
15082931A	$105.52
15082940A	$27.50
15082942A	$105.52
15082944A	$51.44
15082952A	$20.39
15082952A	$47.56
15082958A	$95.12
15082962A	$69.90
15082969A	$71.60
	$5,013.06

Invoice	Restitution CTD
15082973A	$80.00
15082978A	$67.88
15082992A	$27.50
15082995A	$29.35
15082997A	$88.05
15083006A	$51.44
15083012A	$33.50
15083016A	$37.42
15083020A	$80.00
15083021A	$33.50
15083026A	$23.36
15083026A	$17.90
15083040A	$88.05
15083042A	$54.80
15083043A	$61.17
15083054A	$72.12
15083065A	$105.52
15083070A	$77.16
15083071A	$105.52
15083075A	$320.00
15083083A	$70.89
15083083A	$20.39
15083087A	$294.87
15083090A	$337.60
15083102A	$575.05
15083104A	$105.52
15083114A	$82.20
15083115A	$29.35
15083119A	$58.70
15083124A	$27.96
15083127A	$105.52
15083132A	$104.00
15083138A	$71.34
15083141A	$29.35
15083167A	$352.00
15083167A	$320.00
15083177A	$14.85
15083181A	$105.52
15083187A	$26.85
15083190A	$18.31
15083217A	$228.20
15083225A	$294.87
	$4,727.58

Invoice	Restitution CTD
15083242A	$25.72
15083245A	$47.56
15083272A	$105.52
15083275A	$26.85
15083275A	$33.76
15083276A	$146.75
15083282A	$122.34
15083284A	$26.85
15083286A	$26.85
15083287A	$18.76
15083295A	$108.18
15083295A	$33.76
15083308A	$18.03
15083310A	$29.35
15083314A	$53.70
15083325A	$191.97
15083330A	$25.72
15083337A	$105.52
15083338A	$40.00
15083339A	$36.06
15083342A	$25.72
15083346A	$58.70
15083353A	$228.20
15083366A	$105.52
15083367A	$36.62
15083368A	$33.94
15083397A	$154.88
15083402A	$105.52
15083407A	$183.10
15083415A	$18.03
15083416A	$108.18
15083417A	$36.06
15083424A	$94.52
15083427A	$105.52
15083433A	$77.16
15083439A	$211.04
15083444A	$14.70
15083448A	$80.00
15083452A	$120.00
15083455A	$58.70
15083456A	$40.78
15083458A	$352.00
	$3,472.14

EXHIBIT A

Invoice	Restitution CTD
15083460A	$37.42
15083463A	$139.80
15083474A	$191.97
15083474A	$58.70
15083478A	$352.00
15083488A	$73.50
15083489A	$20.39
15083504A	$23.63
15083504A	$27.40
15083505A	$105.52
15083506A	$102.88
15083508A	$13.98
15083511A	$124.20
15083512A	$352.00
15083512A	$294.87
15083516A	$71.61
15083517A	$211.04
15083523A	$26.85
15083527A	$40.00
15083529A	$199.30
15083529A	$169.70
15083534A	$120.00
15083536A	$83.88
15083536A	$51.44
15083543A	$182.20
15083544A	$44.10
15083545A	$352.00
15083550A	$36.06
15083550A	$33.94
15083551A	$224.73
15083552A	$93.80
15083555A	$105.52
15083561A	$20.39
15083561A	$40.00
15083563A	$358.90
15083564A	$54.09
15083567A	$31.32
15083567A	$33.50
15083567A	$36.06
15083574A	$88.40
15083585A	$54.09
15083586A	$101.82
	$4,783.00

Invoice	Restitution CTD
15083589A	$74.25
15083593A	$29.35
15083598A	$58.70
15083599A	$105.52
15083600A	$177.25
15083600A	$159.30
15083602A	$40.00
15083603A	$29.35
15083605A	$47.26
15083607A	$58.70
15083621A	$105.52
15083622A	$81.56
15083626A	$137.00
15083632A	$105.52
15083634A	$529.82
15083635A	$57.64
15083642A	$105.52
15083644A	$141.64
15083645A	$35.45
15083645A	$82.20
15083648A	$239.75
15083649A	$70.82
15083656A	$67.00
15083657A	$70.82
15083658A	$29.35
15083663A	$54.09
15083665A	$67.11
15083669A	$54.09
15083676A	$191.97
15083678A	$71.34
15083680A	$26.85
15083684A	$146.75
15083689A	$58.70
15083690A	$29.35
15083692A	$58.08
15083692A	$47.26
15083697A	$29.35
15083705A	$26.48
15083706A	$88.05
15083708A	$228.20
15083708A	$422.08
15083711A	$294.87
	$4,533.91

Invoice	Restitution CTD
15083714A	$120.00
15083714A	$211.04
15083720A	$105.52
15083723A	$187.60
15083724A	$67.88
15083728A	$575.05
15083733A	$25.72
15083735A	$72.12
15083737A	$41.60
15083737A	$26.02
15083740A	$33.94
15083749A	$29.70
15083753A	$294.87
15083756A	$29.35
15083760A	$450.66
15083766A	$189.84
15083768A	$497.73
15083773A	$352.00
15083775A	$20.80
15083775A	$18.03
15083777A	$352.00
15083778A	$31.83
15083797A	$80.00
15083797A	$105.52
15083798A	$402.90
15083799A	$44.20
15083800A	$40.00
15083800A	$29.70
15083804A	$17.90
15083808A	$105.52
15083809A	$89.30
15083812A	$41.94
15083823A	$55.00
15083824A	$497.73
15083828A	$75.04
15083830A	$35.41
15083830A	$13.97
15083830A	$40.00
15083835A	$18.76
15083836A	$29.35
15083837A	$105.52
15083838A	$25.72
	$5,586.78

EXHIBIT A

Invoice	Restitution CTD
15083839A	$80.00
15083843A	$84.60
15083844A	$352.00
15083845A	$37.42
15083848A	$352.00
15083850A	$270.23
15083852A	$320.00
15083853A	$80.00
15083854A	$105.52
15083855A	$546.60
15083856A	$29.35
15083856A	$25.72
15083865A	$352.00
15083869A	$191.97
15083871A	$53.70
15083871A	$148.50
15083873A	$630.11
15083878A	$25.72
15083879A	$41.94
15083882A	$95.12
15083883A	$228.20
15083884A	$79.94
15083885A	$18.03
15083885A	$38.32
15083890A	$29.70
15083892A	$102.88
15083894A	$33.94
15083898A	$70.08
15083899A	$26.82
15083899A	$15.34
15083900A	$70.82
15083903A	$228.20
15083907A	$18.03
15083908A	$630.76
15083911A	$352.00
15083914A	$383.94
15083918A	$312.10
15083919A	$529.82
15083925A	$497.73
15083925A	$575.05
15083931A	$29.35
15083932A	$214.88
	$8,308.43

Invoice	Restitution CTD
15083932A	$352.00
15083933A	$191.97
15083935A	$19.93
15083938A	$36.06
15083943A	$27.40
15083947A	$81.56
15083951A	$161.10
15083953A	$91.55
15083954A	$105.52
15083957A	$88.05
15083959A	$54.93
15083962A	$105.52
15083968A	$36.06
15083970A	$37.52
15083971A	$105.52
15083976A	$29.35
15083984A	$56.28
15083984A	$33.50
15083993A	$36.06
15083999A	$630.11
15083999A	$320.00
15084000A	$630.11
15084001A	$26.02
15084001A	$18.03
15084006A	$18.76
15084006A	$106.23
15084007A	$120.30
15084007A	$105.52
15084015A	$25.72
15084020A	$27.96
15084020A	$35.80
15084025A	$39.86
15084033A	$84.60
15084037A	$88.05
15084038A	$352.00
15084038A	$320.00
15084039A	$36.06
15084040A	$105.52
15084042A	$104.00
15084045A	$141.64
15084049A	$36.06
15084050A	$191.97
	$5,214.20

Invoice	Restitution CTD
15084056A	$146.75
15084058A	$191.97
15084063A	$352.00
15084068A	$99.65
15084070A	$352.00
15084073A	$105.52
15084074A	$58.70
15084079A	$23.78
15084080A	$147.00
15084091A	$26.02
15084091A	$36.06
15084093A	$352.00
15084093A	$529.82
15084097A	$27.40
15084110A	$18.03
15084111A	$25.72
15084117A	$29.35
15084118A	$26.86
15084127A	$61.17
15084128A	$146.75
15084128A	$51.44
15084136A	$27.50
15084138A	$35.72
15084140A	$37.52
15084140A	$120.00
15084142A	$352.00
15084150A	$117.40
15084152A	$103.50
15084156A	$140.16
15084158A	$105.52
15084159A	$179.00
15084160A	$17.86
15084161A	$134.00
15084162A	$55.00
15084163A	$105.52
15084169A	$20.39
15084170A	$105.52
15084175A	$80.58
15084177A	$26.86
15084179A	$383.50
15084182A	$74.20
15084182A	$497.73
	$5,527.47

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Invoice	Restitution CTD
15084183A	$228.20
15084184A	$93.80
15084184A	$105.52
15084185A	$18.76
15084185A	$27.40
15084186A	$105.52
15084202A	$54.80
15084206A	$35.72
15084207A	$47.56
15084211A	$36.06
15084212A	$35.72
15084223A	$105.52
15084227A	$67.00
15084228A	$93.72
15084228A	$147.00
15084245A	$89.50
15084248A	$221.00
15084254A	$211.04
15084257A	$36.06
15084258A	$228.20
15084259A	$18.03
15084260A	$18.03
15084261A	$44.05
15084266A	$82.50
15084272A	$105.52
15084274A	$352.00
15084276A	$294.87
15084280A	$17.86
15084281A	$79.65
15084284A	$352.00
15084287A	$88.05
15084290A	$105.52
15084291A	$352.00
15084292A	$41.94
15084298A	$228.20
15084302A	$55.00
15084304A	$630.11
15084306A	$141.64
15084306A	$105.52
15084308A	$110.00
15084309A	$37.52
15084310A	$293.50
	$5,541.61

Invoice	Restitution CTD
15084312A	$81.56
15084312A	$135.76
15084313A	$935.50
15084314A	$297.00
15084318A	$45.45
15084321A	$529.82
15084335A	$99.65
15084349A	$224.52
15084351A	$517.50
15084357A	$29.35
15084357A	$15.34
15084361A	$55.00
15084367A	$352.00
15084369A	$88.05
15084372A	$33.94
15084374A	$239.75
15084374A	$214.88
15084375A	$88.05
15084386A	$35.72
15084394A	$33.94
15084397A	$109.38
15084399A	$18.76
15084399A	$105.52
15084413A	$53.70
15084413A	$33.94
15084414A	$529.82
15084421A	$127.22
15084427A	$352.00
15084432A	$27.50
15084436A	$27.50
15084437A	$80.00
15084439A	$630.11
15084440A	$109.86
15084448A	$93.44
15084449A	$454.59
15084450A	$40.78
15084450A	$33.50
15084452A	$20.39
15084456A	$105.52
15084460A	$105.52
15084467A	$70.08
15084467A	$57.64
	$7,239.55

Invoice	Restitution CTD
15084486A	$191.97
15084487A	$18.03
15084492A	$20.39
15084492A	$27.50
15084493A	$67.88
15084494A	$105.52
15084495A	$320.00
15084496A	$88.05
15084496A	$178.60
15084498A	$40.78
15084506A	$101.82
15084508A	$320.00
15084510A	$33.50
15084514A	$35.72
15084519A	$70.29
15084524A	$497.73
15084530A	$69.90
15084532A	$35.41
15084532A	$31.86
15084533A	$419.40
15084535A	$139.80
15084536A	$27.96
15084537A	$118.90
15084538A	$88.05
15084539A	$45.45
15084539A	$105.52
15084540A	$25.72
15084545A	$178.60
15084547A	$105.52
15084550A	$105.52
15084551A	$51.44
15084552A	$352.00
15084552A	$294.87
15084554A	$73.24
15084556A	$75.04
15084556A	$73.50
15084557A	$35.72
15084561A	$352.00
15084569A	$105.52
15084571A	$27.50
15084572A	$191.97
15084574A	$69.90
	$5,318.09

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Invoice	Restitution CTD
15084576A	$105.52
15084577A	$51.44
15084579A	$75.04
15084580A	$36.06
15084583A	$146.75
15084585A	$82.50
15084586A	$71.44
15084590A	$67.00
15084593A	$630.11
15084594A	$35.72
15084598A	$27.96
15084598A	$33.50
15084601A	$153.40
15084606A	$352.00
15084611A	$214.88
15084614A	$72.12
15084614A	$107.40
15084625A	$35.15
15084625A	$33.94
15084626A	$40.78
15084628A	$228.20
15084629A	$40.78
15084631A	$83.20
15084634A	$105.52
15084639A	$228.20
15084643A	$80.55
15084650A	$33.94
15084652A	$230.10
15084654A	$27.40
15084658A	$15.34
15084663A	$105.52
15084668A	$238.70
15084668A	$320.00
15084671A	$352.00
15084672A	$105.52
15084673A	$107.40
15084677A	$630.11
15084684A	$630.11
15084691A	$320.00
15084692A	$75.38
15084693A	$352.00
15084693A	$105.52
	$6,788.20

Invoice	Restitution CTD
15084694A	$320.00
15084696A	$120.00
15084696A	$88.05
15084698A	$33.50
15084698A	$27.50
15084705A	$33.50
15084709A	$69.90
15084711A	$74.20
15084712A	$18.76
15084713A	$294.87
15084713A	$288.20
15084714A	$58.70
15084716A	$27.96
15084716A	$54.80
15084717A	$352.00
15084718A	$29.35
15084721A	$214.88
15084724A	$56.28
15084726A	$96.80
15084728A	$40.00
15084731A	$211.04
15084735A	$18.03
15084738A	$90.90
15084742A	$40.00
15084743A	$58.70
15084748A	$179.45
15084751A	$35.80
15084755A	$105.52
15084756A	$33.50
15084759A	$80.00
15084759A	$25.72
15084761A	$80.58
15084764A	$146.75
15084765A	$58.70
15084765A	$105.52
15084766A	$146.75
15084766A	$105.52
15084771A	$228.20
15084779A	$109.38
15084786A	$58.70
15084791A	$105.52
15084792A	$352.00
	$4,675.53

Invoice	Restitution CTD
15084792A	$187.10
15084794A	$338.40
15084796A	$88.05
15084798A	$29.35
15084800A	$89.30
15084808A	$228.20
15084809A	$29.35
15084817A	$119.35
15084817A	$352.00
15084817A	$236.30
15084820A	$211.04
15084821A	$58.70
15084822A	$154.32
15084823A	$32.42
15084824A	$190.24
15084829A	$37.52
15084830A	$45.45
15084830A	$18.03
15084831A	$109.86
15084832A	$352.00
15084834A	$352.00
15084841A	$58.70
15084841A	$36.06
15084842A	$105.52
15084846A	$71.34
15084846A	$67.88
15084849A	$422.08
15084851A	$128.60
15084851A	$89.30
15084853A	$144.10
15084855A	$41.94
15084856A	$105.52
15084858A	$25.72
15084860A	$33.50
15084861A	$55.00
15084863A	$20.39
15084864A	$36.06
15084871A	$73.24
15084873A	$53.70
15084879A	$17.86
15084881A	$154.32
15084886A	$40.00
	$5,039.81

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Invoice	Restitution CTD
15084888A	$44.20
15084888A	$183.10
15084889A	$36.06
15084892A	$51.44
15084894A	$352.00
15084895A	$139.80
15084898A	$211.04
15084903A	$35.72
15084904A	$13.98
15084906A	$33.50
15084906A	$105.52
15084911A	$25.72
15084914A	$53.72
15084917A	$75.04
15084926A	$211.04
15084930A	$40.00
15084934A	$105.52
15084946A	$152.88
15084950A	$29.35
15084953A	$169.20
15084953A	$95.12
15084956A	$113.07
15084958A	$41.94
15084961A	$20.80
15084965A	$20.39
15084967A	$41.60
15084967A	$40.00
15084967A	$29.35
15084968A	$40.00
15084968A	$29.35
15084969A	$211.04
15084970A	$33.50
15084975A	$67.00
15084978A	$67.88
15084981A	$55.00
15084982A	$352.00
15084983A	$352.00
15084985A	$47.79
15084989A	$146.75
15084990A	$352.00
15084990A	$27.40
15084993A	$27.50
	$4,280.31

Invoice	Restitution CTD
15084994A	$23.78
15084996A	$105.52
15085002A	$352.00
15085004A	$93.72
15085005A	$352.00
15085010A	$105.52
15085011A	$71.34
15085014A	$27.96
15085015A	$105.52
15085016A	$69.90
15085017A	$18.03
15085019A	$211.04
15085021A	$54.93
15085023A	$105.52
15085026A	$40.00
15085030A	$58.70
15085033A	$179.00
15085035A	$529.82
15085039A	$18.03
15085044A	$191.97
15085045A	$36.06
15085046A	$29.35
15085049A	$105.52
15085050A	$352.00
15085055A	$228.20
15085056A	$88.10
15085057A	$47.13
15085057A	$105.52
15085060A	$17.90
15085064A	$352.00
15085068A	$33.94
15085072A	$55.92
15085074A	$534.76
15085074A	$352.00
15085078A	$130.10
15085079A	$228.20
15085080A	$55.92
15085081A	$70.82
15085082A	$320.00
15085084A	$29.35
15085087A	$630.11
15085087A	$135.76
	$6,652.96

Invoice	Restitution CTD
15085089A	$105.52
15085093A	$294.87
15085104A	$320.00
15085113A	$161.16
15085113A	$105.52
15085114A	$27.40
15085125A	$54.09
15085126A	$29.35
15085130A	$36.06
15085130A	$73.50
15085131A	$33.94
15085139A	$228.20
15085141A	$33.50
15085146A	$529.82
15085152A	$58.70
15085153A	$422.08
15085154A	$27.50
15085163A	$228.20
15085165A	$29.35
15085166A	$105.52
15085175A	$134.00
15085178A	$47.79
15085178A	$18.03
15085189A	$352.00
15085192A	$26.85
15085192A	$62.40
15085193A	$101.52
15085194A	$81.56
15085197A	$352.00
15085201A	$97.86
15085203A	$54.09
15085205A	$54.93
15085206A	$211.04
15085207A	$86.46
15085219A	$81.56
15085219A	$40.00
15085229A	$10.35
15085229A	$15.52
15085235A	$630.76
15085235A	$218.76
15085235A	$184.75
15085236A	$47.26
	$5,813.77

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Invoice	Restitution CTD
15085239A	$18.03
15085242A	$29.70
15085251A	$137.50
15085255A	$51.44
15085271A	$48.96
15085273A	$69.90
15085274A	$33.65
15085275A	$35.80
15085278A	$108.18
15085280A	$40.00
15085280A	$27.50
15085289A	$352.00
15085292A	$18.03
15085295A	$81.56
15085301A	$41.74
15085302A	$630.11
15085303A	$29.35
15085305A	$44.20
15085305A	$35.41
15085305A	$37.69
15085305A	$23.43
15085310A	$33.50
15085312A	$28.82
15085320A	$76.64
15085320A	$468.60
15085325A	$589.74
15085326A	$29.35
15085337A	$55.00
15085338A	$26.85
15085338A	$116.80
15085338A	$17.90
15085355A	$40.78
15085357A	$32.64
15085360A	$120.00
15085362A	$54.09
15085370A	$352.00
15085370A	$320.00
15085374A	$191.97
15085379A	$80.55
15085379A	$41.94
15085381A	$55.00
15085393A	$70.82
	$4,697.17

Invoice	Restitution CTD
15085393A	$26.72
15085393A	$30.68
15085399A	$529.82
15085400A	$69.90
15085400A	$76.70
15085401A	$25.72
15085405A	$58.70
15085409A	$54.36
15085410A	$352.00
15085411A	$31.38
15085414A	$201.00
15085417A	$352.00
15085417A	$101.95
15085420A	$47.26
15085422A	$27.40
15085426A	$27.50
15085427A	$33.50
15085429A	$26.02
15085432A	$352.00
15085435A	$228.20
15085435A	$387.17
15085436A	$237.80
15085445A	$352.00
15085449A	$18.03
15085457A	$58.70
15085459A	$146.75
15085463A	$352.00
15085464A	$529.82
15085464A	$82.50
15085468A	$69.90
15085468A	$112.26
15085477A	$294.87
15085481A	$228.80
15085506A	$20.39
15085509A	$88.05
15085511A	$45.45
15085515A	$41.94
15085528A	$88.40
15085535A	$352.00
15085537A	$38.72
15085537A	$36.06
15085543A	$29.35
	$6,263.77

Invoice	Restitution CTD
15085548A	$33.94
15085549A	$387.17
15085551A	$36.06
15085557A	$120.00
15085558A	$70.82
15085564A	$52.04
15085565A	$90.15
15085587A	$27.40
15085594A	$95.12
15085596A	$20.39
15085597A	$53.70
15085597A	$47.56
15085600A	$33.65
15085603A	$41.60
15085606A	$191.97
15085611A	$26.85
15085614A	$67.88
15085635A	$320.00
15085636A	$29.35
15085636A	$17.90
15085637A	$100.50
15085641A	$53.44
15085642A	$18.03
15085642A	$27.50
15085648A	$40.00
15085652A	$18.03
15085652A	$230.10
15085653A	$53.70
15085653A	$176.80
15085659A	$20.39
15085659A	$30.68
15085665A	$294.87
15085666A	$29.35
15085681A	$29.35
15085682A	$18.03
15085683A	$104.08
15085685A	$40.00
15085688A	$72.12
15085690A	$192.50
15085690A	$67.88
15085693A	$352.00
15085695A	$83.88
	$3,816.78

EXHIBIT A

Invoice	Restitution CTD
15085695A	$109.60
15085698A	$191.97
15085704A	$29.35
15085705A	$27.50
15085706A	$253.80
15085712A	$67.88
15085716A	$69.90
15085719A	$201.00
15085724A	$383.50
15085727A	$33.50
15085731A	$18.03
15085743A	$18.03
15085749A	$44.55
15085754A	$44.55
15085763A	$46.02
15085766A	$29.35
15085767A	$53.70
15085770A	$146.75
15085772A	$294.87
15085772A	$33.50
15085773A	$83.88
15085774A	$40.00
15085778A	$122.34
15085780A	$54.36
15085782A	$139.80
15085782A	$25.72
15085787A	$26.85
15085787A	$18.03
15085788A	$25.72
15085800A	$18.03
15085808A	$72.12
15085813A	$33.94
15085819A	$41.94
15085821A	$25.72
15085825A	$47.26
15085828A	$116.80
15085834A	$36.06
15085835A	$137.50
15085838A	$74.84
15085839A	$36.06
15085842A	$72.12
15085845A	$69.90
	$3,416.34

Invoice	Restitution CTD
15085846A	$191.97
15085848A	$25.72
15085850A	$191.97
15085853A	$36.06
15085853A	$54.80
15085859A	$74.25
15085862A	$29.35
15085863A	$294.87
15085864A	$80.00
15085867A	$29.35
15085871A	$135.76
15085872A	$59.74
15085872A	$58.41
15085872A	$35.89
15085881A	$18.03
15085883A	$54.09
15085884A	$18.03
15085884A	$25.72
15085887A	$18.03
15085888A	$36.06
15085890A	$54.80
15085897A	$320.00
15085912A	$26.85
15085915A	$228.20
15085919A	$77.16
15085920A	$108.18
15085926A	$359.93
15085926A	$354.10
15085930A	$82.20
15085933A	$31.86
15085936A	$106.23
15085943A	$36.06
15085951A	$33.94
15085954A	$38.72
15085954A	$54.80
15085954A	$33.94
15085956A	$36.06
15085960A	$90.15
15085964A	$294.87
15085965A	$80.00
15085967A	$37.69
15085979A	$29.35
	$3,983.19

Invoice	Restitution CTD
15085979A	$18.03
15085990A	$44.05
15085996A	$20.39
15085998A	$33.50
15086001A	$54.80
15086002A	$33.94
15086009A	$40.78
15086009A	$27.96
15086010A	$36.06
15086020A	$55.92
15086020A	$71.60
15086021A	$61.17
15086023A	$25.72
15086033A	$51.44
15086040A	$18.03
15086042A	$67.00
15086042A	$570.53
15086050A	$36.06
15086062A	$54.09
15086065A	$14.85
15086065A	$25.85
15086066A	$36.06
15086068A	$320.00
15086079A	$27.50
15086079A	$25.72
15086083A	$36.95
15086083A	$27.50
15086084A	$352.00
15086087A	$148.50
15086089A	$13.98
15086090A	$294.87
15086098A	$55.92
15086100A	$18.03
15086104A	$58.70
15086112A	$40.78
15086113A	$320.00
15086116A	$47.56
15086117A	$33.50
15086118A	$74.84
15086120A	$72.12
15086127A	$102.88
15086127A	$67.88
	$3,537.06

EXHIBIT A

Invoice	Restitution CTD
15086130A	$104.00
15086145A	$26.85
15086146A	$88.05
15086153A	$54.93
15086157A	$88.20
15086161A	$82.50
15086164A	$23.63
15086174A	$102.88
15086182A	$18.03
15086185A	$18.03
15086186A	$294.87
15086188A	$32.84
15086188A	$33.50
15086192A	$352.00
15086192A	$294.87
15086195A	$55.00
15086198A	$67.88
15086212A	$58.70
15086215A	$20.39
15086221A	$69.90
15086226A	$20.39
15086227A	$70.89
15086231A	$47.56
15086234A	$29.35
15086234A	$51.44
15086236A	$26.85
15086236A	$33.50
15086237A	$144.24
15086238A	$41.60
15086244A	$47.79
15086249A	$146.75
15086251A	$70.82
15086253A	$134.00
15086262A	$25.72
15086264A	$80.00
15086265A	$359.93
15086271A	$44.74
15086273A	$96.80
15086275A	$25.72
15086275A	$44.10
15086276A	$162.10
15086283A	$41.40
	$3,632.74

Invoice	Restitution CTD
15086289A	$154.32
15086298A	$41.60
15086299A	$352.00
15086304A	$352.00
15086309A	$294.87
15086309A	$279.60
15086317A	$54.09
15086321A	$44.05
15086321A	$44.20
15086323A	$212.46
15086324A	$180.30
15086329A	$70.08
15086329A	$47.13
15086331A	$33.94
15086332A	$77.16
15086344A	$82.20
15086344A	$35.80
15086348A	$146.75
15086354A	$47.56
15086354A	$67.88
15086355A	$33.94
15086356A	$41.94
15086360A	$101.95
15086360A	$92.04
15086362A	$83.88
15086362A	$160.00
15086376A	$40.78
15086380A	$118.90
15086383A	$137.50
15086385A	$40.78
15086386A	$81.56
15086390A	$352.00
15086398A	$82.20
15086403A	$53.70
15086403A	$70.82
15086409A	$71.61
15086409A	$18.03
15086410A	$116.80
15086410A	$142.68
15086411A	$27.18
15086414A	$47.79
15086415A	$107.40
	$4,641.47

Invoice	Restitution CTD
15086416A	$589.74
15086416A	$33.94
15086416A	$149.68
15086418A	$122.34
15086419A	$54.93
15086427A	$352.00
15086428A	$294.87
15086429A	$630.11
15086430A	$352.00
15086430A	$497.73
15086434A	$54.80
15086436A	$36.06
15086447A	$54.69
15086450A	$116.80
15086461A	$169.70
15086467A	$155.25
15086469A	$52.04
15086472A	$83.88
15086473A	$41.94
15086482A	$31.05
15086485A	$51.75
15086490A	$69.90
15086498A	$135.76
15086504A	$26.02
15086524A	$68.62
15086524A	$67.88
15086527A	$62.76
15086558A	$69.90
15086561A	$93.44
15086562A	$51.75
15086569A	$20.70
15086573A	$26.02
15086585A	$480.11
15086595A	$630.11
15086596A	$149.68
15086597A	$125.52
15086597A	$103.50
15086600A	$25.81
15086600A	$54.69
15086603A	$15.42
15086611A	$310.50
15086611A	$74.84
	$6,588.23

EXHIBIT A

Invoice	Restitution CTD
15086616A	$70.08
15086621A	$134.30
15086621A	$630.11
15086638A	$45.55
15086647A	$23.87
15086648A	$18.03
15086652A	$630.11
15086670A	$239.75
15086712A	$45.55
15086718A	$630.11
15086725A	$103.50
15086728A	$18.03
15086744A	$35.80
15086746A	$77.55
15086746A	$91.10
15086749A	$1,260.22
15086749A	$41.40
15086753A	$83.88
15086753A	$67.88
15086755A	$51.75
15086765A	$20.70
15086769A	$62.10
15086772A	$33.94
15086781A	$31.38
15086783A	$71.60
15086785A	$33.94
15086804A	$31.05
15086806A	$101.82
15086812A	$67.88
15086815A	$116.80
15086820A	$27.96
15086821A	$109.38
15086823A	$10.35
15086830A	$54.69
15086841A	$221.70
15086844A	$78.06
15086848A	$33.94
15086851A	$82.80
15086851A	$135.76
15086862A	$47.46
15086871A	$67.88
15086888A	$13.98
	$5,753.74

Invoice	Restitution CTD
15086888A	$20.70
15086893A	$630.11
15086894A	$54.69
15086926A	$51.75
15086928A	$656.28
15086932A	$630.11
15086932A	$678.80
15086935A	$54.69
15086939A	$630.11
15086941A	$46.72
15086943A	$630.11
15086947A	$18.03
15086947A	$10.35
15086951A	$630.11
15086954A	$62.76
15086956A	$134.55
15086969A	$163.52
15086979A	$101.82
15086982A	$630.11
15086990A	$233.60
15086996A	$70.08
15086998A	$67.88
15087002A	$74.84
15087006A	$164.07
15087007A	$33.94
15087010A	$52.04
15087023A	$67.88
15087024A	$31.38
15087026A	$207.00
15087029A	$186.88
15087032A	$23.43
15087034A	$23.36
15087037A	$31.38
15087043A	$116.80
15087046A	$51.75
15087050A	$23.36
15087056A	$103.50
15087059A	$71.61
15087059A	$214.88
15087061A	$33.94
15087071A	$156.90
15087095A	$33.28
	$7,909.10

Invoice	Restitution CTD
15087096A	$70.08
15087106A	$52.04
15087116A	$82.80
15087118A	$54.69
15087120A	$180.30
15087121A	$630.11
15087128A	$67.88
15087132A	$630.11
15087139A	$62.76
15087140A	$94.14
15087147A	$109.38
15087170A	$109.38
15087170A	$33.94
15087183A	$164.07
15087196A	$203.64
15087210A	$26.02
15087219A	$31.05
15087229A	$77.10
15087240A	$207.00
15087243A	$83.88
15087262A	$101.82
15087263A	$54.69
15087266A	$26.86
15087280A	$41.94
15087287A	$10.35
15087294A	$33.94
15087301A	$101.82
15087307A	$524.10
15087317A	$630.11
15087321A	$69.90
15087335A	$41.40
15087335A	$109.38
15087336A	$67.88
15087347A	$95.48
15087348A	$94.14
15087351A	$154.20
15087352A	$103.50
15087361A	$18.03
15087365A	$33.94
15087365A	$45.55
15087371A	$165.07
15087378A	$31.05
	$5,525.52

EXHIBIT A

Invoice	Restitution CTD
15087399A	$630.11
15087405A	$67.88
15087412A	$164.07
15087414A	$103.50
15087416A	$26.48
15087435A	$39.79
15087435A	$33.94
15087478A	$140.16
15087484A	$31.05
15087484A	$37.42
15087488A	$164.07
15087489A	$62.10
15087495A	$15.34
15087499A	$46.72
15087501A	$161.16
15087518A	$20.70
15087525A	$46.72
15087538A	$18.03
15087541A	$18.03
15087551A	$31.05
15087557A	$46.02
15087559A	$116.80
15087559A	$112.26
15087577A	$55.92
15087577A	$37.42
15087578A	$67.88
15087589A	$51.75
15087590A	$54.69
15087592A	$31.05
15087598A	$83.88
15087602A	$54.09
15087621A	$36.06
15087645A	$83.88
15087676A	$207.00
15087678A	$109.38
15087681A	$28.82
15087687A	$90.15
15087688A	$18.03
15087695A	$109.38
15087696A	$67.88
15087703A	$20.70
15087704A	$67.88
	$3,409.24

Invoice	Restitution CTD
15087709A	$54.09
15087709A	$51.70
15087713A	$630.11
15087715A	$109.38
15087722A	$33.94
15087728A	$54.69
15087735A	$33.94
15087735A	$37.42
15087736A	$46.72
15087740A	$18.03
15087744A	$18.03
15087759A	$630.11
15087760A	$31.05
15087764A	$109.38
15087764A	$67.88
15087768A	$32.42
15087776A	$36.06
15087782A	$180.30
15087788A	$46.02
15087789A	$72.12
15087789A	$82.80
15087798A	$53.70
15087807A	$67.88
15087818A	$18.47
15087818A	$26.02
15087824A	$90.15
15087848A	$31.05
15087852A	$33.94
15087853A	$103.50
15087854A	$630.11
15087861A	$46.26
15087872A	$54.69
15087876A	$67.88
15087878A	$67.88
15087881A	$70.08
15087905A	$70.90
15087912A	$169.70
15087917A	$20.70
15087918A	$70.08
15087919A	$46.72
15087942A	$67.88
15087948A	$80.58
	$4,264.36

Invoice	Restitution CTD
15087950A	$149.68
15087951A	$67.88
15087961A	$273.45
15087969A	$41.40
15087970A	$54.69
15087986A	$89.50
15087995A	$256.96
15088009A	$46.72
15088010A	$28.82
15088011A	$72.45
15088020A	$10.35
15088036A	$144.10
15088036A	$33.94
15088058A	$135.76
15088064A	$115.28
15088073A	$51.75
15088085A	$70.08
15088085A	$54.69
15088103A	$46.72
15088106A	$95.48
15088108A	$18.03
15088108A	$31.05
15088112A	$46.26
15088119A	$108.18
15088127A	$36.06
15088130A	$54.69
15088133A	$54.69
15088142A	$109.38
15088146A	$218.76
15088150A	$218.76
15088151A	$54.69
15088151A	$33.94
15088153A	$31.05
15088154A	$10.35
15088156A	$67.88
15088158A	$18.03
15088171A	$20.70
15088180A	$196.90
15088181A	$41.40
15088186A	$33.94
15088193A	$72.12
15088200A	$218.76
	$3,535.32

EXHIBIT A

Invoice	Restitution CTD
15088208A	$67.88
15088214A	$54.69
15088218A	$78.06
15088218A	$164.07
15088219A	$103.50
15088224A	$51.75
15088227A	$630.11
15088241A	$46.72
15088241A	$33.94
15088255A	$630.11
15088265A	$54.69
15088267A	$18.03
15088282B	$36.06
15088288A	$23.19
15088292A	$18.03
15088292A	$36.06
15088301A	$90.15
15088302A	$54.09
15088303A	$33.94
15088304A	$18.03
15088305A	$54.09
15088310A	$109.38
15088315A	$23.36
15088322A	$221.70
15088323A	$31.05
15088326A	$33.94
15088327A	$41.40
15088329A	$93.44
15088365A	$36.06
15088365A	$116.80
15088365A	$103.50
15088367A	$20.70
15088389A	$31.05
15088401A	$233.60
15088411A	$72.12
15088417A	$165.07
15088420A	$36.95
15088420A	$140.58
15088425A	$116.80
15088440A	$630.11
15088446A	$101.82
15088486A	$61.36
	$4,717.98

Invoice	Restitution CTD
15088492A	$46.02
15088493A	$36.06
15088499A	$17.90
15088501A	$364.40
15088505A	$93.44
15088528A	$36.06
15088528A	$10.35
15088540A	$17.90
15088540A	$37.42
15088573A	$26.86
15088574A	$101.82
15088586A	$182.20
15088589A	$143.20
15088604A	$46.72
15088609A	$18.03
15088609A	$10.35
15088612A	$109.38
15088619A	$678.80
15088624A	$20.70
15088627A	$70.08
15088648A	$258.75
15088652A	$61.36
15088679A	$54.69
15088682A	$54.69
15088685A	$103.50
15088689A	$18.03
15088708A	$23.36
15088713A	$46.26
15088724A	$70.08
15088731A	$18.03
15088734B	$31.05
15088735A	$18.03
15088739A	$101.82
15088741A	$67.88
15088747A	$18.03
15088751A	$135.76
15088754A	$18.03
15088758A	$61.36
15088760A	$20.70
15088762A	$33.94
15088765A	$67.88
15088771A	$33.94
	$3,384.86

Invoice	Restitution CTD
15088776A	$135.76
15088776A	$71.60
15088782A	$207.00
15088790A	$23.36
15088795A	$36.06
15088799A	$18.03
15088802A	$18.03
15088807A	$39.79
15090675A	$20.80
15093750A	$122.52
15096033A	$293.50
15096058A	$88.05
15096059A	$58.70
15096073A	$29.35
15096077A	$88.05
15096094A	$29.35
15096114A	$29.35
15096115A	$58.70
15096142A	$88.05
15096148A	$58.70
15096153A	$29.35
15096184A	$29.35
15096194A	$58.70
15096232A	$146.75
15096324A	$29.35
15096338A	$29.35
15096343A	$58.70
15096354A	$146.75
15096418A	$58.70
15096523A	$58.70
15096549A	$58.70
15096730A	$29.35
15096788A	$58.70
15096897A	$29.35
15096904A	$29.35
15096962A	$29.35
15096980A	$29.35
15097008A	$29.35
15097012A	$29.35
15099398A	$67.05
15100009A	$134.10
15100895A	$40.23
	$2,724.68

EXHIBIT A

Invoice	Restitution CTD
15101250A	$134.10
15101253A	$26.82
15101447A	$67.05
15101463A	$26.82
15101486A	$13.41
15101618A	$13.41
15104200A	$53.64
15104527A	$13.41
15114033A	$23.42
15114197A	$35.13
15114275A	$35.13
15115005A	$23.42
15115556A	$128.81
15115568A	$11.71
15118848A	$58.55
15118964A	$58.55
15125023A	$29.35
15125069A	$146.75
15125178A	$29.35
15125227A	$29.35
15125243A	$58.70
15125328A	$58.70
15125363A	$29.35
15125364A	$29.35
15125373A	$88.05
15125387A	$29.35
15125432A	$29.35
15125448A	$58.70
15125451A	$58.70
15125470A	$88.05
15125480A	$29.35
15125499A	$88.05
15125518A	$58.70
15125522A	$29.35
15125546A	$29.35
15125566A	$29.35
15125567A	$29.35
15125583A	$29.35
15125597A	$29.35
15125651A	$29.35
15125669A	$58.70
15125674A	$58.70
	$1,985.43

Invoice	Restitution CTD
15125700A	$58.70
15125709A	$58.70
15125724A	$58.70
15125744A	$58.70
15125768A	$58.70
15125776A	$58.70
15125784A	$29.35
15125792A	$58.70
15125801A	$293.50
15125835A	$58.70
15125843A	$29.35
15125853A	$58.70
15125855A	$88.05
15125867A	$29.35
15125903A	$146.75
15125911A	$293.50
15125922A	$88.05
15125927A	$88.05
15125931A	$29.35
15125943A	$58.70
15125954A	$29.35
15125955A	$117.40
15126047A	$29.35
15126051A	$29.35
15126052A	$117.40
15126070A	$58.70
15126078A	$29.35
15126088A	$29.35
15126098A	$29.35
15126100A	$58.70
15126115A	$88.05
15126120A	$29.35
15126143A	$58.70
15126164A	$58.70
15126178A	$29.35
15126180A	$29.35
15126194A	$29.35
15126202A	$29.35
15126246A	$29.35
15126248A	$58.70
15126259A	$88.05
15126326A	$29.35
	$2,788.25

Invoice	Restitution CTD
15126328A	$117.40
15126380A	$58.70
15126391A	$29.35
15126422A	$58.70
15126471A	$29.35
15126520A	$58.70
15126543A	$146.75
15126547A	$29.35
15126550A	$58.70
15126571A	$88.05
15126661A	$29.35
15126672A	$29.35
15126769A	$29.35
15126841A	$29.35
15126860A	$58.70
15126973A	$58.70
15127024A	$29.35
15127045A	$117.40
15127203A	$29.35
15127213A	$58.70
15127268A	$29.35
15127320A	$58.70
15127400A	$29.35
15127402A	$58.70
15127456A	$29.35
15127535A	$88.05
15127579A	$117.40
15127590A	$58.70
15127687A	$58.70
15127774A	$58.70
15127826A	$146.75
15127854A	$29.35
15127906A	$88.05
15127936A	$176.10
15127948A	$88.05
15127957A	$29.35
15127962A	$88.05
15127966A	$29.35
15128017A	$58.70
15128020A	$29.35
15128054A	$29.35
15128063A	$29.35
	$2,553.45

EXHIBIT A

Invoice	Restitution CTD
15128083A	$58.70
15128122A	$58.70
15128123A	$58.70
15128124A	$29.35
15128158A	$58.70
15128227A	$29.35
15128232A	$29.35
15128247A	$29.35
15128325A	$29.35
15128340A	$88.05
15128353A	$146.75
15128381A	$58.70
15128423A	$58.70
15128424A	$117.40
15128435A	$29.35
15128652A	$750.00
15129668A	$15.00
15130422A	$150.00
15130434A	$75.00
15130890A	$16.00
15130968A	$15.00
15130998A	$32.00
15131064A	$32.00
15131303A	$30.00
15131366A	$48.00
15131406A	$160.00
15131475A	$16.00
15131490A	$16.00
15131691A	$32.00
15151416A	$74.20
15154401A	$74.20
	$2,415.90
	$138,058.11

Invoice	Restitution CTD
	$133,593.13

Invoice	Restitution CTD
	$131,134.85
	Grand Total:
	$402,786.09

EXHIBIT B

Date

Mike Smith
300 West Longhorn St.
Redford, Texas 00000

Dear Mr. Smith,

You recently made a purchase from the CTD, Inc. (CTD) website. As a result of a legal settlement between CTD and the Attorney General of Texas, a credit in the amount of $[_____.___] has been issued to the credit card you used to make your purchase.[1] Please review your credit card statement to confirm that you have received your credit. If you have any questions about this settlement, please contact the Attorney General's office directly at 1-800-621-0508.

Thank you.

CTD, Inc.

[1] If CTD is not able to provide the restitution via a credit to a consumer's credit card, CTD will send the consumer a check via mail and will include a letter that is similar to the language above except that the second and third sentences will be replaced with the following language: As a result of a legal settlement between CTD and the Attorney General of Texas, you are being provided the enclosed partial refund check in the amount of $[.].

Automated Certificate of eService

This automated certificate of service was created by the efiling system. The filer served this document via email generated by the efiling system on the date and to the persons listed below. The rules governing certificates of service have not changed. Filers must still provide a certificate of service that complies with all applicable rules.

Pauline Sisson on behalf of Pedro Perez
Bar No. 788184
pauline.sisson@oag.texas.gov
Envelope ID: 48587620
Status as of 12/7/2020 11:48 AM CST

Case Contacts

Name	BarNumber	Email	TimestampSubmitted	Status
Pauline Sisson		pauline.sisson@texasattorneygeneral.gov	12/3/2020 9:00:35 AM	SENT
Pedro Perez		Pedro.Perez@oag.texas.gov	12/3/2020 9:00:35 AM	SENT
Clarence Andrew Weber	797641	andrew.weber@kellyhart.com	12/3/2020 9:00:35 AM	SENT
Paul Spalla	24073509	taylor.spalla@kellyhart.com	12/3/2020 9:00:35 AM	SENT

RECEIVED IN PERSON
SEP 10 2007
AT 10:50 A.M.
ANNE REBECCA ELLIOTT, CLERK
Dist. Court, Ft. Bend Co., Tx

NO. 05-CV-146322

STATE OF TEXAS Plaintiff	§	IN THE DISTRICT COURT OF
v.	§	FORT BEND COUNTY, TEXAS
RNB ENTERPRISES, INC. D/B/A HOMER NORTON MOTEL Defendant	§	268th JUDICIAL DISTRICT

AGREED FINAL JUDGMENT AND PERMANENT INJUNCTION

On this date, came for hearing the above-entitled and numbered cause in which the STATE OF TEXAS ("State" or "Plaintiff"), acting by and through Attorney General of Texas, GREG ABBOTT, is Plaintiff, and RNB ENTERPRISES, INC., doing business as HOMER NORTON MOTEL ("Defendant"), acting by and through his attorneys of record, is Defendant. Through their respective attorneys of record, Plaintiff and Defendant agree to the entry of this AGREED FINAL JUDGMENT AND PERMANENT INJUNCTION.

STIPULATIONS

The parties agree to the entry of this Judgment and, at their request, the Court finds that:

a. It has jurisdiction over the subject matter of this action;

b. It has jurisdiction over the Defendant;

c. Venue is proper in Fort Bend County, Texas;

d. The activities of Defendant constitute trade and/or commerce;

e. Entry of this judgment is in the public interest;

f. This judgment is non-appealable;

g. Nothing in this Agreed Judgment in any way effects an individual's cause of action

ROUTED TO COURT
RT'D TO D. CLERK
K. Colson SEP 10 2007
Date:

under the DTPA, or any other laws or regulations of this State;

h. Defendant acknowledges notice of this permanent injunction and acceptance of the same; therefore no writ need be issued;

i. This judgment resolves any remaining issues the State of Texas has with Defendant pursuant to the DTPA concerning Defendant's price gouging during the Hurricane Rita state of disaster through the date of this AFJ.

j. The court shall have continuing jurisdiction to enforce this judgment.

DEFINITIONS

For the purposes of this Agreed Final Judgment and Permanent Injunction, the following definitions shall apply:

a. "DTPA" shall mean the Texas Deceptive Trade Practices-Consumer Protection Act, TEX. BUS. & COM. CODE ANN. § 17.41 *et seq.* (Vernon 2002).

b. "Homer Norton" shall mean the motel which is located at 4606 Avenue H, Rosenberg, Texas 77471.

c. "State of disaster" shall mean the period of time from September 20, 2005, when Texas Governor Rick Perry issued a proclamation certifying Hurricane Rita as an imminent disaster, to November 18, 2005, when the second proclamation extending the state of disaster expired.

d. "Average price" shall mean the average price charged for a good or service over a two month period prior to the declaration of a disaster by the Texas Governor.

e. "Effective Date" of the judgment shall mean the date that this Agreed Final Judgment and Permanent Injunction is signed by the Court.

PERMANENT INJUNCTION

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that Defendant, its officers, agents, servants, employees, attorneys, and all other persons in active concert or participation with the Defendant who receive actual notice of this injunction shall be permanently enjoined, restrained, and prohibited from engaging in the following conduct:

1. Offering for sale or selling goods or services at exorbitant or excessive prices during a disaster declared by the Texas Governor; to wit: charging rates in excess of ten percent (10%) of the average price for those goods and services.

2. Taking advantage of any disaster or natural calamity by charging excessive prices for goods and services sought out by consumers as necessary to their daily living or to the operation of their business; to wit: charging in excess of ten percent (10%) of the average price for those goods and services.

3. Collecting the hotel occupancy tax from evacuees during a disaster declared by the Texas Governor and/or failing to obtain a completed exemption certificate from those evacuees.

4. Failing to post a sign or card in a conspicuous place in each room with the daily room rate and the date the sign or card was posted as required by TEX. OCC. CODE § 2155.001(a).

5. Failing to maintain a guest registration system to record the name and contact information of guests of the motel including the guests' names, addresses, the length of their stay, and the price charged per day.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall, within thirty (30) days of the Effective Date of this Judgment:

1. Provide a list of the names and contact information of all individuals who stayed at the Homer Norton Motel during the state of disaster who were charged an excessive price for a room and who have not already been refunded the excessive charges. That information shall go to Mary Vinson, Investigator, Office of the Attorney General, Consumer Protection and Public Health Division, P.O. Box 12548, Austin, TX 78711-2548.

2. Send a notice letter to guests of Homer Norton who stayed at the motel during the state of disaster who were charged an excessive price for a room and who have not already been refunded the excessive charges. This notice letter shall instruct individuals of their right to have the difference between the average price and the amount they were charged over the average price refunded. If a notice letter is returned marked with a different forwarding address, Defendant shall immediately mail a second notice letter to the person at the new address. If a person contacts Defendant indicating that they are entitled to such a notice letter, Defendant shall immediately mail a notice letter to that person;

3. Place a notice in a newspaper of general circulation in Harris and Fort Bend Counties which informs readers of the overcharge and restitution provided under this Agreed

Final Judgment;

4. Such notices as described in paragraphs 2 and 3 shall instruct all consumers to contact Mary Vinson, Investigator, Office of the Attorney General, Consumer Protection Division, P.O. Box 12548, Austin, Texas 78711-2548, or at telephone number 1-800-621-0508 for information on how to submit a request for restitution under this judgment;

5. Defendant shall also send a copy of the notices described in paragraphs 3 and 4 to Mary Vinson, Investigator, Office of the Attorney General, Consumer Protection and Public Health Division, P.O. Box 12548, Austin, TX 78711-2548, no later than sixty (60) days after the Court signs this judgment; and

6. In the event the Plaintiff is unable to disburse the entire restitution amount assessed herein, after exercising reasonable diligence to effect same, then and in that event, any excess restitution amounts shall revert to Plaintiff as additional attorney fees and investigative costs.

PENALTIES, ATTORNEY'S FEES, RESTITUTION AND COURT COSTS

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Plaintiff shall have judgment against Defendant RNB Enterprises, Inc. in the amount of SIXTY-TWO THOUSAND THREE HUNDRED AND SEVENTY ONE Dollars ($62,371.03), which shall be paid to the State as follows:

1. FORTY THOUSAND Dollars and No/100 ($40,000.00) shall be paid to the State of Texas as civil penalties to or for the benefit of the State of Texas, pursuant to DTPA §17.47(c)(1)-(2). These civil penalties shall constitute a civil fine or penalty to and for a governmental unit and are not compensation for actual pecuniary loss. The amount of civil penalties stated herein may be reduced if Defendants perform certain acts which are memorialized in a separate compromise and settlement agreement between the parties

2. TWENTY THOUSAND THREE HUNDRED AND SEVENTY-ONE Dollars and 03/100 ($20,371.03) shall be paid to the State of Texas as Plaintiff's reasonable and necessary attorneys' fees, investigative costs and court costs.

3. TWO THOUSAND DOLLARS ($2,000.00) shall be paid to the State, which will be set aside for restitution to all consumers who were Hurricane Rita evacuees and were overcharged by the Homer Norton motel during the weeks of September 19 and

26, 2005.

4. Payment shall be made by cashier's check or money order made payable to the State through the "Texas Attorney General," bearing the reference **AG # 052230596**, and delivered to the Consumer Protection and Public Health Division, Office of the Attorney General, P.O. Box 12548, or at its physical address, 300 W. 15th Street, 9th Floor, Austin, Texas 78711-2548. ATTN: David Ashton.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that if Defendants fail to pay these amounts on the effective date of this Judgment, postjudgment interest at the rate of 8.25% shall accrue.

MISCELLANEOUS

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the State of Texas shall have all writs of execution and other processes necessary to enforce this Agreed Final Judgment and Permanent Injunction. Defendant, by his signature below, hereby acknowledges notice of this Permanent Injunction and acceptance of same; therefore, no writ need be issued.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall not represent to the public that this Judgment constitutes approval by Plaintiff or this Court of any of Defendant's actions or business activities.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED in the event that Defendant files for bankruptcy prior to making all the payments set forth above, Plaintiff, the State of Texas, shall have an undisputed liquidated claim in the bankruptcy proceeding for the amount of the civil penalties, plus any accrued interest and less any and all amounts paid by Defendant to the State of Texas pursuant to this Agreed Judgment, representing civil penalties and attorney's fees.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that if in the future any definition or provision in this Judgment is inconsistent with the laws of the State of Texas or any

rules or regulations promulgated thereunder, then such laws and/or rules and regulations will prevail over the terms of this Judgment, provided that the remaining terms of the Judgment not affected by such laws, rules, or regulations will remain in full force and effect.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that all relief not expressly granted herein is denied.

SIGNED this 11th day of September, 2007.

PRESIDING JUDGE

FILED
2007 SEP 11 PM 2:02
CLERK DISTRICT COURT
FORT BEND CO., TX

AGREED AS TO SUBSTANCE AND FORM AND ENTRY REQUESTED:

GREG ABBOTT
Attorney General of Texas

KENT C. SULLIVAN
First Assistant Attorney General

JEFF L. ROSE
Deputy First Assistant Attorney General

PAUL D. CARMONA
Chief, Consumer Protection Division

JOHN OWENS
Deputy Chief, Consumer Protection Division

DAVID M. ASHTON
State Bar No. 24031828
Assistant Attorney General
Office of the Attorney General
Consumer Protection Division
P.O. Box 12548
Austin, Texas 78711
(512) 475-4282 (telephone)
(512) 473-8301 (facsimile)

ATTORNEYS FOR THE STATE OF TEXAS

RNB ENTERPRISES, INC. D/B/A HOMER NORTON MOTEL

NIZAR ALI BHALESHA,
President, RNB Enterprises, Inc.

FEROZ MERCHANT
State Bar. No. 24014769
The Lyric Center
440 Louisiana Street, Suite 200
Houston, Texas 77002
(713) 224-8200 (telephone)
(713) 224-2815 (facsimile)

ATTORNEY FOR DEFENDANT

JOE BLACK
CRIMINAL DISTRICT ATTORNEY
HARRISON COUNTY
903/935-8408 FAX 903/938-9312
P.O. BOX 776
MARSHALL, TEXAS 75671-0776

FAX COVER SHEET

DATE: 11/15/06

TO: Scott Clinton

SUBJECT:

COMMENTS:

FROM: Leslie Davis

COPY

FILED FOR RECORD
HARRISON COUNTY, TEXAS
DISTRICT COURT
2006 NOV 15 PM 2:44
SHERRY GRIFFIN
BY:
DEPUTY

NO. 05-0948

STATE OF TEXAS Plaintiff,	§	IN THE DISTRICT COURT OF
V.	§	HARRISON COUNTY, TEXAS
JASWANTIBEN PATEL, RAMBHAI PATEL, PIL, L.L.C & PURSHOTAM INVESTMENTS, LTD., DBA QUALITY INN & SUITES Defendants	§	71st JUDICIAL DISTRICT

AGREED FINAL JUDGMENT AND PERMANENT INJUNCTION

On this day came on to be considered the above-entitled and numbered cause wherein Plaintiff is State of Texas and Defendants are Jaswantiben Patel, Rambhai Patel, PIL, L.L.C. and Purshotam Investments, Ltd. dba Quality Inn & Suites. All parties, appearing herein, and through their attorneys of record, enter into the following stipulations and agree to and do not contest the entry of this Agreed Final Judgment and Permanent Injunction.

It is stipulated that all parties have compromised and settled all claims stated by Plaintiff in this cause without the necessity of a trial, and that by entering into such settlement, Defendants make no admission of liability.

The Court then proceeded to read the pleadings and stipulations of the parties, and it appears to the Court that the parties agree to the entry of this judgment and that they have approved entry of this judgment.

1. **IT IS ORDERED, ADJUDGED AND DECREED** that Defendants, their officers, agents, servants, employees, and any other person in active concert or participation with them who receives actual notice of this judgment by personal service or otherwise, whether acting directly or

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through any trust, corporation, subsidiary, division, or other devise, shall be permanently enjoined from engaging in the following acts or practices:

A. Charging, invoicing, demanding or requesting an excessive or exorbitant price for any type of good furnished or service offered to any consumer in any area in which a disaster has occurred or the Governor of Texas has declared it a disaster area;

B. Charging, invoicing, demanding or requesting excessive or exorbitant prices for any type of good or service offered to a consumer because such consumer is in any way affected by any type of disaster or calamity;

C. Charging, invoicing, demanding or requesting from any consumer any amount of money or type of fee or payment or thing of value for any good or service without notifying such consumer in advance of the exact amount of money to be charged for such good or service;

D. Charging, invoicing, demanding or requesting from any consumer any amount of money or type of fee or payment or thing of value for any good or service without receiving said consumer's express authorization in advance to furnish such good or perform such service for the amount demanded for such good or service;

E. Representing, expressly or by implication, that the price for a particular good or service is a certain amount and then charging more than that price without the express knowledge and written consent of the consumer prior to consummation of the transaction;

F. Charging, invoicing, demanding or requesting any amount of money or type of fee or payment or thing of value from a consumer for a good or service which was not

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completely furnished or performed;

G. Charging, invoicing, demanding or requesting any amount of money or type of fee or payment or thing of value from a consumer for a good or service which has not yet been furnished or performed;

H. Representing, expressly or by implication, that a good or service has been furnished or performed, when in fact such good or service has not yet been furnished or performed;

I. Failing to tender and deliver a written receipt or itemized billing statement to every consumer purchasing goods or services from Defendants which reflect all goods or services purchased by them and the precise amount paid for each good or service;

J. Charging, invoicing, demanding or requesting a consumer's credit card unless Defendants:

1. Disclose to the consumer all of the terms, conditions, restrictions, and costs associated with Defendants' good or service prior to implementing a charge; and

2. Obtain the expressed consent and authorization from a consumer to have the consumer's credit card charged before it is charged;

K. Failing to refund money to consumers when they have not been informed of any additional fees, terms or conditions which are being imposed or have not given their express authorization in advance to purchase a good or service for the amount demanded to the consumer for such good or service;

L. Failing to keep copies of all records where consumers have put down deposits or

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down payments but did not complete a purchase or sale for a period of not less than two years;

M. Failing to keep accurate, detailed records of all sales made by Defendants whether or not such sales resulted in the consumer actually staying as a guest at the hotel for a period of not less than two years.

2. **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that, as used in this Agreed Final Judgment and Permanent Injunction, the following terms are defined as follows:

A. **"Consumer"** means an individual, partnership, corporation, or entity of any kind, including this state, or a subdivision or agency of this state who seeks or acquires, by purchase or lease, any goods or services;

B. **"Defendant(s)"** means Jaswantiben Patel, Rambhai Patel, PIL, L.L.C. and Purshotam Investments, Ltd. dba Quality Inn & Suites, their successors, assigns, officers, agents, subcontractors, servants, present and former employees, corporations, relatives, family, and any other persons in active concert or participation with them;

C. **"Excessive"** or **"exorbitant,"** with respect to a price charged, means exceeding the amount charged for similar goods and services sold in the 90 day period immediately preceding a disaster or calamity by an amount of 10% or greater;

D. **"Disaster"** , **"disaster area" or "calamity"** means an area officially declared to be the scene of any kind of emergency created by a natural or man made event by any municipal, county or state authority;

E. **"Person"** means an individual, partnership, corporation, or entity of any kind,

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including this state, or a subdivision or agency of this state who seeks or acquires, by purchase or lease, any goods or services;

F. **"Services"** means work, labor, or service purchased or leased for use, including services furnished in connection with the sale or repair of goods;

G. **"Sell," "market"** or **"solicit"** means any type of contact with a person or entity for the purpose of requesting, persuading, or seeking any type of contribution, sponsorship, compensation, or anything of value from said person or entity for any reason whatsoever.

3. **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Plaintiff, the State of Texas, have judgment in the amount of Fifty Thousand and No/100 Dollars ($50,000.00) for civil fines and penalties from and against Defendants Jaswantiben Patel, Rambhai Patel, PIL, L.L.C. and Purshotam Investments, Ltd., jointly and severally, which the Court further finds are civil fines and penalties to and for a governmental unit and not for pecuniary compensation and which do not constitute an antecedent debt with respect to this litigation.

4. **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Plaintiff, the State of Texas, have judgment in the amount of One Hundred Fifty Thousand and No/100 Dollars ($150,000.00) from and against Defendants Jaswantiben Patel, Rambhai Patel, PIL, L.L.C. and Purshotam Investments, Ltd., jointly and severally, to be used in whole or in part, for restoration of money or other property illegally taken from consumers by Defendants as Plaintiff determines appropriate. The State of Texas shall use best efforts to contact consumers who may have been affected by actions complained of in this cause, by sending a letter by regular mail to the last known address advising consumers of the restitution fund. The State of Texas shall disburse any collected

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restitution herein to consumers as it deems advisable and necessary. In the event any portion of this collected restitution judgment is not able to be distributed to consumers of Plaintiff's choosing, within a reasonable time period, such amounts shall revert to Plaintiff, State of Texas, as additional attorney fees.

5. **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Plaintiff, the State of Texas, have judgment in the amount of Two Hundred Thousand and No/100 Dollars ($200,000.00) from and against Defendants Jaswantiben Patel, Rambhai Patel, PIL, L.L.C. and Purshotam Investments, Ltd., jointly and severally, for reimbursement of the State's attorneys' fees, court costs and investigative costs incurred in this case, which sum is for the benefit of the State of Texas, a governmental unit, and which is not compensation for any actual or pecuniary loss and do not constitute an antecedent debt with respect to this litigation.

6. **IT IS FURTHER ORDERED** that **Bancorp South** issue (2) cashier's checks made payable to "STATE OF TEXAS" in the respective amounts of Two Hundred Thousand Dollars ($200,000.00) from the proceeds of Certificate of Deposit No. 972950 [1] standing in the name of Jaswantiben Patel, and Two Hundred Thousand Dollars ($200,000.00) from Certificate of Deposit No. 973187[2] standing in the name of Rambhai Patel upon presentment of a signed copy of this Order. It is also **Ordered** that **Bancorp South** may deduct all reasonable costs of said cashier's check, and any other applicable processing or administrative fees (including penalties for early withdrawal), from the proceeds of Certificates of Deposit Nos. 972950 & 973187 prior to issuing said cashier's

[1] Referred to as Certificate of Deposit No. 972949 in the Agreed Order Modifying Temporary Injunction signed by the court on November 16, 2005.

[2] Referred to as Certificate of Deposit No. 972950 in the Agreed Order Modifying Temporary Injunction signed by the court on November 16, 2005.

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check. It is further **Ordered** that **Bancorp South** shall mail said cashier's check to Scot Clinton, counsel for Plaintiff, at the address of 808 Travis, Suite 300, Houston, Texas 77002.

7. **IT IS FURTHER ORDERED** that once the total sum of $400,000 has been deducted from Certificates of Deposit Nos. 972950 & 973187 and remitted to Plaintiff, State of Texas, pursuant to the terms of this order, said asset freeze on said certificates of deposit shall be completely released for use by the Defendants in this cause. Within ten (10) days of receiving all funds, the Plaintiff shall cause to be filed a dismissal of this action with prejudice with no right to refile.

8. **IT IS FURTHER ORDERED** that all other costs of court expended or incurred in this cause be borne by the party incurring the same.

9. **IT IS FURTHER ORDERED** that Plaintiff the State of Texas, shall have all writs and processes as may be necessary in the enforcement and collection of this judgment.

10. The clerk of the court is hereby directed to issue a Writ of Permanent Injunction to each Defendant and to issue such writs of execution or other process necessary to enforce this Agreed Final Judgment and Permanent Injunction.

11. All relief not expressly granted herein is denied.

SIGNED this 15 day of NOV. 2006.

JUDGE PRESIDING

A TRUE COPY
of the Original hereof, I certify
Sherry Griffis
District Court Clerk
Harrison County, Texas
By
Deputy Clerk

AGREED AS TO BOTH FORM AND CONTENT:

SCOT CLINTON
Assistant Attorney General
Consumer Protection and Public Health Division
808 Travis, Suite 300
Houston, TX 77002
TBN: 24045667
(713)223-5886 ext. 115
(713)223-5821 (facsimile)
Attorney for Plaintiff State of Texas

Collin Maloney
Ireland, Carroll & Kelley, P.C.
6101 South Broadway, Suite 500
Tyler, Texas 75703
TBN: 0794219
(903) 561-1600
(903) 581-1071 (facsimile)
Attorney for Defendants

Defendant Rambhai Patel, individually and on behalf of PIL, L.L.C. and Purshotam Investments, Ltd. dba Quality Inn & Suites

Defendant Jaswantiben Patel

A TRUE AND CORRECT COPY

AGREED AS TO BOTH FORM AND CONTENT:

SCOT CLINTON
Assistant Attorney General
Consumer Protection and Public Health Division
808 Travis, Suite 300
Houston, TX 77002
TBN: 24045667
(713)223-5886 ext. 115
(713)223-5821 (facsimile)
Attorney for Plaintiff State of Texas

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6101 South Broadway, Suite 500
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(903) 561-1600
(903) 581-1071 (facsimile)
Attorney for Defendants

Defendant Rambhai Patel, individually and on behalf of PIL, L.L.C. and Purshotam Investments, Ltd. dba Quality Inn & Suites

Jaswanti Patel
Defendant Jaswantiben Patel

Jaswanti Patel

A TRUE AND CORRECT COPY

Filed
09 September 10 P2:36
Sue Murphy
District Clerk
Austin District

NO. 2009-V-0017

STATE OF TEXAS Plaintiff	§	IN THE DISTRICT COURT OF
v.	§	AUSTIN COUNTY, TEXAS
STARLIGHT INTERNATIONAL, INC. D/B/A RODEWAY INN; HSIANG-TING HUANG; and WEI-CHENG KAO, Defendants.	§	155th JUDICIAL DISTRICT

AGREED FINAL JUDGMENT AND PERMANENT INJUNCTION

1. On this the 14 day of Sept., 2009, came before this court, Plaintiff, STATE OF TEXAS and Defendants, STARLIGHT INTERNATIONAL, INC. doing business as RODEWAY INN; HSIANG-TING HUANG, and WEI-CHENG KAO, in the above entitled and numbered cause. The STATE OF TEXAS, by and through Texas Attorney General GREG ABBOTT, and Defendants, by and through their attorney of record, announce to the Court that all claims, matters of fact, and things in controversy between them have been fully and finally compromised and settled as specified in a Compromise and Settlement Agreement between the parties, and present to the Court this Agreed Final Judgment and Permanent Injunction ("Judgment").

2. By their duly authorized signatures, the parties stipulate to the Court the following: that they understand the terms of this Judgment; that they agree to the terms of this Judgment; that they have waived all rights of appeal from this Judgment; that they actively participated in the negotiations leading up to this Judgment and are aware of the duties placed upon them by it and are desirous and capable of carrying out those duties in full; that they acknowledge receipt of copies of this Judgment and have full and actual notice of the terms of this Judgment; that the issuance and service of a writ of injunction are waived; that the terms of this Judgment are sufficiently detailed and specific to be

enforceable by the Court in conformance with Tex.R.Civ.P. 683; that this Judgment represents a compromise and settlement of all claims and matters arising out of facts alleged by the STATE OF TEXAS in this cause.

3. The parties submit to the jurisdiction of the Court and do not contest the entry of this Judgment.

4. The Attorney General has brought this lawsuit alleging that Defendants took advantage of consumers by improperly offering for sale and selling lodging at exorbitant or excessive prices during the Hurricane Ike disaster and its aftermath in violation of sections 17.46(a) and 17.46(b)(27)(A)&(B) of the Texas Deceptive Trade Practices Act. TEX. BUS. & COM. CODE Chapter 17. The parties, desiring to resolve this lawsuit and avoid further cost, inconvenience and burden associated with contested litigation, have agreed to entry of this Judgment, which is not an admission of liability on any claim or admission of any issue of fact or law by Defendants.

5. It appearing to the Court that all parties agree to the entry of this Judgment and that they have approved its entry by their duly authorized signatures and the signature of their respective attorneys below, the Court, upon the stipulations of the parties and after being fully advised in this matter, finds as follows:

A. THAT it has jurisdiction of the parties and subject matter of this suit;

B. THAT the settlement of this dispute is fair, reasonable, and just; and

C. THAT it would be in the best interests of the parties if the Court approved the settlement and rendered judgment accordingly.

6. Based on these findings, and having heard and considered the representations made by the parties, the Court is of the opinion that a permanent injunction should be issued as granted in this Judgment and the Court orders as follows:

I. DEFINITIONS

7. For purposes of this Judgment, these words are defined as follows:

A. "**The Defendants**" means STARLIGHT INTERNATIONAL, INC. doing business as RODEWAY INN ("Starlight International"), HSIANG-TING HUANG, and WEI-CHENG KAO, their predecessors, successors, assigns, officers, agents, subcontractors, representatives, shareholders, directors, servants, present and former employees, parent entities, affiliates, and subsidiaries.

B. "**The Rodeway Inn**" means the hotel which is located at 2021 Highway 36 South, Sealy, Texas 77474;

C. "**State of Disaster**" shall mean the period of time from September 8, 2008, when Texas Governor Rick Perry issued a proclamation certifying Hurricane Ike as an imminent disaster, to April 5, 2009, when the last proclamation extending the state of disaster expired;

D. "**Declared disaster**" means the Governor of Texas, by executive order or proclamation, declared a state of disaster when the Governor finds a disaster has occurred or that the occurrence or threat of disaster is imminent, pursuant to TEX. GOV'T CODE § 418.011 *et seq.*;

E. "**Disaster**" means the occurrence or imminent threat of widespread or severe damage, injury, or loss of life or property resulting from any natural or man-made cause, including fire, flood, earthquake, wind, storm, wave action, oil spill or other water contamination, volcanic activity, epidemic, air contamination, blight, drought, infestation, explosion, riot, hostile military or paramilitary action, other public calamity requiring emergency action, or energy emergency, pursuant to TEX. GOV'T

CODE § 418.004(1);

F. "Effective date" shall mean the date that this Judgment is signed by the Court;

G. "Consumer" and "Person" means an individual, partnership, corporation, or entity of any kind, including this state, or a subdivision or agency of this state that seeks or acquires, by purchase or lease, any goods or services;

H. "Normal price" means the average price for a specific hotel room or specific type of hotel room as charged over the preceding two months prior to the Governor's disaster declaration issued under Chapter 418 of the TEXAS GOVERNMENT CODE; and

I. "Tax exemption certificate" means the Texas Sales and Use Tax Exemption Certification (Form 01-339(Back)) provided by the Office of the Comptroller. The URL for the form is http://www.window.state.tx.us/taxinfo/taxforms/01-3392.pdf.

II. INJUNCTIVE RELIEF

8. It is hereby ordered, adjudged and decreed that, in the pursuit and conduct of trade or commerce within the STATE OF TEXAS, the Defendants, their officers, agents, servants, employees and attorneys and any other person in active concert or participation with the Defendants who receives actual notice of this order by personal service or otherwise are restrained from the following:

A. Taking advantage of any declared disaster by demanding or charging a price for lodging or other necessities that exceeds the normal price by more than ten percent (10%).

B. Taking advantage of any declared disaster by demanding or charging a higher price for extra guests or children than the price charged for extra guests or children during the two months preceding the declared disaster.

C. Collecting state and local taxes from disaster victims during a declared disaster when such taxes have been waived by the Governor pursuant to Chapter 418 of the Government Code.

D. Failing to obtain tax exemption certificates from disaster evacuees during any time the Governor waives the Hotel Occupancy Tax pursuant to Chapter 418 of the Government Code.

E. Failing to maintain a guest registration system to record the identity and contact information of guests of the hotel or motel including the guests' names, addresses, the length of their stay, and the price charged per day.

F. Altering, destroying or mutilating records ordered to be kept pursuant to Subparagraph D and E, above, for a three year period after a declared disaster, provided the records are not related to a matter that is in litigation. If the records are related to a matter that is in litigation, Defendants duty to preserve records may extend beyond three years after the declared disaster as determined by applicable laws, regulations, rules, or common law of the State of Texas.

III. OTHER RELIEF

9. IT IS FURTHER ORDERED that nothing in this order impacts or restricts Defendants pricing practices during times when there is no declared disaster and Defendants will be permitted to honor reservations for accommodations at the rates which were confirmed or contracted for prior to a declared disaster, even if the reservation is for a date within the period of the declared disaster and the rates exceed the normal price by more than ten percent (10%).

IV. POTENTIAL CONFLICTS OF LAW

10. To the extent that the terms of this Judgment conflict with any Texas, local or federal law or

regulation which now exists or is later enacted or amended, such law and not this Judgment shall apply where such conflict exists. For purposes of this Judgment, a conflict exists if conduct prohibited by this Judgment is required or permitted by such Texas, local, or federal law or regulation, or if such conduct required by this Judgment is prohibited by such Texas, local or federal law or regulation.

V. MISCELLANEOUS

11. **Legal Exposure** – This Judgment is not intended to give any legal rights or remedies of any nature to any third party.

12. **Notices** – All notices required by this Judgment shall be sent by certified or registered mail, return receipt requested, postage prepaid or by hand delivery to:

If to the Attorney General:
Robert A. Lemus
Assistant Attorney General
Office of the Attorney General
808 Travis, Suite 1520
Houston, Texas 77002
Telephone: (713) 223-5886

If to the Defendants:
R. Eric Hagenswold
Scott, Douglass & McConnico, L.L.P.
One American Center
600 Congress Avenue, 15th Floor
Austin, Texas 78701-2589
Telephone: (512) 495-6300

13. **Retention of Jurisdiction** – This Court shall retain jurisdiction over the enforcement of this Judgment.

14. **Final Judgment** – After signing by the Court, this agreement constitutes a final judgment in this matter.

15. Costs of court are adjudged against the party who incurred them.

16. This Judgment disposes of all parties, claims, and issues which were included or could have been included in this lawsuit.

17. Both parties have waived all right to appeal from this Judgment.

18. All relief not expressly granted herein is denied.

SIGNED on 9-14, 2009

PRESIDING JUDGE

AGREED AS TO FORM AND TO SUBSTANCE:

ROBERT A. LEMUS
State Bar No. 24052225
Assistant Attorney General
Office of the Attorney General
808 Travis, Suite 1520
Houston, Texas 77002
Telephone: (713) 223-5886
Facsimile: (713) 223-5821

ATTORNEY FOR THE STATE OF TEXAS

R. ERIC HAGENSWOLD
State Bar No. 03355250
Scott, Douglass & McConnico, L.L.P.
600 Congress Avenue, 15th Floor
Austin, Texas 78701-2589
Telephone: (512) 495-6300
Facsimile: (512) 747-0731

ATTORNEY FOR DEFENDANTS

STARLIGHT INTERNATIONAL, INC.,
Defendant

By: HSIANG-TING HUANG
Director

DISTRICT CLERK
AUSTIN COUNTY, TEXAS

2009 SEP 14 PM 3:20

FILED

HSIANG-TING HUANG,
Defendant

WEI-CHENG KAO,
Defendant

NO. 2007CI14425

STATE OF TEXAS,	§	**IN THE DISTRICT COURT OF**
	§	
and	§	**BEXAR COUNTY, TEXAS**
	§	
THE ST. ANTHONY, A WYNDHAM HISTORICAL HOTEL, AND WYNDHAM INTERNATIONAL, INC.	§	**45th JUDICIAL DISTRICT**
Respondents.	§	

ASSURANCE OF VOLUNTARY COMPLIANCE

The STATE OF TEXAS, acting by and through Attorney General GREG ABBOTT, and Wyndham Hotel Management, Inc. ("WHM"), on behalf of The St. Anthony, a Wyndham Historical Hotel ("St. Anthony"), and Wyndham International, Inc. ("WII") (WHM, St. Anthony and WII collectively, "Respondents") respectfully submit to the Court the following Assurance of Voluntary Compliance ("AVC") in accordance with the Deceptive Trade Practices Act ("DTPA"), TEX. BUS. & COM. CODE ANN. § 17.58.

I.
STATE'S ALLEGATIONS

The Office of the Attorney General alleges that WII and St. Anthony took advantage of consumers by selling lodging at exorbitant or excessive prices in violation of sections 17.46(a) and 17.46(b)(27)(A)&(B) of the DTPA. Specifically, the State alleges that WII and St. Anthony improperly offered for sale and sold lodging at excessive prices to consumers for several days in September 2005 during a Governor-declared disaster referred to as Hurricane Rita.

II.
WHM'S RESPONSE

WHM assumed certain liabilities associated with WII's business as a result of the sale of

certain assets of WII on or about October 11, 2005. WII managed the St. Anthony during September 2005, and WHM had no control of the management of the St. Anthony during September 2005. Neither WHM nor WII serves as the management company for the St. Anthony as of the date of this AVC.

The Respondents specifically deny they violated the Deceptive Trade Practices Act ("DTPA"), TEX. BUS. & COM. CODE ANN. § 17.46(b)(27)(A)&(B) and 17.46(a), or any other Texas law or rule, and further deny all other allegations asserted by the Texas Attorney General in connection with its investigation.

III.
STIPULATIONS

The State and Respondent agree that:

This AVC shall fully resolve any and all claims, causes of action, and allegations which may have arisen out of the investigation by the Consumer Protection Division of the Office of the Attorney General into the business practices of Respondents during the period of Hurricane Rita;

WHM shall institute reasonable practices to provide notice of the applicable terms of this agreement to all agents and employees involved in the sale of hotel accommodations during any natural disaster or calamity declared by the Governor of the State of Texas;

In consideration of the terms of this Assurance, the Office of the Attorney General releases the Released Parties as defined herein, from all claims, complaints, demands, suits, actions or causes of action resulting from acts or omissions which were the subject of the DTPA investigation referred to in paragraph I., above, which occurred on or before the date of the execution of this AVC. This release does not and is not intended, however, to constitute a

waiver of the right of the State of Texas to seek enforcement in a court of competent jurisdiction of WHM's compliance with the terms contained herein;

They do not contest, the entry of this agreement; and

The corporate signatory hereto is a WHM officer who is authorized to enter into this AVC on behalf of WHM and has read the AVC and agrees to entry of same.

IV.
DEFINITIONS

As used in this AVC, the following terms are defined as follows:

A. **"Released Parties"** means Respondents, their predecessors, successors, assigns, officers, agents, subcontractors, representatives, shareholders, directors, servants, present and former employees, parent entities, affiliates, subsidiaries, and any other person or entity in active concert or participation with them;

B. **"The St. Anthony"** shall mean the hotel which is located at 300 East Travis, San Antonio, Texas 78205;

C. **"State of Disaster"** shall mean the period of time from September 20, 2005, when Texas Governor Rick Perry issued a proclamation certifying Hurricane Rita as an imminent disaster, to November 18, 2005, when the second proclamation extending the state of disaster expired;

D. **"Declared disaster"** means the Governor of Texas by executive order or proclamation may declare a state of disaster if the Governor finds a disaster has occurred or that the occurrence or threat of disaster is imminent pursuant to TEXAS GOVERNMENT CODE § 418.014 *et seq.*;

E. **"Disaster"** means the occurrence or imminent threat of widespread or sever damage, injury, or loss of life or property resulting from any natural or man-made cause, including fire, flood, earthquake, wind, storm, wave action, oil spill or other water contamination, volcanic activity, epidemic, air contamination, blight, drought, infestation, explosion, riot, hostile military or paramilitary action, other public calamity requiring emergency action, or energy emergency pursuant to TEXAS GOVERNMENT CODE § 418.004(1);

F. **"Effective Date"** shall mean the date that this AVC is signed by the Court; and

G. **"Consumer" and "Person"** means an individual, partnership, corporation, or entity of any kind, including this state, or a subdivision or agency of this state that seeks or acquires, by purchase or lease, any goods or services.

V.
TERMS OF COMPLIANCE

WHM assures the Office of the Attorney General (and thereby the consumers of Texas) that from the effective date of this AVC, WHM:

A. Subject to subsection B below, WHM shall not charge or demand during a declared disaster in the State of Texas, a price for accommodations at hotel properties it manages in the State of Texas in excess of 10% or greater the average amount charged demanded or offered by the hotel properties for rent for each room type for the 90 day period immediately preceding such disaster;

B. WHM however is permitted to honor reservations for accommodations at the rates confirmed or contracted for prior to a disaster; and

C. Shall not charge sales taxes during a period in which the Governor of the State of Texas has suspended the collection of state and local hotel and motel taxes under GOV. CODE § 418.012, § 418.014, § 418.015, § 418.016 or § 418.020.

VI.
ATTORNEYS' FEES AND RESTITUTION

The State of Texas, through the Office of the Attorney General of Texas, shall have and recover restitution in the amount of Ninety Thousand and No/100 Dollars ($90,000.00) from WHM, to be used in whole or in part, for restoration of money or other property taken from consumers by WII and/or St. Anthony as the State determines appropriate, advisable and necessary. In the event the State is not able to distribute all of this restitution to consumers within one year from the effective date of this AVC, such amounts shall revert to the State, as additional attorney fees.

WHM shall pay said restitution on September 10, 2007, by cashier's check made payable to the State of Texas through the Texas Attorney General, bearing the reference **AG # 052230430**, and deliver it to the attention of Paul Carmona, Chief, Consumer Protection and Public Health Division, Office of the Attorney General, by mail at P.O. Box 12548, Austin, Texas, 78711-2548 or by other delivery at 300 W. 15 th St., WPC Building, Floor 9, Austin, Texas, 78701.

The State of Texas, through the Office of the Attorney General of Texas, shall have and recover attorneys' fees in the amount of One Hundred Thousand and No/100 Dollars ($100,000.00) from WHM for reimbursement of the State's attorneys' fees and investigative costs incurred in this case, which sum is for the benefit of the State of Texas, a governmental

unit, and which is not compensation for any actual or pecuniary loss and do not constitute an antecedent debt with respect to this investigation.

WHM shall pay said State's attorneys' fees and investigative costs on September 10, 2007, by cashier's check made payable to the State of Texas through the Texas Attorney General, bearing the reference **AG # 052230430**, and delivered to the attention of Paul Carmona, Chief, Consumer Protection and Public Health Division, Office of the Attorney General, by mail at P.O. Box 12548, Austin, Texas, 78711-2548 or by other delivery at 300 W. 15th St., WPC Building, Floor 9, Austin, Texas, 78701.

IX.
NOTICE

As set forth in TEX. BUS. COM. CODE § 17.58(c), both the State of Texas and Respondent acknowledge that unless this AVC has been rescinded by agreement of the parties or voided by the Court for good cause, the subsequent failure to comply with the terms of this AVC is *prima facie* evidence of a violation of the Texas Deceptive Trade Practices Act in any action by the State of Texas acting by and through the Office of the Attorney General. Respondents do not waive and hereby expressly reserve all defenses to any claim that any of them have failed to comply with the terms of this AVC. Further, it is agreed and understood that this AVC shall not in any way affect individual rights of action by any consumers.

The State's signature on this AVC does not constitute an approval by the State of any practices of the Respondent and the Respondent agrees not to make any representations to the contrary.

SIGNED this 21 day of Sept, 2007.

JUDGE PRESIDING

AGREED AS TO SUBSTANCE AND FORM AND ENTRY REQUESTED:

GREG ABBOTT
ATTORNEY GENERAL OF TEXAS

KENT C. SULLIVAN
First Assistant Attorney General

JEFF L. ROSE
Deputy First Assistant Attorney General

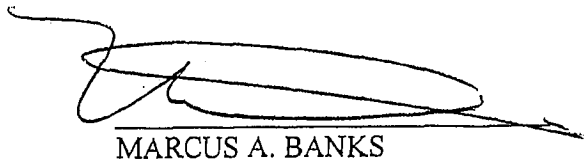
PAUL CARMONA
Chief, Consumer Protection & Public Health Division

JOHN OWENS
Deputy Chief, Consumer Protection Division

JAMES E. CUSTER
SBN 24004605
PEDRO PEREZ JR.
Assistant Attorneys General
Consumer Protection &
Public Health Division
POB 12548
Austin, Texas 78711-2548
Telephone 512-463-2185
Facsimile 512-473-8301
Attorneys for the State



DANIEL P. ELMS
SBN 24002049
Baker & McKenzie LLP,
2300 Trammell Crow Center
2001 Ross Avenue
Dallas, Texas 75201
(214) 978-3033 ph
(214) 978-3099 fax
Attorney for Respondent



MARCUS A. BANKS
Group Vice President - Legal
As Agent for:
Wyndham International, Inc.
Respondent

CERTIFIED COPY CERTIFICATE STATE OF TEXAS
MARGARET G. MONTEMAYOR, BEXAR COUNTY DISTRICT
CLERK, CERTIFY THAT THE FOREGOING IS A
TRUE AND CORRECT COPY OF THE ORIGINAL
RECORD FILED ON 9-21-07
WITNESS MY OFFICIAL HAND AND SEAL OF OFFICE THIS

SEP 2 1 2007

MARGARET G. MONTEMAYOR
BEXAR COUNTY, TEXAS

BY: _____ DEPUTY

Exhibit A-180

OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

CIVIL INVESTIGATIVE DEMAND

TO: Energy Transfer LP
C/o: Corporation Service Company
251 Little Falls Drive
Wilmington, Delaware 19808

via CMRRR: 7020 1810 0000 0711 6611
Return Date: June 1, 2021

Pursuant to this office's specific authority under article IV, section 22 of the Texas Constitution and section 17.61 of the Texas Deceptive Trade Practices – Consumer Protection Act, sections 17.41-.63, Texas Business and Commerce Code ("DTPA"), Energy Transfer Fuel, LP is hereby directed to produce the items listed in Exhibit "A" attached hereto. Such production is governed by the instructions and definitions on this page and subsequent pages.

You are to make available the documentary material described in Exhibit "A" to the undersigned Assistant Attorney General or other authorized agent(s) identified by the Consumer Protection Division ("Division"). This documentary material shall be produced for inspection and copying during normal business hours at your principal office or place of business, or may be sent electronically or by certified mail to the Office of Attorney General, 112 E. Pecan St., Ste 735, San Antonio, Texas 78205 and is due on June 1, 2021. If providing documents electronically, please provide them to Steven Robinson at steven.robinson@oag.texas.gov. **Please contact one of the persons listed below upon receipt in order to discuss the return date and the logistics of producing the requested documents to the Consumer Protection Division.**

Pursuant to this office's specific authority under article IV, section 22 of the Texas Constitution and section 17.61 of the Texas Deceptive Trade Practices – Consumer Protection Act, sections 17.41-.63, Texas Business and Commerce Code, the Division believes that Energy Transfer Fuel, LP may be in possession, custody, or control of documentary material relevant to an investigation of possible violations of DTPA sections 17.46(a) and/or 17.46(b) with respect to the prices of physical natural gas in the State of Texas during the month of February 2021.

TAKE NOTICE THAT pursuant to section 17.62, Texas Business and Commerce Code, any person who attempts to avoid, evade, or prevent compliance, in whole or in part, with this directive by removing, concealing, withholding, destroying, mutilating, altering, or by any other means falsifying any documentary material may be guilty of a misdemeanor and on conviction is punishable by a fine of not more than $5,000.00 or by confinement in the county jail for not more than one year, or both.

ISSUED THIS 11th day of May, 2021.

/s/ Steven Robinson
Steven Robinson
Assistant Attorney General
Consumer Protection Division

Other Authorized Agents:

Stephanie Eberhardt, Assistant Attorney General

CPSE Response in Opp to ET MSJ
Exhibit A-180
MDL-2022-CI-02879
exhibitsticker.com

T: (210) 270-1110 | F: (214) 969-7615
Email: Steven.Robinson@oag.texas.gov

T: (512) 463-1308 / Email: stephanie.eberhardt@oag.texas.gov
Dan Zwart, Assistant Attorney General
T: (713) 225-8921 / Email: dan.zwart@oag.texas.gov
Rozanne Lopez, Investigator
T: (210) 270-1118 / Email: Rozanne.Lopez@oag.texas.gov

Instructions

1. **Read These Instructions/Definitions Carefully.** Your production must comply with these instructions and definitions.

2. **Duty to Preserve Documents**. All documents and/or other data which relate to the subject matter or requests of this Civil Investigative Demand must be preserved. ***Any ongoing, scheduled or other process of document or data destruction involving such documents or data must cease even if it is your normal or routine course of business for you to delete or destroy such documents or data and even if you believe such documents or data are protected from discovery by privilege or otherwise.*** Failure to preserve such documents or data may result in legal action and may be regarded as spoliation of evidence under applicable law.

3. **Relevant Time Period**. Unless otherwise noted, the requests in this Civil Investigative Demand require production of documents from February 1, 2021, to February 26, 2021.

4. **Custody and Control.** In responding to this Civil Investigative Demand, you are required to produce not only all requested documents in your physical possession, but also all requested documents within your custody and control. A document is in your custody and control if it is the possession of another person and you have a right to possess that document that is equal or superior to that other person's right of possession. On the rare occasion that you cannot obtain the document, you must provide an explanation as to why you cannot obtain the document which includes the following information:

   a. The name of each author, sender, creator, and initiator of such document;

   b. the name of each recipient, addressee, or party for whom such document was intended;

   c. the date the document was created;

   d. the date(s) the document was in use;

   e. a detailed description of the content of the document;

   f. the reason it is no longer in your possession, custody or control; and

   g. the document's present whereabouts.

   If the document is no longer in existence, in addition to providing the information indicated above, state on whose instructions the document was destroyed or otherwise disposed of, and the date and manner of the destruction or disposal.

5. **Non-identical Copies to be Produced.** Any copy of a document that differs in any manner, including but not limited to the presence of handwritten notations, different senders or recipients, etc. must be produced.

6. **No Redaction**. All materials or documents produced in response to this Civil Investigative Demand shall be produced in complete unabridged, unedited and unredacted form, even if portions may contain information not explicitly requested, or might include interim or final editions of a document.

7. **Document Organization**. Each document and other tangible thing produced shall be clearly designated as to which request, and each sub-part of a request, that it satisfies. The documents produced shall be identified and segregated to correspond with the number and subsection of the request.

8. **Production of Documents.** You may submit photocopies (with color photocopies where necessary to interpret the document) in lieu of original hard-copy documents if the photocopies provided are true, correct and complete copies of the original documents. If the requested information is electronically stored information, it shall be produced in electronic form. Electronically stored information shall be produced with the accompanying metadata, codes and programs necessary for translating it into usable form, or the information shall be produced in a finished usable form. For any questions related to the production of documents you may consult with the Office of the Attorney General representatives above.

Definitions

1. **"You," "your," "the business,"** and **"Energy Transfer LP"** means the entity named on page one of this Civil Investigative Demand and includes its past and present officers, employees, agents and representatives, parents and predecessors, divisions, subsidiaries, affiliates, partnerships and joint ventures, and all persons and entities acting or purporting to act under the guidance or on behalf of any of the above. The terms "subsidiary," "affiliate," and "joint venture" refer to any firm in which there is total or partial ownership (25 percent or more) or control between the company and any other person or entity.

2. **"Document"** means the original and all non-identical copies (whether different from the original because of notes, underlining, attachments, or otherwise) of all computer files, and all written, printed, graphic or recorded material of every kind, regardless of authorship. It includes communications in words, symbols, pictures, photographs, sounds, films, and tapes, as well as electronically stored information, computer files, together with all codes and/or programming instructions and other materials necessary to understand and use such systems.

3. **"Communication"** is to be broadly construed and includes but is not limited to e-mails, notes, faxes, memos, text messages, social media posts, letters, notes of conversations and meetings and recordings of conversations and meetings, whether in text or audio form.

4. **"Identify"** for an individual means providing the individual's name and all contact information. For an entity it means providing the entity's name and all contact information. For any other tangible thing it means providing a reasonably detailed description of the item and all contact information for the custodian or person who has possession, custody or control thereof.

5. **"Including"** means including, but not limited to.

6. **"Person"** includes you and means any entity or natural person.

7. **"Any"** means any and all.

8. **"Relate**," **"related**," and **"relating"** mean being in any way legally, logically, or factually connected with the subject matter of the request at issue.

9. The words **"and"** and **"or"** shall be construed either conjunctively or disjunctively as required by the context to bring within the scope of the request, any document(s) that might be deemed outside its scope by another construction.

10. Unless the context otherwise clearly indicates, words used in the singular include the plural, the plural includes the singular, and the neuter gender includes the masculine and the feminine.

11. "**Physical Fixed Price Spot Transaction"** means a purchase or sale of physical natural gas delivered firm at a specified location for a pre-determined fixed price involving any of the following: (1) a buyer in Texas, (2) a seller in Texas, (3) the sale of physical natural gas in Texas, or (4) the delivery of physical natural gas to an entity in Texas.

EXHIBIT A: DOCUMENTS TO BE PRODUCED

1. For all natural gas You offered for sale as Physical Fixed Price Spot Transactions during the Relevant Time Period, documentation sufficient to show whether and when You obtained title to said gas, as well as the price You paid for said gas.

2. Documents sufficient to identify increases in Your costs unique to the Relevant Time Period which factored into your sales prices per MMBTU increasing, including any changes in delivery charges and processing charges You incurred. This request includes communications relating to natural gas plants and producers temporarily ceasing output or deliveries during the Relevant Time Period.

3. All settlement statements and account statements received from Intercontinental Exchange, Inc. pertaining to natural gas sales occurring as Physical Fixed Price Spot Transactions during the Relevant Time Period.

4. All internal routine reporting (including daily or weekly reports to management) showing gross or net margin, or otherwise showing profitability of natural gas You sold as Physical Fixed Price Spot Transactions during the Relevant Time Period.

5. All contracts and agreements governing purchases or sales of physical natural gas occurring during the Relevant Time Period. This request includes contracts generally referred to as "Base Contract[s] for Sale and Purchase of Natural Gas" or "NAESB" contracts.

6. All transactions summaries, account statements, and trade confirmations for transactions governed by the contracts requested in Request No. 5.

7. All external communications pertaining to the price level and volume at which You offered or sold physical natural gas during the Relevant Time Period. This request includes invoices and billing statements transmitted to entities purchasing physical natural gas from You.

8. All non-privileged internal communications relevant to the determination of the price level and volume at which You offered physical natural gas for sale during the Relevant Time Period.

Exhibit A-181

OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

CPSE Response in Opp to ET MSJ
Exhibit A-181
MDL-2022-CI-02879
exhibitsticker.com

CIVIL INVESTIGATIVE DEMAND

TO: Energy Transfer Fuel, LP
C/o: Corporation Service Company d/b/a
CSC-Lawyers Incorporating Service Company
211 E. 7th Street, Suite 620
Austin, Texas 78701

via CMRRR: 7020 1810 0000 0711 6543
Return Date: June 1, 2021

Energy Transfer Fuel, LP
C/o: Corporation Service Company
251 Little Falls Drive
Wilmington, DE 19808

via CMRRR: 7020 1810 0000 0711 6550
Return Date: June 1, 2021

Pursuant to this office's specific authority under article IV, section 22 of the Texas Constitution and section 17.61 of the Texas Deceptive Trade Practices – Consumer Protection Act, sections 17.41-.63, Texas Business and Commerce Code ("DTPA"), Energy Transfer Fuel, LP is hereby directed to produce the items listed in Exhibit "A" attached hereto. Such production is governed by the instructions and definitions on this page and subsequent pages.

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TAKE NOTICE THAT pursuant to section 17.62, Texas Business and Commerce Code, any person who attempts to avoid, evade, or prevent compliance, in whole or in part, with this directive by removing, concealing, withholding, destroying, mutilating, altering, or by any other means falsifying any documentary material may be guilty of a misdemeanor and on conviction is punishable by a fine of not more than $5,000.00 or by confinement in the county jail for not more than one year, or both.

ISSUED THIS 11th day of May, 2021.

/s/ Steven Robinson

Steven Robinson
Assistant Attorney General
Consumer Protection Division
T: (210) 270-1110 | F: (214) 969-7615
Email: Steven.Robinson@oag.texas.gov

Other Authorized Agents:

Stephanie Eberhardt, Assistant Attorney General
T: (512) 463-1308 / Email: stephanie.eberhardt@oag.texas.gov
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T: (713) 225-8921 / Email: dan.zwart@oag.texas.gov
Rozanne Lopez, Investigator
T: (210) 270-1118 / Email: Rozanne.Lopez@oag.texas.gov

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   b. the name of each recipient, addressee, or party for whom such document was intended;

   c. the date the document was created;

   d. the date(s) the document was in use;

   e. a detailed description of the content of the document;

   f. the reason it is no longer in your possession, custody or control; and

   g. the document's present whereabouts.

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5. **Non-identical Copies to be Produced.** Any copy of a document that differs in any manner, including but not limited to the presence of handwritten notations, different senders or recipients, etc. must be produced.

6. **No Redaction**. All materials or documents produced in response to this Civil Investigative Demand shall be produced in complete unabridged, unedited and unredacted form, even if portions may contain information not explicitly requested, or might include interim or final editions of a document.

7. **Document Organization**. Each document and other tangible thing produced shall be clearly designated as to which request, and each sub-part of a request, that it satisfies. The documents produced shall be identified and segregated to correspond with the number and subsection of the request.

8. **Production of Documents.** You may submit photocopies (with color photocopies where necessary to interpret the document) in lieu of original hard-copy documents if the photocopies provided are true, correct and complete copies of the original documents. If the requested information is electronically stored information, it shall be produced in electronic form. Electronically stored information shall be produced with the accompanying metadata, codes and programs necessary for translating it into usable form, or the information shall be produced in a finished usable form. For any questions related to the production of documents you may consult with the Office of the Attorney General representatives above.

Definitions

1. **"You," "your," "the business,"** and **"Energy Transfer Fuel, LP"** means the entity named on page one of this Civil Investigative Demand and includes its past and present officers, employees, agents and representatives, parents and predecessors, divisions, subsidiaries, affiliates, partnerships and joint ventures, and all persons and entities acting or purporting to act under the guidance or on behalf of any of the above. The terms "subsidiary," "affiliate," and "joint venture" refer to any firm in which there is total or partial ownership (25 percent or more) or control between the company and any other person or entity.

2. **"Document"** means the original and all non-identical copies (whether different from the original because of notes, underlining, attachments, or otherwise) of all computer files, and all written, printed, graphic or recorded material of every kind, regardless of authorship. It includes communications in words, symbols, pictures, photographs, sounds, films, and tapes, as well as electronically stored information, computer files, together with all codes and/or programming instructions and other materials necessary to understand and use such systems.

3. **"Communication"** is to be broadly construed and includes but is not limited to e-mails, notes, faxes, memos, text messages, social media posts, letters, notes of conversations and meetings and recordings of conversations and meetings, whether in text or audio form.

4. **"Identify"** for an individual means providing the individual's name and all contact information. For an entity it means providing the entity's name and all contact information. For any other tangible thing it means providing a reasonably detailed description of the item and all contact information for the custodian or person who has possession, custody or control thereof.

5. **"Including"** means including, but not limited to.

6. **"Person"** includes you and means any entity or natural person.

7. **"Any"** means any and all.

8. **"Relate**," **"related**," and **"relating"** mean being in any way legally, logically, or factually connected with the subject matter of the request at issue.

9. The words **"and"** and **"or"** shall be construed either conjunctively or disjunctively as required by the context to bring within the scope of the request, any document(s) that might be deemed outside its scope by another construction.

10. Unless the context otherwise clearly indicates, words used in the singular include the plural, the plural includes the singular, and the neuter gender includes the masculine and the feminine.

11. "**Physical Fixed Price Spot Transaction"** means a purchase or sale of physical natural gas delivered firm at a specified location for a pre-determined fixed price involving any of the following: (1) a buyer in Texas, (2) a seller in Texas, (3) the sale of physical natural gas in Texas, or (4) the delivery of physical natural gas to an entity in Texas.

EXHIBIT A: DOCUMENTS TO BE PRODUCED

1. For all natural gas You offered for sale as Physical Fixed Price Spot Transactions during the Relevant Time Period, documentation sufficient to show whether and when You obtained title to said gas, as well as the price You paid for said gas.

2. Documents sufficient to identify increases in Your costs unique to the Relevant Time Period which factored into your sales prices per MMBTU increasing, including any changes in delivery charges and processing charges You incurred. This request includes communications relating to natural gas plants and producers temporarily ceasing output or deliveries during the Relevant Time Period.

3. All settlement statements and account statements received from Intercontinental Exchange, Inc. pertaining to natural gas sales occurring as Physical Fixed Price Spot Transactions during the Relevant Time Period.

4. All internal routine reporting (including daily or weekly reports to management) showing gross or net margin, or otherwise showing profitability of natural gas You sold as Physical Fixed Price Spot Transactions during the Relevant Time Period.

5. All contracts and agreements governing purchases or sales of physical natural gas occurring during the Relevant Time Period. This request includes contracts generally referred to as "Base Contract[s] for Sale and Purchase of Natural Gas" or "NAESB" contracts.

6. All transactions summaries, account statements, and trade confirmations for transactions governed by the contracts requested in Request No. 5.

7. All external communications pertaining to the price level and volume at which You offered or sold physical natural gas during the Relevant Time Period. This request includes invoices and billing statements transmitted to entities purchasing physical natural gas from You.

8. All non-privileged internal communications relevant to the determination of the price level and volume at which You offered physical natural gas for sale during the Relevant Time Period.

Exhibit A-182

OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

CIVIL INVESTIGATIVE DEMAND

TO: Oasis Pipeline, LP
C/o: Corporation Service Company d/b/a
CSC-Lawyers Incorporating Service Company
211 E. 7th Street, Suite 620
Austin, Texas 78701

via CMRRR: 7020 1810 0000 0711 6598
Return Date: June 1, 2021

Pursuant to this office's specific authority under article IV, section 22 of the Texas Constitution and section 17.61 of the Texas Deceptive Trade Practices – Consumer Protection Act, sections 17.41-.63, Texas Business and Commerce Code ("DTPA"), Energy Transfer Fuel, LP is hereby directed to produce the items listed in Exhibit "A" attached hereto. Such production is governed by the instructions and definitions on this page and subsequent pages.

You are to make available the documentary material described in Exhibit "A" to the undersigned Assistant Attorney General or other authorized agent(s) identified by the Consumer Protection Division ("Division"). This documentary material shall be produced for inspection and copying during normal business hours at your principal office or place of business, or may be sent electronically or by certified mail to the Office of Attorney General, 112 E. Pecan St., Ste 735, San Antonio, Texas 78205 and is due on June 1, 2021. If providing documents electronically, please provide them to Steven Robinson at steven.robinson@oag.texas.gov. **Please contact one of the persons listed below upon receipt in order to discuss the return date and the logistics of producing the requested documents to the Consumer Protection Division.**

Pursuant to this office's specific authority under article IV, section 22 of the Texas Constitution and section 17.61 of the Texas Deceptive Trade Practices – Consumer Protection Act, sections 17.41-.63, Texas Business and Commerce Code, the Division believes that Energy Transfer Fuel, LP may be in possession, custody, or control of documentary material relevant to an investigation of possible violations of DTPA sections 17.46(a) and/or 17.46(b) with respect to the prices of physical natural gas in the State of Texas during the month of February 2021.

TAKE NOTICE THAT pursuant to section 17.62, Texas Business and Commerce Code, any person who attempts to avoid, evade, or prevent compliance, in whole or in part, with this directive by removing, concealing, withholding, destroying, mutilating, altering, or by any other means falsifying any documentary material may be guilty of a misdemeanor and on conviction is punishable by a fine of not more than $5,000.00 or by confinement in the county jail for not more than one year, or both.

ISSUED THIS 11th day of May, 2021.

/s/ Steven Robinson
Steven Robinson
Assistant Attorney General

Other Authorized Agents:

CPSE Response in Opp to ET MSJ
Exhibit A-182
MDL-2022-CI-02879
exhibitsticker.com

Consumer Protection Division
T: (210) 270-1110 | F: (214) 969-7615
Email: Steven.Robinson@oag.texas.gov

Stephanie Eberhardt, Assistant Attorney General
T: (512) 463-1308 / Email: stephanie.eberhardt@oag.texas.gov
Dan Zwart, Assistant Attorney General
T: (713) 225-8921 / Email: dan.zwart@oag.texas.gov
Rozanne Lopez, Investigator
T: (210) 270-1118 / Email: Rozanne.Lopez@oag.texas.gov

Instructions

1. **Read These Instructions/Definitions Carefully.** Your production must comply with these instructions and definitions.

2. **Duty to Preserve Documents**. All documents and/or other data which relate to the subject matter or requests of this Civil Investigative Demand must be preserved. ***Any ongoing, scheduled or other process of document or data destruction involving such documents or data must cease even if it is your normal or routine course of business for you to delete or destroy such documents or data and even if you believe such documents or data are protected from discovery by privilege or otherwise.*** Failure to preserve such documents or data may result in legal action and may be regarded as spoliation of evidence under applicable law.

3. **Relevant Time Period**. Unless otherwise noted, the requests in this Civil Investigative Demand require production of documents from February 1, 2021, to February 26, 2021.

4. **Custody and Control.** In responding to this Civil Investigative Demand, you are required to produce not only all requested documents in your physical possession, but also all requested documents within your custody and control. A document is in your custody and control if it is the possession of another person and you have a right to possess that document that is equal or superior to that other person's right of possession. On the rare occasion that you cannot obtain the document, you must provide an explanation as to why you cannot obtain the document which includes the following information:

   a. The name of each author, sender, creator, and initiator of such document;

   b. the name of each recipient, addressee, or party for whom such document was intended;

   c. the date the document was created;

   d. the date(s) the document was in use;

   e. a detailed description of the content of the document;

   f. the reason it is no longer in your possession, custody or control; and

   g. the document's present whereabouts.

   If the document is no longer in existence, in addition to providing the information indicated above, state on whose instructions the document was destroyed or otherwise disposed of, and the date and manner of the destruction or disposal.

5. **Non-identical Copies to be Produced.** Any copy of a document that differs in any manner, including but not limited to the presence of handwritten notations, different senders or recipients, etc. must be produced.

6. **No Redaction**. All materials or documents produced in response to this Civil Investigative Demand shall be produced in complete unabridged, unedited and unredacted form, even if portions may contain information not explicitly requested, or might include interim or final editions of a document.

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8. All non-privileged internal communications relevant to the determination of the price level and volume at which You offered physical natural gas for sale during the Relevant Time Period.

Exhibit B

MDL Master File No. 2022 CI 02879

In Re CPS Energy Gas Supplier Litigation	§	In the District Court of
	§	Bexar County, Texas
	§	407th Judicial District

Cause No. 2021 CI 05138

CPS Energy, Plaintiff–Counter-defendant,	§	In the District Court of
v.	§	Bexar County, Texas
Houston Pipe Line Company, LP and **Oasis Pipeline, LP**, Defendants–Counterclaimants.	§	407th Judicial District

AFFIDAVIT OF BRUCE BORDOVSKY

STATE OF TEXAS §
§
COUNTY OF BEXAR §

BEFORE ME, the undersigned authority, personally appeared Bruce Bordovsky, who, after being by me duly sworn, deposed as follows:

1. My name is Bruce Bordovsky. I am of sound mind, and am capable of making this affidavit and am personally acquainted with the facts stated herein.

2. In February 2021, I was a natural gas trader at CPS Energy. My current title is Gas Acquisitions and Scheduling Manager. I am familiar with the pipelines that interconnect with various receipt and delivery points on CPS Energy's system by virtue of my duties and responsibilities as a

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gas trader. I am also familiar with the manner in which CPS Energy purchased gas in February 2021, and the creation of documents related to CPS Energy's purchase of gas.

3. In February 2021, CPS Energy had transportation contracts in place with three different pipeline companies: Energy Transfer (via Houston Pipeline "HPL" and Oasis Pipeline "Oasis"), Enterprise Texas Pipeline LLC, and TPL SouthTex Transmission Company LP (an affiliate of Targa).

4. CPS Energy's transportation contracts with each of these companies focused on receipt points in different geographic areas. Specifically, CPS Energy's transportation agreements with HPL and Oasis allowed CPS Energy to transport gas primarily from points in the Katy and Houston Ship Channel areas of southeast Texas, with small volumes from points in South Texas as well. The agreements with Enterprise Texas Pipeline allowed CPS Energy to transport gas from West Texas (e.g., from the Waha hub) and trading points in South Texas (such as South Texas Map). And the agreement with Targa permitted CPS Energy to transport gas from the tailgate of Targa's Silver Oak (also known as Teak) processing plant in South Texas.

5. CPS Energy purchases gas at two basic types of sale points: (1) trading points and (2) the gates or inlets of CPS Energy's own natural gas system or power plants.

6. In addition to buying at various trading points and then using transportation contracts to deliver it to CPS Energy's delivery points, CPS Energy can also purchase delivered gas sold at one of its actual delivery points—such as North Gate, South Gate, or Rio Nogales—thereby eliminating the need to transport that gas.

7. The Oasis Northgate, Karnes County, and Rio Nogales delivery points are not available sale points for most gas suppliers; instead, only the pipelines that interconnect with those delivery points can offer delivered gas there.

8. In February 2021, the only gas pipelines that could supply the Rio Nogales power plant were the Guadalupe Pipeline owned and operated by DCP Midstream ("DCP"), and HPL and Oasis, both operated by Energy Transfer. Thus, if CPS Energy needed to purchase delivered gas at

Rio Nogales in February 2021, its only two options were to purchase it from Energy Transfer or DCP.

9. In February 2021, the only two pipelines that could supply gas to CPS Energy's Southgate pipeline in Karnes County were HPL and Targa's TPL SouthTex pipeline. Thus, if CPS Energy needed to purchase delivered gas at Southgate in Karnes County, its only two options were to purchase it from Energy Transfer or Targa.

10. Therefore, if either DCP or Targa could not sell CPS Energy delivered gas on a particular day due to limited supply or operational problems, CPS Energy's only option for delivered gas at Southgate in Karnes County and Rio Nogales would be Energy Transfer.

11. In February 2021, the only pipeline that could supply gas at the Oasis Northgate delivery point was Oasis. Accordingly, CPS Energy's only option for delivered gas at Oasis Northgate was Energy Transfer.

12. Attached as **Exhibit 1** is spreadsheet that Ken Skaer and I used in February 2021 to track CPS Energy's daily gas purchases, stamped CPSE-MDL_000001016. Each numbered tab corresponds to a specific gas day and reflects the natural gas deals CPS Energy entered into for gas on that particular day. Our practice was to update the spreadsheet as we traded to reflect CPS Energy's daily gas purchases.

13. I am familiar with the manner in which the daily gas purchases spreadsheet at **Exhibit 1** was created and maintained by virtue of my duties and responsibilities as a CPS Energy natural gas trader. I am qualified to attest that **Exhibit 1** was made as part of CPS Energy's regularly conducted business activity.

14. **Exhibit 1** was made at or near the time of each act, event, or condition set forth in it.

15. **Exhibit 1** was made by, or from information transmitted by, persons with knowledge of the matters set forth in it.

16. **Exhibit 1** was kept in the course of a regularly conducted business activity.

17. It is CPS Energy's regular practice to make **Exhibit 1**.

18. Attached as **Exhibit 2** is a document stamped CPSE-MDL_000010339–000010357 that truly and accurately reflects a text message exchange dated February 15, 2021, between me, Kevin Pollo, Keith Albers, Mike Hale, Ken Skaer, and Paul Vinson.

19. Attached as **Exhibit 3** is a document stamped CPSE-MDL_000010372–000010378 that truly and accurately reflects a text message exchange dated February 14, 2021, between me, Amber Irving, Ken Skaer, and Paul Vinson.

20. Attached as **Exhibit 4** is a document stamped CPSE-MDL_000010380–000010383 that truly and accurately reflects a text message exchange dated February 15, 2021, between me, Amber Irving, Ken Skaer, and Paul Vinson.

21. Attached as **Exhibit 5** is a document stamped CPSE-MDL_000010809–000010826 that truly and accurately reflects a text message exchange dated February 15, 2021, between me, Kevin Pollo, Keith Albers, Mike Hale, Ken Skaer, and Paul Vinson.

Affiant says no further.

Bruce Bordovsky

Subscribed and sworn to me on this 1st of March 2024.

Notary Public – State of Texas

NORMA PATRICIA VILLARREAL
Notary Public-State of Texas
Notary ID #12510878-3
Commission Exp. OCT. 21, 2025
Notary without Bond

Exhibit B-1

Sealed

Exhibit B-2

Sealed

Exhibit B-3

2/14/2021 8:44 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : Good morning. No cuts yesterday and only ended with 3,512 cut for the 12th.

2/14/2021 8:44 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Ken Skaer <+12105694059> : Liked â€œGood morning. No cuts yesterday and only ended with 3,512 cut for the 12th.â€

2/14/2021 8:44 AM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : Great...thanks for update

2/14/2021 8:45 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : Still dealing with this one mismatch package from Macquarie for 5k, otherwise no cuts thus far for today.

2/14/2021 8:48 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : Thanks for the update!

2/14/2021 9:00 AM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : If it comes to it, we could move some of our HPL Karnes gas away from there and send some to Storage

---

2/14/2021 9:00 AM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : If need be

2/14/2021 9:27 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

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Exhibit B-3
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Ken Skaer <+12105694059> : Jonathan Ochoa @ ETC said he sold some same day gas at $200 today

---

2/14/2021 9:28 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Ken Skaer <+12105694059> : But heâ€™s saying he has lots of gas to sell if we need it di who knows what heâ€™d really sell?

2/14/2021 9:28 AM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : Brian at Conoco is asking about SoTx map needs for today

---

2/14/2021 9:29 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Ken Skaer <+12105694059> : I imagine they are just as motivated to sell as people are needing gas

---

2/14/2021 9:30 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Ken Skaer <+12105694059> : Now Jonathan is offering $125 same day today BP told me yesterday that he will have gas to sell today, so obviously that will be our first option if we want gas

---

2/14/2021 10:23 AM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : DCP is hitting me up about freeze offs

---

2/14/2021 10:24 AM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : They are asking if we are able to curtail or replace their gas

---

2/14/2021 10:26 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : Iâ€™m on a call

2/14/2021 10:26 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : We need the gas

2/14/2021 10:26 AM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : Told him that weâ€™d like to keep going with whatever they can give us

---

2/14/2021 10:27 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : Letâ€™s add Kevin to the text

2/14/2021 10:28 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : Is DCP just checking?

2/14/2021 12:48 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : One of Dianeâ€™s coworkers lives in Kerrville...power out since 11pm last night...being told that it could be out two days

---

2/14/2021 12:48 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : Wooow

2/14/2021 12:55 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Ken Skaer <+12105694059> : Iâ€™m covered with a Costco special!

<<SEE ATTACHMENT>>

2/14/2021 12:56 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : ðŸ'ðŸ»

2/14/2021 12:56 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : Haha

2/14/2021 1:16 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : ID1 cuts still pretty low. 2,145 at enterprise and 4,027 at hpl.

2/14/2021 1:16 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : Great

2/14/2021 4:50 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : Hey Bruce, the power folks are using a $186 Wacog for the dispatch price. Is that the right number?

2/14/2021 4:51 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : They are burning gas that we do not have. I never gave them anything but $225

2/14/2021 4:52 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : Ok, what would be the correct wacog?

2/14/2021 4:52 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul

Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : I know that Mike had talked about trying to use a lower price to get some of those units off the bottom this morning

---

2/14/2021 4:53 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : I think they changed it when AVR tripped.

2/14/2021 4:53 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : If we use the Blended wacog price of what we actually bought, itâ€™s $172.

2/14/2021 4:54 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : Iâ€™m on the executive call

2/14/2021 4:54 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : Iâ€™ll call when I get off

2/14/2021 4:55 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : Not sure how to answer the dispatch price question without more info.

2/14/2021 4:56 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : Yes, understand

2/14/2021 5:41 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Ken Skaer <+12105694059> : BP is concerned about their 9800 Teak sale to us for the weekend. They think it will be ok today, but Monday and Tuesday may be questionable.

We have 72,400 total coming from Teak.

2/14/2021 5:42 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : I just sent a split change for BP to TPL. Hopefully that will help for today.

2/14/2021 5:43 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Ken Skaer <+12105694059> : Liked â€œI just sent a split change for BP to TPL. Hopefully that will help for today.â€

2/14/2021 11:25 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : Just got the following from Keith Rio just lost ct3 DCP also cut gas for RIO

2/14/2021 11:28 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : Oh boy

2/14/2021 11:32 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : Looks like itâ€™s starting

2/14/2021 11:34 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : Last HPL cuts reports still show only same 5k package that it has been showing all along

---

2/14/2021 11:34 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : Looks like enterprise is having pressure problems at LCP

2/14/2021 11:34 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : That was changed during final cycle. Hopefully will flow now.

2/14/2021 11:36 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : I see the Cts reduction...looks like 45mw cut to 42 mw

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2/14/2021 11:39 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : 10k Macquarie (diff package) and 14,300 Cima have been cut final cycle.

Exhibit B-4

2/15/2021 12:00 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : I talked to DCP. Give me a call Bruce after you talk to HPL

2/15/2021 6:44 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Ken Skaer <+12105694059> : FYI my electricity has been out

2/15/2021 6:45 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Ken Skaer <+12105694059> : And still is

2/15/2021 7:12 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : Mine doesnâ€™t look to have shut off yet.

2/15/2021 10:01 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Paul Vinson <+12108271542> : Any word from DCP?

2/15/2021 10:04 AM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : No updates from DCP

2/15/2021 10:05 AM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : Just got off call with Jennifer Merritt

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2/15/2021 10:05 AM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : Switching to the chat with Kevin included

CPSE Response in Opp to ET MSJ
Exhibit B-4
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2/15/2021 11:44 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : ID1 cut update hpl: currently cut 49,950.

2/15/2021 11:45 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : Of that 25,000 will not be coming back.

2/15/2021 11:45 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : (EOG and CIMA)

2/15/2021 11:59 AM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : ID1 oasis update: delivery qty has been made whole (49,750) even with the Rec volume being cut to 29,962.

2/15/2021 12:01 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : That no cut on delivery side might be because no notice swing is $500/mmbtu

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2/15/2021 12:04 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : Per Macquarie, â€œKaty O is a mess right now per ETC. My traders are aware of whatâ€™s going on.â€

2/15/2021 12:06 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : Thatâ€™s where the bulk of our HPL cuts are.

2/15/2021 12:16 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul

Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : ID1 cut update enterprise: 252,833 cut so far of our 354,500.

2/15/2021 12:20 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : All packages scheduled with PHP contracts are zero and I showing on the Pool balance report that theyâ€™re no longer nominated. Trying to get answers on that. That represents 113,500 of the cuts.

2/15/2021 12:20 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : BP is working to get their 31,800 back online at oasis waha.

2/15/2021 12:27 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : 65,150 of Hub gas cut at my last refresh, including 12,950 of the prepay. Looking to whether any of that will come back.

2/15/2021 12:28 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : 41,692 cut at wtx map. Likely to not come back.

2/15/2021 1:25 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : Just got word that compression is coming back up for hub so at least some of that gas will be put back on.

2/15/2021 1:25 PM +12102752394 _$!<Other>!$_;+12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

$! <Other!$+12102752394> : Man...moving target!

2/15/2021 3:35 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : 72,400 Teak is going to be zero for today.

2/15/2021 3:35 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : Unless thereâ€™s a miracle.

2/15/2021 3:38 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : As it stands now, we have 319,532 flowing of the 740,900 purchased.

2/15/2021 5:03 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : Just got word that if any supply flows on teak, CPS energy will be the last to be cut and should get that supply.

2/15/2021 5:03 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Amber Irving <+12104265327> : BP sent an intraday nom change just in case that miracle happens.

2/15/2021 5:24 PM +12102752394 _$!<Other>!$_ (owner);+12104265327 Amber Irving;+12105694059 Ken Skaer;+12108271542 Paul Vinson;12102752394;babordovsky@cpsenergy.com _$!<Other>!$_ (owner)

Ken Skaer <+12105694059> : Liked â€œJust got word that if any supply flows on teak, CPS energy will be the last to be cut and should get that supply. â€

Exhibit B-5

Sealed

Exhibit C

MDL Master File No. 2022 CI 02879

	§	In the District Court of
	§	
In Re CPS Energy Gas Supplier Litigation	§	Bexar County, Texas
	§	
	§	407th Judicial District

Cause No. 2021 CI 05138

CPS Energy,	§	In the District Court of
Plaintiff–Counter-defendant,	§	
	§	
v.	§	Bexar County, Texas
	§	
Houston Pipe Line Company, LP and	§	
Oasis Pipeline, LP,	§	
Defendants–Counterclaimants.	§	407th Judicial District

AFFIDAVIT OF BUSINESS RECORDS

STATE OF TEXAS §
§
COUNTY OF BEXAR §

BEFORE ME, the undersigned authority, personally appeared Amber Irving, who, after being by me duly sworn, deposed as follows:

1. My name is Amber Irving. I am of sound mind, and am capable of making this affidavit and am personally acquainted with the facts stated herein.

2. In February 2021, I was CPS Energy's senior natural gas scheduler. In that role, I coordinated with the pipelines as well as natural gas suppliers to handle the logistics of getting the gas CPS Energy purchased into its system, which included nominating and scheduling natural gas (i.e., confirming the gas is set up to flow on the date for which CPS Energy purchased it) and

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Exhibit C
MDL-2022-CI-02879
exhibitsticker.com

tracking any cuts to supply. I am familiar with the manner in which CPS Energy's records are created and maintained by virtue of my duties and responsibilities.

3. Attached as **Exhibit 1** is CPS Energy's February 2021 Gas Transactions spreadsheet, stamped as CPSE-MDL_000026240. In my role as CPS Energy's lead natural gas scheduler, I would update the "Sched Qty" column in the "Transaction Data" worksheet to reflect any cuts to the volume of gas CPS Energy had nominated for that day from each supplier. **Exhibit 1** is the most up-to-date version the February 2021 Gas Transactions spreadsheet.

4. I am familiar with the manner in which the February 2021 Gas Transactions spreadsheet at **Exhibit 1** was created and maintained by virtue of my duties and responsibilities at CPS Energy. I am qualified to attest that **Exhibit 1** was made as part of CPS Energy's regularly conducted business activity.

5. **Exhibit 1** was made at or near the time of each act, event, or condition set forth in it.

6. **Exhibit 1** was made by, or from information transmitted by, persons with knowledge of the matters set forth in it.

7. **Exhibit 1** was kept in the course of a regularly conducted business activity.

8. It is CPS Energy's regular practice to make **Exhibit 1**.

Affiant says no further.

Amber Irving

Subscribed and sworn to me on this 1 of March 2024.

NORMA PATRICIA VILLARREAL
Notary Public-State of Texas
Notary ID #12510878-3
Commission Exp. OCT. 21, 2025
Notary without Bond

Notary Public – State of Texas

Exhibit C-1

Sealed

Exhibit D

MDL Master File No. 2022 CI 02879

In Re CPS Energy Gas Supplier Litigation	§	In the District Court of
	§	
	§	Bexar County, Texas
	§	
	§	407th Judicial District

DECLARATION OF PATRICK BERGIN IN SUPPORT OF CPS ENERGY'S RESPONSE IN OPPOSITION TO ENERGY TRANSFER'S MOTION FOR SUMMARY JUDGMENT

I, Patrick Bergin, declare and state the following facts, all of which are within my personal knowledge and are true and correct:

1. I am over eighteen (18) years of age. I am of sound mind and fully competent to testify to the matters stated herein. I have never been convicted of a felony or other crime involving dishonesty or moral failing and I am not suffering from any disability, which would impair my ability to know or perceive the truth. Furthermore, I have personal knowledge of all of the facts and matters stated herein and they are true and correct, unless otherwise specified, and my conclusions stated herein are true and correct based on reasonable scientific probability.

2. I have been previously designated as an expert by CPS Energy in this matter. I submit this declaration in support of CPS Energy's Response in Opposition to Energy Transfer's Motion for Summary Judgment. This declaration is substantially identical to my expert designation that CPS Energy previously served on opposing counsel in this matter.

3. I am a private energy consultant based in College Station, Texas, working through my private consulting firm, FPS Energy Consulting, LLP. I have over twenty-three years of experience in the energy industry with leading energy firms. My experience has included energy trading and trading operations, investment management, market analysis and risk management, and accounting and financial analysis. A copy of my curriculum vitae, list of previous trial testimony, and list of doc-

CPSE Response in Opp to ET MSJ
Exhibit D
MDL-2022-CI-02879
exhibitsticker.com

uments, tangible things, reports, models, or data compilations has been provided to opposing counsel**.** I am being compensated for his time spent on study and testimony in this case at the rate of $500 per hour.

4. I have offered testimony and opinions concerning various indices published by S&P Global Platts ("Platts") for natural gas at various delivery points in Texas, including the methodology Platts employed to produce those indices during February 2021, the Texas physical natural gas indices published during February 2021, and the transactions underlying the indices published during February 2021 and, in particular, for flow dates February 13–19, 2021 (the "Disaster Period").

5. At trial, I intend to provide the following opinions:

a. Platts publishes several types of indices for physical natural gas at various delivery points in the United States and Canada, including (i) monthly indices, commonly referred to as Inside FERC or First of Month indices, and (ii) daily indices, known as Gas Daily indices.

b. Platts's Gas Daily indices are based on (i) transaction data received from the Intercontinental Exchange ("ICE"), which operates a trading platform through which market participants may enter into transactions for the purchase and sale of physical natural gas at certain delivery points, and (ii) transaction data reported by market participants to Platts, which may include transactions executed on the ICE exchange and transactions executed through other means.

c. For each flow day, Platts publishes three price components for each Gas Daily location: the midpoint, the common range, and the absolute range. The midpoint or index is generally the volume-weighted average of all transactions submitted to Platts for that location for the flow date, excluding transactions that Platts determines to be

outliers. Platts also publishes the total volume and number of deals used to determine the index on each day.

d. Not all participants in the market for physical natural gas report their transactions to Platts. For example, Enterprise Products Operating—which operates one of the largest intrastate natural gas pipeline systems in Texas—does not report to Platts. Further, many physical natural gas transactions are not executed on the ICE exchange but are instead executed directly between counterparties through other means, such as instant message, text message, phone, or email. As a result, many of the physical natural gas transactions executed each day are not reported to Platts by either ICE or the participants and, therefore, are not included in the Gas Daily indices.[1]

e. Additionally, according to Platts's published methodology, Platts includes both the buy and the sell side of a transaction executed on ICE in its daily indices.[2] For direct transactions, however, often only one side of the transaction is reported to Platts and, therefore, only one side is included in the index.

f. Because the Gas Daily index for any particular location on any given flow day is generally a volume-weighted average of transactions reported at that location for that day, market participants whose transactions make up a large number and volume of transactions at particular locations can have a large influence on the Gas Daily indices for those locations.

[1] At this time, I lack information sufficient to determine how Platts decides which transactions to exclude as outliers.

[2] There are some discrepancies, however, between the number of deals reflected in ICE's data and the number of deals labeled as ICE deals in Platts' data for certain days at some locations.

g. Based on review of information produced by Platts, ICE, and Energy Transfer, I calculated the impact of Energy Transfer's transactions on the Gas Daily index (calculated as a percentage of overall volume underlying the index) during February 2021 at the following locations:

Flow Date(s)	HSC	Katy	Waha
Feb. 6–8	100%	54%	58%
Feb. 9	91%	51%	60%
Feb. 10	0%	2%	48%
Feb. 11	100%	34%	42%
Feb. 12	32%	0%	13%
Feb. 13–16	93%	36%	34%
Feb. 17	100%	6%	0%
Feb. 18	64%	56%	15%
Feb. 19	64%	77%	2%
Feb. 20–22	63%	48%	34%
Feb. 23	100%	30%	31%
Feb. 24	100%	12%	41%
Feb. 25	0%	0%	0%
Feb. 26–28[3]	0%	48%	55%

6. My name is Patrick Bergin, my date of birth is 6/24/64, and my business address is 18976 Glenmeadows Lane, College Station, TX 77845. I declare under penalty of perjury that the foregoing is true and correct.

7. Executed in College Station, State of Texas on the 29th day of February, 2024.

Patrick Bergin

[3] Platts data shows that no trades were reported by ICE or off ICE for HSC Feb. 26–28.

MDL Master File No. 2022 CI 02879

In Re CPS Energy Gas Supplier Litigation	§ § § § §	In the District Court of Bexar County, Texas 407th Judicial District

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Cause No. 2021 CI 05138

CPS Energy, Plaintiff–Counter-defendant, v. **Houston Pipe Line Company, LP** and **Oasis Pipeline, LP**, Defendants–Counterclaimants.	§ § § § § § § §	In the District Court of Bexar County, Texas 407th Judicial District

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CPS ENERGY'S RESPONSE IN OPPOSITION TO ENERGY TRANSFER'S MOTION FOR SUMMARY JUDGMENT

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The City of San Antonio, acting by and through its City Public Service Board ("CPS Energy"), files this response in opposition to the motion for summary judgment filed by defendants Houston Pipe Line Company, L.P. ("HPL") and Oasis Pipeline, LP's ("Oasis" and, together with HPL, "the ET Pipelines") on their breach of contract claim.

INTRODUCTION

During the February 2021 winter storm disaster, temperatures plunged to the single digits, over four million Texans lost power, and Texas's electrical grid came within four minutes and thirty-seven seconds of complete collapse. As the municipally owned gas and electric utility for millions of people in and around San Antonio, CPS Energy required large volumes of natural gas to both run its gas-fired power plants and distribute to its residential and commercial gas customers. In the midst of this catastrophic disaster, the ET Pipelines and their parent company, Energy Transfer, saw an opportunity to exploit an emergency for profit.

At the height of the state-declared disaster and with full knowledge that CPS Energy had no option but to buy as much gas as possible, the ET Pipelines demanded that CPS Energy pay prices for natural gas that were as much as 15,000% higher than prevailing prices before the winter storm. Desperate for fuel to keep power on and gas flowing to furnaces and stovetops in its customers' homes, CPS Energy had no choice but to agree to these exorbitant prices. While regular Texans were facing the disaster's enormous human and economic toll, Energy Transfer excitedly bragged to its investors about its ability to "benefit" from "strong commodity prices." Ultimately, Energy Transfer would reap a $2.4 billion windfall from the winter storm, much of which it attributed to gas sales.

This lawsuit is about whether the prices the ET Pipelines charged CPS Energy for natural gas during a declared disaster are unconscionable and/or excessive or exorbitant in violation of public policy. For well over a century, Texas law has recognized that unconscionable contract terms—i.e., grossly unfair terms extracted through an unequal bargaining process—are unenforceable. Further, a contract term that violates public policy is likewise void under Texas law, and Texas public policy has long prohibited taking advantage of a disaster to charge exorbitant or excessive prices for

necessities. The ET Pipelines' blatant price gouging during the winter weather disaster fails both tests, and the outrageous prices they demand are therefore unenforceable.

The prices the ET Pipelines charged CPS Energy during a state-declared disaster are shocking, and as every witness in this case testified, unprecedented. The prices alone are sufficient to raise a fact issue with respect to CPS Energy's unconscionability and public policy defenses. The circumstances surrounding each transaction, including CPS Energy's lack of alternatives, inability to bargain, and the backdrop of the statewide disaster only further emphasize the outrageousness of Energy Transfer's blatant price gouging. The Court should deny the ET Pipelines' motion for summary judgment.

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A-41.	Energy Transfer LP, Annual Report (Form 10-K), Feb, 12, 2021
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B-3.	A. Irving et al. Text Thread, CPSE-MDL_000010372
B-4.	Text Messages between Amber Irving, Ken Skaer, Paul Vinson and Bruce Bordovsky, CPSE-MDL_000010380
B-5.	Text Messages between Kevin Pollo, Bruce Bordovsky, Keith Albers, Mike Hale, Ken Skaer and Paul Vinson, CPSE-MDL_000010809
C.	Amber Irving Affidavit
C-1.	PS Energy's February 2021 Gas Transactions spreadsheet, CPSE-MDL_000026240
D.	Patrick Bergin Affidavit

FACTUAL BACKGROUND

A. Who is CPS Energy?

CPS Energy is the nation's largest municipally owned natural gas and electric utility company and has been serving San Antonio, Texas and the surrounding area for 164 years. Ex. A-1, CPSE-MDL_000008619, at 8623. CPS Energy supplies power to more than 930,000 electric customers and also supplies natural gas directly to over 381,000 natural gas customers in Bexar County and portions of seven adjacent counties. Ex. A-2, Bordovsky Dep. 356:5–357:18; Ex. A-3, Eugster Dep. 122:14–21. In addition to residents living in the greater San Antonio area, CPS Energy's customers include hospitals, nursing homes, police and fire stations and military bases. Ex. A-4, Barham Dep. 88:19-91:17; Ex. A-5 Perryman Dep. 42:25-43:6.

CPS Energy is the sole entity responsible for providing electric and natural gas services to all the residents and businesses within its service area. Ex. A-2, Bordovsky Dep. 356:5-357:18. CPS Energy is neither a natural gas producer nor a natural gas marketer. Ex. A-6, Skaer Dep. 40:23. As a municipal utility, CPS Energy exists and operates solely for the benefit of the residents in its service area. Ex. A-7, Kuchinsky Dep. 12:9–18, 44:22–23, 95:8–11.

CPS Energy purchases natural gas to warm and power its customers' homes either by (1) distributing natural gas directly to its natural gas customers, or (2) using natural gas to generate electricity for its electric customers. Ex. A-6, Skaer Dep. 108:18–109:5, 109:16–20. Natural gas is the largest

single source of CPS Energy's generating capacity for electricity generation. *See* https://www.cpsenergy.com/en/about-us/powering-our-communitys-future.html. Demand for electric power and natural gas distribution can vary widely day-to-day, and CPS Energy's natural gas needs can therefore vary considerably even during relatively normal conditions. Ex. A-6. Skaer Dep. 109:6–15. Further, and importantly, CPS Energy is not structured to sell excess natural gas back to the market. Ex. A-8. Bayazitoglu Dep. 93:12-19; Ex. A-6, Skaer Dep. 40:22–23.

The costs CPS Energy incurs in purchasing natural gas for the benefit of its customers are passed on to, and ultimately paid by, those customers. Ex. A-7, Kuchinsky Dep. 44:16–45:18. CPS Energy's customers are particularly cost sensitive. In 2022, approximately 18% of San Antonio residents were living in poverty compared to 14.2% of Texans and 12.8% of Americans. *See* City of San Antonio, Dep't of Hum. Serv., *Status of Poverty in San Antonio 2022*, at 3 (2022), available at https://www.sanantonio.gov/Portals/0/Files/HumanServices/Poverty/2022PovertyReport.pdf. CPS Energy is committed to, and proud of, its long and storied history of providing low-cost energy to its residents. *See Who We Are*, CPS Energy, https://www.cpsenergy.com/en/about-us/who-we-are.html (last visited Feb. 16, 2024). With the average monthly income for single households in San Antonio totaling approximately $1,122 in 2022, every dollar counts. *See* City of San Antonio, Dep't of Hum. Serv., *Status of Poverty in San Antonio 2022*, at 3 (2022), available at https://www.sanantonio.gov/Portals/0/Files/HumanServices/Poverty/2022PovertyReport.pdf.

B. How CPS Energy Obtains Natural Gas

1. NAESB Base Contracts and Specific Transaction Confirmations

To serve its customers, CPS Energy typically purchases natural gas from a number of different suppliers with which CPS Energy has entered into standard form contracts produced by the North American Energy Standards Board ("**NAESB Contract**"). *See* Ex. A-9, CPSE-HPL NAESB Contract (ETP_000000689); Ex. A-10 CPSE-Oasis NAESB Contract (ETP_000000020 &

ETP_000000036)[1]. The NAESB Contracts provide the general terms and legal framework for the relationship between CPS Energy and its suppliers, but they do not effectuate any actual gas transactions. The parties later effectuate specific gas transactions and the terms thereof—including price, quantity, delivery point, and period of delivery—orally or via electronic communication, and those terms are then memorialized in a Transaction Confirmation. *See* Ex. A-2, Bordovsky Dep. 28:10–24; Ex. A-9, CPSE-HPL NAESB § 1.2; Ex. A-10, CPSE-Oasis NAESB § 1.2; Ex. A-6, Skaer Dep., at 78:1–79:15. Terms of transactions therefore vary considerably from transaction to transaction.

2. Transaction Date and Delivery Period: Monthly Baseload vs. Daily Spot

When it comes to transaction and delivery timing, CPS Energy enters into primarily two types of transactions: monthly baseload and daily spot transactions. In a monthly baseload transaction, CPS Energy buys a set quantity of gas per day at a particular delivery point for every day of a month. Ex. A-2, Bordovsky Dep. 362:11–23; Ex. A-11, Irving Dep. 15:12–21. CPS Energy enters into these baseload transactions near the end of the month preceding the delivery month. Ex. A-2, Bordovsky Dep. 362:11–23; Ex. A-11, Irving Dep. 15:12–21.

CPS Energy also purchases gas through the daily "spot market." In a daily spot transaction, the buyer purchases gas for delivery on a single day or a few consecutive days. Ex. A-2, Bordovsky Dep. 100:6–20; Ex. A-11, Irving Dep. 15:12–21. The most common spot transactions are "next-day" transactions in which the buyer purchases gas for delivery on the day following the date of the transaction. Ex. A-2, Bordovsky Dep. 100:6–20. For example, when parties enter into a next-day transaction on a Monday, they are transacting for gas to be delivered on Tuesday. Because there is limited-to-no trading activity on Saturdays and Sundays, next-day deals entered into on Friday are generally for gas to be delivered on Saturday, Sunday, and Monday. [redacted] And when Monday is a legal holiday—as it was during the long-weekend of Winter Storm Uri—those "next-day" weekend transactions will generally extend through Tuesday. [redacted]

[1] CPS Energy's NAESB Contract with Oasis was originally with a company called Texas Energy Transfer Company (TETC). TETC later assigned the NAESB Contract to Oasis. *See* Ex. A-12, Notice of Assignment of NAESB (CPSE-MDL_000028613).

Though the majority of spot transactions are next-day transactions, participants in the spot market can also enter into same-day transactions, in which, as the name suggests, parties transact for gas that is to be delivered on the same day as the transaction. Ex. A-2, Bordovsky Dep. 100:17–20.

3. Means of Transacting: Direct Deals vs. ICE Trading Platform

There are two means of consummating spot market transactions. First, in what are sometimes referred to as "direct" or over-the-counter ("OTC") transactions, two counterparties communicate directly—usually via instant-message, text, or phone—to enter into a transaction. *See* [redacted] Because these transactions are conducted solely between the parties, these transactions are generally not visible to the rest of the market while they are happening. *See id.* [redacted]

The other common method for trading physical natural gas on the spot market is the electronic Intercontinental Exchange ("ICE") platform. *See* [redacted]. Potential buyers post "bids" to buy and sellers post "offers" to sell certain volumes of natural gas delivered to certain popular delivery points known as "hubs" at specified prices. [redacted] Although all market participants on the ICE platform can see all posted bids, offers, and closed transactions for the day, parties can only accept the offers or bids of counterparties with which they have an enabling agreement in place, such as a NAESB contract. [redacted] Notably, however, the identity of the parties who have posted bids and offers is unknown to other market participants; only after a transaction closes will the parties to that transaction know who they have just transacted with. *See* [redacted]

4. Sale Points and Transportation: Hubs vs. Delivered Gas

Every natural gas transaction will specify the point where the gas is tendered from the seller to the buyer. The NAESB Contracts call this the Delivery Point, *see* Ex. A-9, CPSE-HPL NAESB

[2] Confusingly, the instant messenger application that most gas traders now use to conduct direct deals is owned by ICE and is called ICE Chat. *See* [redacted] But this instant messaging application is not to be confused with the separate ICE trading platform; direct deals over ICE Chat are distinct from the trading that happens over the ICE platform.

Contract §§ 4.1, 8.1, but for clarity CPS Energy refers to this as the "sale point" in this response. CPS Energy purchases gas at two basic types of sale points: (1) commonly used trading points known as "hubs," and (2) the gates or inlets of CPS Energy's own natural gas system or power plants. *See* [redacted]

Hubs. Hubs are usually locations where two or more pipelines intersect. *See* [redacted] These hubs include Katy Oasis (a point on the Oasis pipeline in Katy, Texas), HSC HPL Pool (several pooled interconnection points on HPL in the Houston Ship Channel region), Enterprise South Texas Map Point (a point on one of Enterprise's pipelines in South Texas), and Waha Hub (several delivery points in West [redacted] Ex. A-16, ICE, North American Physical Gas Hubs. Parties can transact for gas at hubs either directly or via the ICE platform. [redacted] Because natural gas is usually neither produced nor ultimately used by purchasers at trading hubs, most sellers and buyers must enter into transportation contracts with pipelines to ship natural gas to and from the sale point. *See* [redacted] The sale point where the buyer takes possession of the gas is known as the "receipt point" under a transportation contract, and the point where that buyer transports the gas to is known as the "delivery point." *See, e.g.*, Ex. A-17, CPSE-HPL Firm Intrastate Transportation Agreement §§ 2.1, 2.2 (CPSE-MDL_000026189).

During the relevant time period, CPS Energy had transportation contracts in place with three different pipeline companies: Energy Transfer (via HPL and Oasis), Enterprise Texas Pipeline LLC, and [redacted] *See* [redacted] Ex. A-25- A-30; CPSE-Enterprise Texas Pipeline Transport Agreements; [redacted] CPS Energy's transportation contracts with each of these companies focused on receipt points in different geographic areas. Specifically, CPS Energy's transportation agreements with HPL and Oasis allowed CPS Energy to transport gas primarily from the Katy and HSC hubs in southeast Texas, with small volumes from South Texas as well. *See*

[redacted] The agreements with Enterprise Texas Pipeline allowed CPS Energy to transport gas from hubs in West Texas (such as Waha) and South Texas (such as South Texas Map). *See* Exs. A-25 – A-30, CPSE-Enterprise Transport Agreements. And the agreement with [redacted] permitted CPS Energy to transport gas from [redacted] in South Texas. *See* [redacted]

The transportation agreements also varied with respect to the delivery points on CPS Energy's systems. CPS Energy's gas distribution system and most of its power plants receive gas through three primary delivery points: (1) North Gate, located in Comal County at the inlet to CPS Energy's North Pipeline and provides gas exclusively for distribution purposes; (2) South Gate, located in Karnes County at the inlet to CPS Energy's South Pipeline and provides gas for both distribution and generation purposes, and (3) CPS Energy's Pooling Point or Aggregation Point, an amalgamation of a number of different interconnections between CPS Energy's system and Enterprise Texas Pipeline. Ex. B, Bordovsky Aff. ¶ 4. Additionally, CPS Energy owns and operates the Rio Nogales power plant in Guadalupe County, which is separate from CPS Energy's distribution system and other power plants. Ex. A-6, Skaer Dep. 239:20-25. CPS Energy's transportation agreements with Energy Transfer allowed CPS Energy to transport gas to North Gate, South Gate, and to Rio Nogales. [redacted] Ex. B, Bordovsky Aff. ¶¶ 7–9. The agreements with Enterprise Texas Pipeline permitted CPS Energy to transport gas exclusively to the CPS Pooling Point. Exs. A-25 – A-30, CPSE-Enterprise Transport Agmts. And the agreements with [redacted] permitted CPS Energy to transport gas exclusively to [redacted]

Importantly, the transportation agreements with each pipeline company imposed limits on the overall volumes that CPS Energy could transport per day, as well as daily volumetric limits on specific receipt and delivery points. For example, the transportation agreements with Energy Transfer imposed a maximum daily quantity of [redacted] across all receipt and delivery points. [redacted] The Katy and HSC receipt points were limited to

[redacted] per day, the North Gate delivery point was limited to [redacted] per day, the Rio Nogales delivery point was limited to [redacted] per day, and the South Gate delivery point was limited to [redacted] per day. [redacted] Similarly, although one of the intrastate transport agreements with Enterprise Texas Pipeline permitted CPS Energy to transport a maximum of 85,000 MMBtu per day, intrastate receipts at the West Texas Map sale point were limited to 30,000 MMBtu per day. Ex. A-33, CPSE-Enterprise West Texas Intrastate Transport (CPSE-MDL_000001517).

During the relevant period, CPS Energy also had natural gas storage agreements with Enterprise and HPL. Ex. A-34, CPSE-MDL_000028821 (Master Storage Agreement). Those storage agreements worked in conjunction with the transportation agreements CPS Energy had with Enterprise and Energy Transfer, giving CPS Energy operational flexibility by automatically correcting any daily transportation imbalances up to certain daily limits. Ex. A-35, Guinn Dep. 84:16-85:4.

Delivered Gas. In addition to buying gas at hubs and then using transportation contracts to transport it to CPS Energy's delivery points, CPS Energy can also purchase gas sold at one of its actual delivery points—such as North Gate, South Gate, or Rio Nogales—thereby eliminating the need to transport that gas. Ex. A-2, Bordovsky Dep. 367:23–368:12; [redacted] But CPS Energy's delivery points are not available sale points for most gas suppliers; instead, only the pipelines that interconnect with those delivery points can offer delivered gas there. Ex. A-2, B. Bordovsky Dep. 367:23–368:12; Ex. B, Bordovsky Aff. ¶ 7. This is because the pipelines generally do not offer other suppliers transportation contracts that permit delivery to CPS Energy's delivery points. *Id.* Thus, if CPS Energy needed to purchase delivered gas at Northgate, its only option was to purchase it from Energy Transfer. Ex. A-6, Skaer Dep. 240:18-241:1; Ex. A-2, Bordovsky Aff. ¶ 11. Similarly, if CPS Energy needed to purchase delivered gas at Rio Nogales, its only possible options were to purchase from Energy Transfer or DCP Midstream (whose Guadalupe pipeline also connected to Rio Nogales). Ex. A-37, CPS Energy Corp. Rep. Dep. 276:16-277:8. And if CPS Energy needed to purchase delivered gas at Southgate in Karnes County, its only possible options were to purchase it from Energy Transfer or Targa. Ex. B,

Bordovsky Aff. ¶ 9. Of course, if any one of these pipelines could not sell CPS Energy delivered gas on a particular day due to limited supply or operational problems, the options narrowed even further.

5. Transaction Price: Fixed Price vs. Index-Based Price

Finally, the last necessary term of any natural gas transaction is price. Natural gas may be traded, whether on or off the ICE platform, using a fixed price or a price tied to a published index. [redacted] A fixed-price transaction specifies an exact price per MMBtu that the supplier will charge for the natural gas delivered. [redacted] For example, a gas transaction priced at $2.75 per MMBtu is a fixed-price transaction.

In an index-based transaction, however, the parties agree not to a fixed price but to a price tied to a specified natural gas index published by a third party, usually S&P Platts. [redacted] Ex. A-6, Skaer Dep. 32:20–33:13. Each of the various indexes that Platts publishes is simply the volume-weighted average price of the fixed-price transactions at delivery points within specific geographic areas in a particular time period that are reported to Platts. *See* [redacted] Ex. A-38 Platts Methodology and Specifics Guide (CPSE-MDL_000035497). For example, on every trading day of a month, Platts publishes daily indexes for more than 60 geographic areas. *See, e.g.*, Ex. A-39, *Gas Daily*, Feb. 5, 2021 (CPSE-MDL_000020017).[3] One of those indexes is for the Houston Ship Channel (HSC) area an "industrial area extending from the east side of Houston to Galveston Bay and northeastward to the Port Arthur-Beaumont area." Ex. A-38 Platts Methodology and Specifics Guide, at 12. Thus, the Gas Daily index for HSC for flow date February 5, 2021, was the volume-weighted average of all fixed-

[3] Platts also publishes indexes of monthly gas transactions, such as baseload transactions. Those indexes are commonly referred to as first-of-month or "Inside FERC" indexes. During the relevant time period, first-of-month indexes were calculated as the volume-weighted average of fixed-priced, monthly transactions consummated during the last five days immediately preceding the first of each month (otherwise known as "bid week"). *See* Ex. A-38 (CPSE-MDL_000035497 – Platts Methodology and Specifics Guide), at 5, 43.

price deals for gas to be delivered that day, as reported to Platts. *See id.*, Ex. A-39, *Gas Daily*, Feb. 5, 2021, at 2.

Platts obtains information on the fixed-price transactions that underlie its indexes from two sources. First, ICE reports all fixed-price deals done on the ICE platform to Platts in the early afternoon of every trading day, after next-day trading has largely concluded. Ex. A-38, Platts Methodology and Specifics Guide at 8. Second, many market participants, including Energy Transfer, also report their direct fixed-price deals to Platts in the afternoon of every trading day. *Id.*; [redacted] Platts then publishes the Gas Daily index at the end of the trading day, generally between 4:30 PM and 5:00 PM. Ex. A-38, Platts Methodology and Specifics Guide at 8. So, returning to the example above, in the afternoon of February 4, 2021, after most next-day trading for February 5 gas was done, ICE and market participants reported all fixed-price trades to Platts. *See* [redacted] Platts then identified the trades that fall into its definition of the HSC area (excluding trades between affiliated entities), calculated the volume-weighted average price of those trades, and then published that as the HSC Gas Daily index for February 5, 2021. *See* Ex. A-39, *Gas Daily*, Feb. 5, 2021.

Because Platts does not publish daily indexes until after most next-day trading has concluded, most trades with index-based prices are consummated before the parties definitively know what the published index will be. *See* [redacted] However, because a large portion of next-day fixed-price trading occurs over the ICE platform, gas traders can approximate where a particular index will be by reviewing the fixed-price trading in real-time on the ICE platform. [redacted] Further, when entering into index-price transactions, natural gas suppliers also have the discretion to charge an "adder," which is an additional per-MMBtu premium that is tacked onto the final invoiced price over and above the settled index price. [redacted] For example, a supplier might offer to sell gas at the HSC Gas Daily index plus five cents.

C. Energy Transfer's Outsized Role in the Texas Natural Gas Market

Energy Transfer plays an outsized role in the Texas natural gas market because of its dual role as transporters of natural gas for third parties and sellers of their own natural gas. According to Energy Transfer's website, approximately 30% of the nation's natural gas and crude oil are moved through its more than 125,000 miles of pipelines and other infrastructure nationwide. *See* Energy Transfer Aug. 2023 Investor Fact Sheet, available at https://www.energytransfer.com/wp-content/uploads/2023/11/ET-IR-Fact-Sheet-8-23.pdf (last visited Feb. 27, 2024). Among Energy Transfer's many business segments is its intrastate natural gas transportation and storage business in Texas, which in 2021 spanned more than 9,400 miles of natural gas pipelines across multiple interconnected pipeline systems, including but not limited to the ET Pipelines. Ex. A-41, Energy Transfer LP, Annual Report (Form 10-K) 3, 7–8 (Feb. 12, 2021); [redacted] The ET Pipelines and Energy Transfer's other intrastate gas pipelines in Texas—such as the ET Fuel System, the ETC Katy Pipeline, and the Old Ocean Pipeline, [redacted] are, by statute, "affected with the public interest," Tex. Util. Code. § 121.051, and engaged in business that is "in its nature and according to the established method of conducting the business…a monopoly" *id.* 121.052(a).

Energy Transfer's intrastate gas pipeline business generates revenue in two primary ways. First, its intrastate pipelines enter into transportation and storage agreements under which third parties—such as other gas sellers as well as end users like CPS Energy—purchase capacity to ship and store their gas using Energy Transfer's intrastate pipelines and storage facilities. [redacted] Ex. A-41, Energy Transfer LP, Annual Report (Form 10-K) 3, 87 (Feb. 12, 2021). Historically, the transportation and storage fees from such contracts have made up the largest component of Energy Transfer's earnings in its intrastate segment. *Id.* at 3.

Second, Energy Transfer's intrastate pipelines generate revenues and margin by selling natural gas to third parties such as gas and electric utilities and other end users. *Id.* Energy Transfer's intrastate pipelines acquire the natural gas they sell by purchasing it from [redacted] as well as

by [redacted] *See* [redacted] For example, as of December 31, 2020, more than 60% of the 47.7 billion cubic feet of gas stored in HPL's Bammel storage facility was gas stored for HPL's own account. Ex. A-41, Energy Transfer LP, Annual Report (Form 10-K) 3 (Feb. 12, 2021).

Energy Transfer's vast interconnected network of intrastate pipelines in Texas, and its dual role as a seller of gas and a provider of transportation services to other market participants, gives it an outsized role in the Texas natural gas market. As transporters of natural gas, Energy Transfer's intrastate pipelines have access to information about the gas supplies and purchases made by other market participants, who are Energy Transfer's competitors and customers when it comes to gas sales. [redacted] Further, as explained above, the intrastate pipelines have an advantage of being able to sell gas at delivery points that other sellers cannot. Ex. A-2, B. Bordovsky Dep. 367:23–368:12; Ex. B_, Bordovsky Aff. ¶ 7.

These advantages, combined with the massive reach of Energy Transfer's combined intrastate system, provide Energy Transfer with enormous influence over the natural gas market in Texas. And Energy Transfer has a history of exploiting that influence to its advantage. For example, at the conclusion of a market manipulation investigation, FERC and the CFTC found that in September 2005—when Hurricane Rita hit Houston—Energy Transfer's intrastate pipelines had a dominant position over the market for natural gas at HSC, such that their fixed-price transactions often comprised more than 80% of all reported trades in the HSC area. Ex. A-43, Order to Show Cause and Notice of Proposed Penalties, Docket. No. IN06-3-002, 120 FERC ¶ 61,086 (July 26, 2007). This allowed Energy Transfer to drive the HSC index in order to benefit sizable index-based positions. *Id.*

Winter Storm Uri would present another opportunity for Energy Transfer to leverage its outsized role in the Texas gas market for its own benefit and the expense of millions of Texans.

D. Winter Storm Uri

In the early part of 2021, CPS Energy went about its gas purchasing activities in the same manner it usually did during the winter months. At the end of January 2021, CPS Energy purchased baseload natural gas for the upcoming month based on the same thorough analysis of historical burn rates and projected weather forecasts. *See* Ex. A-6, K. Skaer Dep., at 259:13-261:17; *see also* Ex. A-2, B. Bordovsky Dep. 362:11–363:13. And in the first week or so of February, CPS Energy bought gas on the spot market as needed to fulfill its varying daily needs. Ex. A-44, CPSE-MDL_000009514.

However, in mid-February 2021, an "unprecedented and historical" winter storm barreled across the state of Texas. *See* February 2021 Historical Winter Storm Event South-Central Texas, Austin/San Antonio Weather Forecast Office, https://www.weather.gov/media/ewx/wxevents/ewx-20210218.pdf. What would ultimately become known as "Winter Storm Uri," which left more than four million Texas households without power, materialized rapidly and quickly became dire. On February 12, 2021, Governor Greg Abbott issued a Declaration of Disaster covering all 254 counties in Texas due to the imminent prolonged freezing temperatures, heavy snow, and freezing rain statewide. Ex. A-45, Feb. 12, 2021 Gov. Abbott Decl., CPSE-MDL_000062050. The express stated purpose of the Governor's declaration was to "reduce vulnerability of people and communities of this state to damage, injury, and loss of… property resulting from natural or man-made catastrophes[.]" TEX. GOV'T CODE § 418.002(1).

The same day, the Railroad Commission of Texas issued an Emergency Order that it deemed necessary "to protect human needs customers in the State of Texas because of current conditions which threaten [the] health, safety and welfare of those customers." Ex. A-46, Feb. 12, 2021 RRC Order, ETP_00000162. The Railroad Commission ordered that "the transportation, delivery and/or sale of natural gas in the State of Texas for any other purpose than serving human

needs customers should be curtailed to the extent possible and necessary for the duration of this Emergency Order." *Id.* As the weather deteriorated, CPS Energy needed to purchase natural gas for its plants to continue operating for its customers, but also to keep the ERCOT grid from collapsing. *See* https://www.ercot.com/files/docs/2021/03/03/EEA_Tools_One_Pager_Winter_2021_2-13-2021.pdf; Ex. A-47, Albers Dep. 43:17-44:20.

1. CPS Energy purchases gas for the long-weekend.

The first days of Winter Storm Uri fell over a long weekend culminating with President's Day on Monday, February 16. This meant that spot-market purchases for gas during the long weekend would have to cover CPS Energy's expected load for four days: Saturday through Tuesday. Ex. A-44, CPSE-MDL_000009514 at 9517. As weather forecasts began to solidify in the days leading up to February 12, CPS Energy began attempting to secure supply for the long weekend earlier than usual. On February 9, CPS Energy asked Energy Transfer and other suppliers about securing supply for the long weekend ahead, but it declined. *Id.* at 9514. On February 11, CPS Energy again asked Energy Transfer for gas for the long weekend, but it again declined. *Id.* at 9516.

When February 12 arrived, CPS Energy worked feverishly to secure the supply it needed for the bitter cold that was coming. When the dust settled on February 12, CPS Energy had contracted for 740,900 MMBtu of gas per day for the long weekend, amounting to a four-day total of more than 2.96 million MMBtu. 190,000 MMBtu per day (amounting to 25.6%) of the weekend gas CPS Energy secured was from the ET Pipelines because of their outsize role in the Texas gas market in general, and for CPS Energy in particular. Ex. A-44, CPSE-MDL_00009514 at 9517; Ex. A-48_, ETP_000000166; Ex. A-49, ETP_000000167; Ex. A-50, ETP_000000168; Ex. A-51, ETP_000000169; Ex. A-52, ETP_000000170; Ex. A-53, ETP_000000171; Ex. A-54, ETP_000000172. The vast majority of this was for delivered gas at North Gate, South Gate, and Rio Nogales. Ex. A-44, CPSE-MDL_00009514 at 9517. For the necessary natural gas that Energy Transfer sold to CPS Energy during a declared disaster, Energy Transfer demanded the highest prices CPS Energy had ever seen: $225 per MMBtu for the delivered gas, and $150–$180 for gas pur-

chased from HPL at Katy and HSC-HPL Pool. *Id.*; Ex. A-48, ETP_000000166; Ex. A-49, ETP_000000167; Ex. A-50, ETP_000000168; Ex. A-51, ETP_000000169. But CPS Energy had no other options to secure the gas offered by Energy Transfer, and so it reluctantly agreed to the prices. *See infra* Part A.1.ii.

2. The situation worsens over and after the long weekend.

As the weekend progressed, the situation grew more dire. Late in the evening of February 14, CPS Energy lost two vital sources of supply that only strengthened Energy Transfer's hand. First, at around 11:00 PM, [redacted] 50,000 MMBtu per day sale of delivered gas at Rio Nogales stopped flowing. [redacted] This left Energy Transfer as the only source for delivered gas at Rio Nogales. Ex. B, Bordovsky Aff. ¶ 8. Second, late on February 14, suppliers who had sold CPS Energy gas at the tailgate to [redacted] began notifying CPS Energy that their production was getting shut in. [redacted]. Eventually, the [redacted] would go down altogether, leaving Energy Transfer as the only source of delivered gas at South Gate as well. [redacted].

As CPS Energy was losing critical gas supply, the ERCOT power grid was approaching disaster due to sky-high demand and loss of generation across the state. As a result, early in the morning on February 15, ERCOT ordered utilities across the state to begin "load shed" or blackouts for parts of their service areas. Ex. A-51, CPSE-MDL_000010339, at 10340-41. Later that day, well after CPS Energy had purchased its gas for the long weekend, the Texas Public Utility Commission ("PUCT") administratively set the price of electricity at the system-wide offer cap of $9,000 per MWh. Ex. A-58, Feb. 15, 2021 PUCT Order. The PUCT did not state how long electricity prices would remain at the system-wide offer cap. *Id.*

As temperatures remained below freezing, CPS Energy began experiencing even more significant cuts to the natural gas supply it had previously secured—including significant cuts from Enterprise. *See* [redacted]; Ex. C, Irving Aff. ¶ 3 & Ex. A. By the end of Monday,

February 15, CPS Energy received only 42% of the natural gas it contracted for from all suppliers. *Id.* The cuts continued on Tuesday, February 16. Of the 740,900 MMBtu that CPS Energy originally contracted for on that day, only 364,908 was delivered. *Id.*; Ex. C, Irving Aff. ¶ 3 & Ex. A.

When regular trading resumed on February 16, there was very little gas to be had in the next-day market. CPS Energy attempted to purchase natural gas from multiple suppliers, including [redacted] but was repeatedly told that these suppliers had no gas to sell. [redacted] For the few suppliers other than Energy Transfer that had gas to sell on Tuesday, February 16, volumes were generally low. [redacted] Energy Transfer remained the only option for delivered gas at North Gate, South Gate, and Rio Nogales. Ultimately, of the 465,294 MMBtu of gas that CPS Energy contracted for delivery on February 17, 205,000 MMBtu (44%) came from Energy Transfer. Ex. C, Irving Aff. ¶ 3 & Ex. A. Once again, Energy Transfer demanded astronomical prices: between $400 and $500 per MMBtu, higher than any known price for natural gas in Texas. Ex. A-44, CPSE-MDL_000009514 at 9521-9523; Ex. A-68, ETP_000000196, Ex. A-69, ETP_000000197; Ex. A-70, ETP_000000229; Ex. A-71, ETP_000000230.

Energy Transfer's price gouging continued through February 18, 2021, when CPS Energy purchased gas for February 19. Ex. A-72, ETP_000000234; Ex. A-74, ETP_000000233. When temperatures finally began to fall and the snow began to melt, Energy Transfer's sales to CPS Energy over seven days totaled more than **$317 million**. Ex. A-81, Oasis February 2021 Invoice, ETP_000025683-25684; Ex. A-177, HPL Feb. 2021 Invoice, ETP_0000629.

E. Energy Transfer's Profits

Energy Transfer began celebrating its expected windfall even before the storm ended. On February 17, 2024, during the heart of the storm, Energy Transfer's co-CEO bragged to investors on a conference call that Energy Transfer would "benefit" from what he described as the "strong commodity prices" Energy Transfer was demanding. Ex. A-74, *Fossil Fuel Executives Gloat About Profits, PR From Winter Storm Crisis,* THE INTERCEPT, Feb. 23, 2021. That was putting it mildly. When McCrea made that statement, Energy Transfer's intrastate team had already specifically informed him that Energy Transfer stood to make close to [redacted] in profit from gas sales during the long weekend alone. *See* [redacted]

When all was said and done, Energy Transfer announced that it reaped a **$2.4 billion windfall** from the disaster, and almost all of those gains were attributable to its intrastate transportation and storage segment. Ex. A-76, Energy Transfer LP, Current Report (Form 8-K) Ex. 99.1, at 2 (May 6, 2021). In particular, for the first quarter of 2021, Energy Transfer's intrastate segment reported $1.07 billion in margin from natural gas sales alone, as well as $1.55 billion in realized storage margin. Ex. A-77, Energy Transfer LP, Quarterly Report (Form 10-Q) 40 (May 7, 2021). By comparison, Energy Transfer reported just $88 million in such margin for the first quarter of 2020, Ex. A-78, Energy Transfer LP, Quarterly Report (Form 10-Q) 42 (May 11, 2020), and $317 million for the entire year of 2020, Ex. A-41, Energy Transfer LP, Annual Report (Form 10-K) 87 (Feb. 12, 2021). In other words, Energy Transfer extracted more than three years' worth of intrastate gas-sales margin in just a matter of days.

F. Energy Transfer's Attempt to Preemptively Collect

Energy Transfer knew the prices it had charged CPS Energy during the storm were problematic. In an email to Energy Transfer's Vice President of U.S. Pipelines, Beth Hickey, Brian Riley

[redacted]

That is why just days after the snow finally melted, Energy Transfer sought to quickly collect on its enormous profits and demanded that CPS Energy provide "adequate assurance" in the form of a

letter of credit or cash for the full amount of its unlawful and unconscionable charges, which it estimated to be $317,500,000. Ex. A-80, ET Demand for Adequate Assurance, ETP_000000252. Neither HPL nor Oasis had submitted their invoices to CPS Energy for February 2021 gas deliveries and would not do so until mid-March. Ex. A-81, Oasis February 2021 Invoice, ETP_000025683-25684; Ex. A-177, HPL Feb. 2021 Invoice, ETP_0000629. Payment of the invoices was not due until March 26, more than a month later. But Energy Transfer was demanding early payment of the yet-to-be sent invoices, knowing full well how problematic those exorbitant prices were. Ex. A-82, J. Castrejana Email to O. Flores, ETP_000000579; [redacted]

Following receipt of Energy Transfer's February 23 demand for adequate assurance, CPS Energy responded with a request for justification. Ex. A--83, J. Kuo Email to J. Castrejana, ETP_000000280 at 280. Under the parties' NAESB agreement, a party may only demand adequate assurance if it has "reasonable grounds for insecurity." Ex. A-9, HPL-CPSE NAESB, ETP_000000689 at ETP_000000696. The only "grounds" Energy Transfer cited in its demand for adequate assurance to CPS Energy was the "unprecedented weather event" and "the price of natural gas." Ex. A-80, ET Demand for Adequate Assurance, ETP_000000252. In response to Energy Transfer's baseless demand, CPS Energy furnished Energy Transfer with financial information establishing CPS Energy's ability to meet all of its lawful obligations as they became due. Ex. A-83, J. Kuo Email to J. Castrejana, ETP_000000280 at 280. Six days later, without any additional conversation with CPS Energy, Energy Transfer instructed its natural gas traders to stop selling natural gas to CPS Energy. [redacted] When CPS Energy did not immediately accede to its baseless demand for early payment, Energy Transfer increased the frequency and urgency of its demands for adequate assurance, eager to accelerate collection of the outrageous prices it had charged CPS Energy.

G. The Disputed Amounts and this Lawsuit

CPS Energy invoked Section 7.4 of the parties' NAESB agreement, which gave CPS Energy the right to dispute the amount of an invoice "or any part thereof":

> If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

Ex. A-9, HPL-CPSE NAESB, ETP_000000689 at ETP_000000696.

To dispute a portion of an invoice, CPS Energy had to first determine what amount it "concede[d] to be correct." *Id.* To make that determination, CPS Energy hired an econometrician, Dr. Ray Perryman, who performed an economic analysis showing the upper bound of an appropriate price had the natural gas markets been functioning appropriately, which he determined to be $38.83/MMBtu. That amount ultimately became the conceded price under Section 7.4 of the NAESB. CPS Energy provided "supporting documentation" in the form of a spreadsheet showing the excessive amounts charged by Energy Transfer along with the conceded amount paid by CPS Energy. *See* CPS Energy's 1st Am. Pet., Ex. F. Pursuant to that calculation, CPS Energy then paid Energy Transfer more than $46 million for the gas the ET Pipelines delivered during the disaster, which reflects a 1,000% increase from the prices prevailing just days earlier.

Energy Transfer's baseless demand for adequate assurance made it clear that it had no intention of abiding by the dispute resolution procedures in the parties' NAESB agreement. Concerned that Energy Transfer would use CPS Energy's refusal to cede to its baseless demands for adequate assurance as an attempt to manufacture grounds to declare an Event of Default under the NAESB Contracts to use as further leverage against CPS Energy, CPS Energy sought judicial intervention, by invoking its rights under Section 7.4 of the NAESB and filing suit.

After three years of litigation and more than 35 depositions, Energy Transfer now seeks to evade a trial and obtain summary judgment based on invented bright-line rules at odds with the fact-intensive inquiry the unconscionability doctrine requires. Myriad fact disputes pervade that fact-intensive inquiry and make resolution of this case on summary judgment improper.

LEGAL STANDARD

Pursuant to Rule 166a of the Texas Rules of Civil Procedure, traditional summary judgment is proper when the movant demonstrates that there is no genuine issue of material fact, and that it is entitled to judgment as a matter of law. Tex. R. Civ. P. 166a(c). In deciding whether there is a disputed material fact precluding summary judgment, courts will take evidence favorable to the non-movant as true. *Nixon v. Mr. Property Management*, 690 S.W.2d 546, 548–49 (Tex. 1985). Every reasonable inference must be indulged in favor of the non-movant and all doubts must be resolved in the non-movant's favor. *Id.*

ARGUMENT & AUTHORITIES

Freedom of contract is a bedrock principle of Texas contract law, but it is not and has never been a limitless or singular principle in the law. To the contrary, the law of contracts—in Texas and elsewhere—has always recognized countervailing principles that demand exceptions to the general enforceability of agreements. Two of those exceptions apply here and render unenforceable the prices Energy Transfer demanded for critical natural gas during Winter Storm Uri. First, under the long-standing doctrine of unconscionability, grossly unfair bargains will not be enforced. Unconscionability requires a deeply fact-intensive analysis of the circumstances surrounding the agreement in question, in light of several factors. Energy Transfer asks the Court to chisel a CPS Energy shaped hole into unconscionability by adopting multiple limitations to the doctrine, but none of those supposed limitations find any basis in the law. Under the correct analysis, the evidence here shows, at the very least, that genuine issues of material fact exist as to whether the prices Energy Transfer demanded during Winter Storm Uri are unconscionable. And it is therefore up to the fact-finder to weigh that evidence and resolve those disputed issues.

Second, independent of the unconscionability doctrine, Texas law has long refused to enforce contracts that violate Texas public policy. And Texas has for decades had a public policy against taking advantage of a declared disaster by demanding excessive or exorbitant prices for necessities. Unable to contest the evidence showing that it did exactly that during Winter Storm Uri, Energy Transfer focuses its efforts on arguing that there is no such public policy in Texas, or that it

is limited to a single cause of action under the DTPA. As with its attempt to erode the unconscionability doctrine, Energy Transfer's attempt to limit that public policy to a single cause of action under the DTPA misunderstands the law.

A. Energy Transfer's prices are unconscionable and, thus, unenforceable.

"Contracts offending the conscience are 'an exception to the freedom that generally pervades contract law.'" *Muzquiz v. Para Todos, Inc.*, 624 S.W.3d 263, 275 (Tex. App.—El Paso 2021, pet. denied) (quoting *Venture Cotton Co-op. v. Freeman*, 435 S.W.3d 222, 228 (Tex. 2014)). The "notion that parties are free to negotiate their own bargains conflicts with the equally compelling notion that grossly unfair bargains should not be enforced." *Venture Cotton Co-op.*, 435 S.W.3d at 228. "Unconscionable bargains are therefore an exception to the freedom that generally pervades contract law" and have long been unenforceable in Texas. *Id.* ("[T]he [unconscionability] defense has a long history."); *see also In re Poly-Am., L.P.*, 262 S.W.3d 337, 349 (Tex. 2008) ("[U]nconscionability…has been recognized and applied by this Court for well over a century."). Despite its long history, unconscionability is "not easily defined." *Venture Cotton Co-op.*, 435 S.W.3d at 228. "The term defies a precise legal definition because "it is not a concept, but a determination to be made in light of a variety of factors not unifiable into a formula." *Id.*

Article 2 of the Uniform Commercial Code ("UCC")—which governs certain sales of goods in most states, including Texas—incorporates the doctrine of unconscionability and is "intended to allow the court to pass directly on the unconscionability of the contract or a particular clause therein and to make a conclusion of law as to its unconscionability." TEX. BUS. & COM. CODE § 2.302 cmt 1. "A contract for the sale of oil or natural gas is a contract for the sale of goods under the UCC" and thus applies to this case. *Aquila Sw. Pipeline, Inc. v. Harmony Expl., Inc.*, 48 S.W.3d 225, 234 (Tex. App.—San Antonio, 2001, pet. denied). "[S]ection 2.302 of the Business and Commerce Code does not limit its protections to only those involved in personal, as opposed to commercial, transactions." *El Paso Nat. Gas Co. v. Minco Oil & Gas Co.*, 964 S.W.2d 54, 62 (Tex. App.—Amarillo 1997), *opinion modified on reh'g* (Apr. 8, 1998), *rev'd sub nom. El Paso Nat. Gas Co. v. Minco Oil & Gas, Inc.*,

8 S.W.3d 309 (Tex. 1999). The unconscionability analysis under the UCC is substantively the same as under the common law. Indeed, because unconscionability is not easily defined, Texas courts often turn to the doctrine's common law roots for context. *See, e.g.*, *Venture Cotton Co-Op*, 435 S.W.3d at 228 ("One of the earliest decisions to apply the defense described an unconscionable contract as one that 'no man in his senses and not under delusion would make on the one hand, and as no honest and fair man would accept on the other.'") (quoting *Earl of Chesterfield v. Janssen,* 28 Eng. Rep. 82, 100, 2 Ves. Sr. 125, 155 (1751)).

"Under the UCC, an unconscionability defense is a question of law that involves a highly fact-specific inquiry into the circumstances of the bargain, such as the commercial atmosphere in which the agreement was made, the alternatives available to the parties at the time and their ability to bargain, any illegality or public-policy concerns, and the agreement's oppressive or shocking nature." *Id.* As part of its fact-intensive analysis, courts also consider whether the party seeking to enforce the contract employed "sharp business practices." *El Paso Natural Gas Co.*, 964 S.W.2d at 61; *LDF Constr., Inc. v. Texas Friends of Chabad Lubavitch, Inc.*, 459 S.W.3d 720, 731 (Tex. App.—Houston [14th] 2015, no pet.). The UCC "provides that a court should afford the parties a reasonable opportunity to present evidence as to a contract's commercial setting, purpose and effect to aid the court in evaluating the defense." *Venture Cotton Co-op.*, 435 S.W.3d at 228 (citing TEX. BUS. & COM. CODE § 2.302(b).)

"Texas recognizes both procedural and substantive unconscionability as a defense against contract enforcement." *Budget Rent a Car Sys., LLC v. Ozumba*, No. 01-20-00408-CV, 2022 WL 2347742, at *12 (Tex. App.—Houston [1st Dist.] June 30, 2022, no pet.); *Muzquiz*, 624 S.W.3d at 275 ("A contract or contract provision can be found unenforceable based on egregious facts supporting either procedural or substantive unconscionability."). "[S]ubstantive unconscionability refers to the inherent unfairness of a particular contract or provision; procedural unconscionability deals with the circumstances surrounding a contract's adoption." *Muzquiz*, 624 S.W.3d at 275. Contrary to Energy Transfer's MSJ, a contract can be unenforceable "if it is procedurally unconscionable, substantively unconscionable, or both." *Royston, Rayzor, Vickery, & Williams, LLP v. Lopez*, 467 S.W.3d 494, 499

(Tex. 2015); *ReadyOne Indus., Inc. v. Flores*, 460 S.W.3d 656, 666–67 (Tex. App.—El Paso 2014) ("Unconscionability . . . may exist in one or both of two forms: (1) procedural unconscionability, which refers to the circumstances surrounding the adoption of the arbitration provision, and (2) substantive unconscionability, which refers to the fairness of the arbitration provision itself.").[4]

Price unconscionability cases constitute a special subclass of the unconscionability doctrine. *See generally* Frank P. Darr, *Unconscionability and Price Fairness*, 30 HOUS. L. REV. 1819, 1820 (1994). Typically, in a price unconscionability case, "one party asserts that the price to be paid is grossly disproportionate to the cost or value of the good or service received in exchange." *Id.* at 1820. Although no Texas court has directly addressed the issue, courts in other jurisdictions have concluded that "[t]here is no reason to doubt [that Section 2-302 of the Uniform Commercial Code] is intended to encompass the price term of an agreement." *Jones v. Star Credit Corp.*, 59 Misc. 2d 189, 191 (Sup. Ct. Nassau Cty. 1969); *see also Cent. Budget Corp. v. Sanchez*, 53 Misc. 2d 620, 621 (Civ. Ct. 1967) ("Excessively high prices may constitute unconscionable contractual provisions within the meaning of Sec. 2—302 UCC"); *Perdue v. Crocker Nat'l Bank*, 38 Cal. 3d 913, 916 (1985) ("[T]he price term, like any other term in a contract, may be unconscionable."). "Indeed no other provision of an agreement more intimately touches upon the question of unconscionability than does the term regarding price." *Jones*, 59 Misc. 2d at 191.

Moreover, courts in other jurisdictions applying the UCC have consistently held in price unconscionability cases that the degree to which a seller profits from a given price is relevant to wheth-

[4] Energy Transfer cites *In re Green Tree Servicing LLC*, 275 S.W.3d 592, 603 (Tex. App.—Texarkana 2008, orig. proceeding) for the proposition that a party asserting unconscionability bears the burden of proving both procedural and substantive unconscionability. ET Mot. Summ. J. at 20. The Texas Supreme Court, and later cases, say otherwise. *See Royston, Rayzor, Vickery, & Williams, LLP*, 467 S.W.3d at 499 (stating a contract can be unenforceable "if it is procedurally unconscionable, substantively unconscionable, or both."); *see also Muzquiz*, 624 S.W.3d at 275. The unconscionability analysis rarely proceeds in discrete "procedural" and "substantive" buckets because the unconscionability factors are interrelated and the unconscionability inquiry requires an assessment based on the totality of the circumstances as they existed at the time of contracting. *El Paso Nat. Gas Co.*, 964 S.W.2d at 61 ("We admit that there is an interrelationship between the indicia used under both prongs and agree that the assessment should be made based upon the totality of the circumstances. Yet, the two-pronged analysis is a way of categorizing the pertinent factors and, to that extent, it is useful.").

er that price is unconscionable or excessive. *See California Grocers Assn. v. Bank of Am.*, 27 Cal. Rptr. 2d 396, 403 (1994) (concluding that a bank's fee was not unconscionable only after comparing the fee to the bank's costs and examining the bank's profit margin); *Frostifresh Corp. v. Reynoso*, 281 N.Y.S.2d 964, 965 (App. Term 1967) (taking the seller's net costs and profit margin into account in evaluating unconscionability under the UCC); *Moran v. Prime Healthcare Mgmt., Inc.*, 208 Cal. Rptr. 3d 303, 316 (Cal. Ct. App. 2016) (explaining that in evaluating an unconscionable price term, "courts consider not only the market price, but also the cost of the goods or services to the seller"); *Jones*, 59 Misc. 2d at 191-192 (finding $900 price charged was unconscionable under the UCC by examining "the mathematical disparity" between the cost of the good and its retail value and concluding that "the value disparity itself leads inevitably to the felt conclusion that knowing advantage was taken of the plaintiffs.").

In assessing unconscionability, the court may not consider any one factor in a vacuum "because [the court] must determine whether the [a]greement is unconscionable based on the totality of the circumstances" as they existed at the time of contracting. *Delfingen US-Texas, L.P. v. Valenzuela*, 407 S.W.3d 791, 801 (Tex. App.—El Paso 2013, no pet.); *El Paso Nat. Gas Co.*, 964 S.W.2d at 61 ("[T]he situation must be assessed as of the time it occurred, not via hindsight . . . What may be fair in one scenario may not be in another. Thus, the totality of the situation (as of the time the situation unfolded) must again be measured."). Because unconscionability requires an individualized, fact-specific inquiry into the circumstances surrounding each bargain, "unconscionability must be determined on a case-by-case basis." *Pony Exp. Courier Corp. v. Morris*, 921 S.W.2d 817, 821 (Tex. App.—San Antonio 1996, no writ); *see also Besteman v. Pitcock*, 272 S.W.3d 777, 787–88 (Tex. App.—Texarkana 2008, no pet.). In determining whether a contract provision is unconscionable, Texas courts examine "the **entire atmosphere** in which the agreement was made." *Ski River Dev., Inc. v. McCalla,* 167 S.W.3d 121, 136 (Tex. App.—Waco 2005, pet denied) (emphasis added).

Eager to circumvent the fact-intensive inquiry unconscionability requires, Energy Transfer oversimplifies the standard of review, asserting that the unconscionability defense "present[s] questions of law and can be disposed of on summary judgment." ET Mot. Summ. J. at 20. That is mis-

leading. While "[t]he ultimate question of unconscionability of a contract is one of law, to be decided by the court[,] . . . it cannot be forgotten that the decision of whether some agreement is or is not unconscionable is dependent upon the existence of facts which allegedly illustrate unconscionability." *Ski River Dev.*, 167 S.W.3d at 126 (cleaned up). "The determination of the facts relevant to the question of unconscionability . . . presents a question of fact for the factfinder." *Budget Rent a Car Sys*, 2022 WL 2347742 at *12. That is, "[u]nconscionability involves both questions of law *and fact* and is committed to the trial court by statute." *Pony Exp. Courier Corp.*, 921 S.W.2d at 820 (emphasis added). Similarly, the UCC expressly addresses the factfinding inherent to the unconscionability inquiry. TEX. BUS. & COM. CODE § 2.302 (recognizing that a party "shall be afforded a reasonable opportunity to present evidence as to [the contract's] commercial setting, purpose and effect to aid the court in making the determination."); *see also Venture Cotton Co-op.*, 435 S.W.3d at 228 (noting that the unconscionability defense involves a "highly fact-specific inquiry into the circumstances of the bargain").

In a further effort to avoid an analysis of the facts, Energy Transfer cites a federal bankruptcy decision, *Brazos v. 507 Capital LLC, et al.*, from the Southern District of Texas for the proposition that a federal court has "rejected as a matter of law identical arguments from another Texas utility challenging natural gas prices during Winter Storm Uri" on unconscionability and public policy grounds. ET Mot. Summ. J. at 1, 21. Even if the *Brazos* pleadings and transcripts were proper summary judgment evidence,[5] that case is easily distinguishable. *Brazos* is a Rule 12(b)(6) decision. The bankruptcy judge merely determined that Brazos failed to plead sufficient facts to show that each of the challenged transactions were unconscionable or void as to public policy. The bankruptcy judge did not decide in *Brazos*, as Energy Transfer represents, that a utility like CPS Energy "has no legal

[5] Rather than cite a particular court opinion, Energy Transfer attaches several pleadings and transcripts from the *Brazos* case as evidence to support its MSJ. As will be detailed in CPS Energy's Objections to Energy Transfer's MSJ Evidence, to be filed before the hearing, those pleadings and transcripts are not proper summary judgment evidence and the Court should strike them from the summary judgment record.

claim under Texas law that the contracts were either unconscionable or against public policy."[6] ET Mot. Summ. J. at 21. The issue before the court in *Brazos* was about garden-variety, Rule 12(b)(6) pleading sufficiency.[7] The federal bankruptcy court, sitting in diversity, did not—and could not—rewrite state unconscionability law to eliminate the totality of the circumstances analysis when sophisticated parties are involved. Indeed, during a hearing in the *Brazos* case, the judge noted that if Brazos *had* pleaded sufficient facts, in his mind, they would have a "pretty good claim." ET Summ. J., Ex. 1 at Ex. F., at 50.

Of course, we are well past the pleadings stage in this case. And, unlike in the *Brazos* case, CPS Energy has produced evidence demonstrating that specific contracts are unconscionable. The evidence obtained in discovery has now confirmed everything CPS Energy alleged and more: that CPS Energy had no choice but to buy natural gas at the excessive prices Energy Transfer demanded and Energy Transfer chose to exploit that desperation, during a state-declared disaster, for profit. At the very least, the evidence creates a material fact issue on CPS Energy's unconscionability and public policy defenses and therefore precludes resolution of Energy Transfer's breach of contract claim on summary judgment.

1. The evidence shows that the prices Energy Transfer charged CPS Energy during Winter Storm Uri were unconscionable.

CPS Energy challenges 16 transactions as unconscionable. The factual circumstances surrounding each challenged transaction are, at a minimum, sufficient to raise a material fact issue with respect to CPS Energy's unconscionability defense.

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[6] Indeed, the court issued a two-page summary order in the *Brazos* case that provides no reasoning or basis for its decision. So while Energy Transfer attaches a copy of ETC Marketing's brief, there is no indication that the *Brazos* court adopted those arguments.

[7] Energy Transfer insists that the only reason this case proceeded to discovery is because "Texas state law does not have an analogue to a Fed. R. Civ. P. 12(b)(6) motion." ET. Mot. Summ. J. at 21. If Energy Transfer really thought CPS Energy's claims had no basis in law or fact, it could have filed a Rule 91(a) motion. It did not do so because it knew then and it knows now that CPS Energy has sufficient facts to substantiate its unconscionability and public policy defenses.

a. The prices Energy Transfer charged CPS Energy on February 12, 2021 for gas over the long weekend (February 13–16) are unconscionable.

February 12, 2021 was a Friday. Because most trading in the spot market for natural gas is done only on weekdays, CPS Energy and other buyers typically secure their gas supplies for Saturday, Sunday, and Monday on the preceding Friday. In this instance, however, Monday was President's Day, meaning that CPS Energy needed to also secure gas for the following four days: Saturday, February 13 through Tuesday, February 16. Accordingly, CPS Energy set out on February 12 to buy the significant volumes of natural gas necessary to serve its customers' critical human needs over the long weekend, including from Energy Transfer.

Recognizing that CPS Energy needed large volumes of gas, Energy Transfer leveraged the disaster and CPS Energy's lack of options to extract unprecedented prices and reap unparalleled profits. Energy Transfer was able to do so because it knew, by virtue of its unique status as a pipeline operator and as a trading desk, [redacted] that CPS Energy had no other alternatives—no other gas supplier could sell CPS Energy the volumes of gas it needed for the long weekend at the locations where it needed it.

i. Energy Transfer deploys oppressive and sharp practices to exploit the disaster by demanding unprecedented prices for desperately needed gas.

Even before the storm began, Energy Transfer discussed [redacted] Energy Transfer understood before the storm that utilities like CPS Energy were going to need large volumes of natural gas to run their gas-fired power plants and distribute directly to their customers. Ex. A-87, ETP_000008924. And Energy Transfer understood demand for natural gas would only climb further as the temperatures continued to drop and the weather situation became increasingly dire. *Id.*; [redacted] So, on February 9, when CPS Energy first reached out to Energy Transfer about obtaining gas for the long weekend, Energy Transfer refused to sell CPS Energy weekend gas, holding out for higher same-day prices as the weather grew steadily worse. Ex. A-44,

CPSE-MDL_000009514; [redacted]. Specifically, Bruce Bordovsky, one of CPS Energy's traders, messaged Energy Transfer's trader Jennifer Merritt, to purchase delivered volumes at three different points on CPS Energy's facilities: HPL's interconnect with CPS Energy's Southgate Pipeline in Karnes County; CPS Energy's North Gate interconnect with Oasis; and CPS Energy's Rio Nogales power plant. Ex. A-44_, CPSE-MDL_000009514. But Merritt refused to transact for the weekend at that point, saying that "it will be a day to day look for us." *Id.*

On Thursday, February 11, CPS Energy again tried to secure supply for the long weekend. *Id.* at 9515. While negotiating a purchase of 100,000 MMBtu of gas for delivery on Friday, February 12 for $15—already more than three times prevailing prices for the previous day—CPS Energy asked if Energy Transfer would agree to extend the deal through February 16. *Id.* at 9516. But Merritt declined, stating "I won't be able to price the weekend until tomorrow." *Id.* The next day, CPS Energy's traders continued to secure gas, including the large delivered volumes that CPS Energy needed from Energy Transfer. At 7:30 AM,[8] Bordovsky contacted Merritt and asked for a price quote for 150,000 MMBtu of delivered gas per day for February 13–16, across three different points on CPS Energy's facilities: 50,000 for delivery at HPL's interconnect with CPS Energy's Southgate Pipeline in Karnes County; 50,000 for delivery at CPS Energy's North Gate interconnect with Oasis; and 50,000 for delivery at the Rio Nogales power plant. *Id.* at 9517. Merritt did not respond with an offer for an hour and a half. *Id.* While CPS Energy waited for an offer from Merritt, Energy Transfer's commercial development team confirmed the [redacted] weekend gas purchase they had negotiated with [redacted] the prior evening. [redacted].

When Merritt finally responded to CPS Energy, the first thing she said was: "ok, are you sitting down?" Ex. A-44, CPSE-MDL_000009514 at 9517. Merritt then quoted CPS Energy a price of $150/MMBtu—ten times the price charged the previous morning for next-day gas. *Id.* Neither Merritt nor any member of Energy Transfer's intrastate optimization team—the team that sold CPS En-

[8] All time stamps in the ICE Chat between Jennifer Merritt and Bruce Bordovsky during the storm are in Eastern Standard Time.

ergy natural gas during Winter Storm Uri—had ever seen prices that high. [redacted]

Bordovsky responded, understandably, "Wow," and then asked for "one sec" to discuss the price with his superiors. Ex. A-44, CPSE-MDL_000009514 at 9517. But just nine minutes later—before CPS Energy could even respond to the $150 offer—Merritt messaged "out," withdrew the offer, and raised the asking price even higher to $225/MMBtu. *Id.* Bordovsky attempted to clarify whether Energy Transfer was "out" of gas or merely out of gas at the $150 price. *Id.* Merritt ignored him and repeated "$225.00 offer." *Id.* Unable to risk losing the much-needed gas, CPS Energy had no choice but to accept. *Id.*

During her deposition, Merritt admitted that [redacted] When asked [redacted] Merritt merely stated [redacted] But [redacted] At 9:20 AM, when Merritt demanded $225 from CPS Energy, [redacted] Rather, it was Merritt herself who, just one minute before demanding $225 from CPS Energy, posted an offer on ICE to sell gas at HSC for $225. Ex. A-91A, ICE-Energy_Transfer000011. [redacted] Indeed, consistent with Energy Transfer's historical control over the HSC market,[9] Energy Transfer's sales would make up [redacted]

[9] *See, e.g.,* FERC Order to Show Cause and Notice of Proposed Penalties, July 26, 2007 (noting FERC investigation concluded that Energy Transfer manipulated wholesale natural gas prices at HSC).

ii. CPS Energy had no choice but to purchase gas for the long weekend from Energy Transfer.

CPS Energy had no choice but to accede to Energy Transfer's exorbitant prices both to provide gas to its customers and to generate electricity to protect the grid, as ERCOT demanded. Ex. A-47, Albers Dep. 43:10-44:20. CPS Energy's lack of choice has two aspects: volume and delivery point. First, CPS Energy could not obtain the volume of gas it needed for the long weekend from any other supplier. On February 11 and 12, CPS Energy purchased a total of 740,990 MMBtu per day for the long weekend from 22 different suppliers. More than [redacted] of those volumes [redacted]—were purchases from Energy Transfer. [redacted] Other than Enterprise Products—which sold CPS Energy 90,000 MMBtu per day during the long weekend—no other supplier could sell CPS Energy even close to the volumes of gas that Energy Transfer did.

Second, in February 2021, Energy Transfer was one of only two suppliers that could sell CPS Energy delivered gas at CPS Energy's Southgate in Karnes County and at its Rio Nogales power plant, and it was the only supplier that could sell CPS Energy delivered gas at Oasis Northgate. Ex. A-6, Skaer Dep.at 253:7-20; Ex. B, Bordovsky Aff. ¶¶ 8–11. Specifically, in February 2021, only [redacted] and Energy Transfer could sell CPS Energy delivered gas at Rio Nogales and only [redacted] and Energy Transfer could sell CPS Energy delivered gas at Karnes. Ex. B, Bordovsky Aff. ¶¶ 8–10. Moreover, CPS Energy's transportation contract with Oasis Pipeline limited the amount of gas it could transport from gas hubs like Katy and HSC to the Oasis North Gate point to [redacted] per day. [redacted] Once CPS Energy maxed out that 50,000 MMBtu limit—as it did for the long weekend—the only other option for getting gas to Oasis North Gate was the purchase of delivered gas from Energy Transfer. Energy Transfer, as a party to that transportation contract, understood those limitations and CPS Energy's corresponding reliance on delivered gas.

On February 12, CPS Energy purchased 50,000 MMBtu of delivered gas per day for the long weekend from Energy Transfer at Karnes, Rio Nogales and Oasis Northgate because no other supplier could sell them that gas. Ex. B, Bordovsky Aff. ¶¶ 8–10. When Energy Transfer raised its prices from $150 to $225 in a period of nine minutes, CPS Energy had no ability to bargain. Ex. A-44, CPSE-MDL_00009514 at 9517. Energy Transfer knew CPS Energy's options were limited—it "had no meaningful choice, no real alternative" but to agree to that exorbitant price. *Ski River Dev.*, 167 S.W.3d at 136 ("Gross inequality of bargaining power, together with terms unreasonably favorable to the stronger party may show that the weaker party had no meaningful choice, no real alternative, or did not in fact assent or appear to assent to the unfair terms.").

Energy Transfer nevertheless argues that CPS Energy "had numerous alternatives to purchasing gas from Energy Transfer." ET Mot. Summ. J. at 25. According to Energy Transfer, the fact that CPS Energy purchased natural gas from other counterparties during Winter Storm Uri "by itself, defeats any argument that CPS had no alternative but to buy from Energy Transfer." ET Mot. Summ J. at 25. That CPS Energy purchased gas from other counterparties does not mean that CPS Energy could have purchased the *volumes* it purchased from Energy Transfer from another counterparty. Energy Transfer points to no evidence suggesting—much less conclusively demonstrating—that CPS Energy could have purchased the 190,000 MMBtu it purchased from Energy Transfer for the long weekend from another counterparty.

Energy Transfer's argument also ignores CPS Energy's lack of alternatives for delivered gas at the Karnes, Rio Nogales, and Oasis Northgate delivery points. Energy Transfer points to no evidence suggesting that CPS Energy could have purchased the 50,000 MMBtu/day of delivered gas at Rio Nogales it purchased from Energy Transfer for the long weekend from DCP instead. It likewise points to no evidence suggesting that CPS Energy could have purchased the 50,000 MMBtu/day of delivered gas at Karnes for the long weekend from Targa. To the contrary, when CPS Energy reached out to Targa to secure supply for the long weekend, Targa's trader responded that he had no gas to sell and predicted that Targa would actually be reducing its gas supply over the weekend by 40%. Ex. A-92, CPSE-MDL_000009416, at 9418 (Ken Skaer: "I would absolutely love to be your

market for any gas you might sell tomorrow [Feb. 12]." Joe Brice: "man i wish," "im sure we'll be reducing like 40% of our gas."). And because Energy Transfer is the only party that could sell CPS Energy delivered gas at Oasis Northgate, it was simply not possible to obtain that delivered gas from another counterparty. Ex. B. Bordovsky Aff. ¶ 11. Any suggestion from Energy Transfer to the contrary is false.

Disinterested in grappling with specifics, Energy Transfer simply asks the Court to "See generally" a list of suppliers CPS Energy purchased gas from during Winter Storm Uri and asserts CPS Energy could have purchased gas from one of those counterparties instead. ET Mot. Summ. J. at 25. But Energy Transfer does not bother to identify a specific counterparty from that list who (1) had the available volumes and (2) had the ability to get that gas to the necessary delivery points on CPS Energy's system. Moreover, every CPS Energy witness testified that CPS Energy had no choice but to buy the gas it did from Energy Transfer. Ex. A-93, Pollo Dep at 229:19-230:5; Ex. A-6, Skaer Dep. 235:7-20; *see also Ski River Dev.*, 167 S.W.3d at 137 (citing testimony that party felt he had no choice and could not change anything about the lease before signing it as evidence supporting unconscionability). Indeed, CPS Energy typically didn't do "that much business with Energy Transfer when there was an option," but when CPS Energy needed significant volumes of natural gas at Karnes, Rio Nogales, and Oasis Northgate—as it did during Winter Storm Uri—CPS Energy was "at [Energy Transfer's] mercy," "because they were the only ones that could deliver into [the CPS Energy] system at the places [CPS Energy] needed it." Ex. A-6, Skaer Dep. 253:7-20. This reality is, at a minimum, sufficient to demonstrate a material fact issue with respect to the alternatives available to CPS Energy on February 12.

iii. Energy Transfer's unique access to low-cost supply allows it to profit enormously from the disaster.

Energy Transfer had planned for days before the storm to reap a profit from high-volume natural gas users like CPS Energy. To execute its plan, Energy Transfer [redacted]

[redacted] —all for the purpose of obtaining gas for the intrastate optimization team to flip for exorbitant prices.[10] [redacted]

While Energy Transfer demanded unprecedented prices from CPS Energy, its intrastate optimization team withdrew large volumes of low-cost gas from its Bammel, Bethel, and Bryson storage facilities to sell during the long weekend. From February 13 through February 16, Energy Transfer withdrew over [redacted] of gas from Bammel, Bryson, and Bethel. [redacted] The intrastate optimization team then [redacted] During the storm, the intrastate optimization team assigned the gas it withdrew from storage an estimated cost basis of [redacted]. But Energy Transfer's internal accounting records attributed an even lower cost to that gas: [redacted] *See* [redacted], at RFP 9 & 10 & 11. So, while the intrastate optimization team was pulling gas out of storage for [redacted] or less, it demanded $225 per MMBtu from CPS Energy.

Energy Transfer supplemented this low-cost storage gas with relatively low-cost supply secured by its intrastate commercial development team. The commercial development team typically did not engage in [redacted] That changed during the storm.

The commercial development team, headed by Brian Riley, had preexisting relationships with [redacted]

[10] [redacted]

[redacted][11] Energy Transfer also [redacted] Prior to Winter Storm Uri, the intrastate optimization and commercial development teams [redacted] But during Winter Storm Uri, [redacted]. Energy Transfer understood [redacted] But [redacted] As a result, Energy Transfer's intrastate optimization team [redacted]

This required extensive coordination. [redacted]

[11] "Buy Mortimer Buy" is a reference to the film *Trading Places*. [redacted]

[redacted]

While the commercial development team acquired low-cost supply through [redacted] the intrastate optimization team demanded unprecedented prices from CPS Energy. Less than 10 minutes before Merritt demanded $225 from CPS Energy for weekend gas, Energy Transfer's commercial development team directed [redacted] Approximately 13 minutes after Merritt demanded $225 from CPS Energy, Energy Transfer's commercial development team purchased even more weekend gas for its own supply through [redacted]. Throughout the day, Energy Transfer continued to [redacted] By late evening on February 12, Energy Transfer was [redacted]

By the evening of February 12, Energy Transfer had successfully executed on its plan to turn the impending storm disaster into a sales opportunity. [redacted]. Riegler poured

[12] [redacted]

[13] Energy Transfer also [redacted]

himself a rum. Ex. A1-108, ETP_000039814. Ryan Lee poured himself a scotch. *Id.* They joked about buying [redacted] "a drink when we visit them next" for all his help. *Id.* Later that evening, Energy Transfer purchased [redacted] When Riegler closed that final deal of the day, he texted the group thread [redacted]. Riegler then texted Ochoa: [redacted].

iv. Energy Transfer understood and celebrated their exorbitant profits on February 12.

Energy Transfer knew that [redacted] meant an exorbitant profit at the expense of utilities like CPS Energy. [redacted]. As Brian Riley testified, he understood that [redacted]; *see also* [redacted] As just one example, when Energy Transfer was offered a package of gas for $60 on February 12, Riegler [redacted]. But Riley reminded him that Energy Transfer could flip that gas for an enormous profit, texting back [redacted].

Energy Transfer reveled in the exorbitant profit it was making off the intrastate optimization team's gas sales. When Ochoa texted that he was [redacted] to utilities that were just trying to keep the lights on, the commercial development team [redacted] When the commercial development team secured low-cost supply for the intrastate optimization team to sell, they [redacted]



For Energy Transfer, other market participants' desperation for gas was one big fist bump. In reporting on the status of the day to another Energy Transfer colleague, Riley said That colleague texted back Late that evening, another Energy Transfer employee, Ryan Lee, began to

Eager to assess the extent of the profits Energy Transfer had made, From Energy Transfer's perspective, it was,



.

All in all, the ET Pipelines charged CPS Energy a volume-weighted average price of **$212/MMBtu** for gas to be delivered over the long weekend. Such prices were completely unprecedented. According to *Gas Daily*, prior to February 2021, the highest midpoint price experienced in the Texas intrastate gas market since October 1994 was $24.96/MMBtu at Houston Ship Channel on February 26, 2003, which exceeded even the highest midpoint prices reported during a series of severe cold and polar vortex events in 2011 and 2014. Exploiting CPS Energy and other utilities' desperation for natural gas at the onset of an unprecedented winter storm to "flip gas" at an exorbitant profit—and reveling in it—are exactly the kind of "sharp business practices" courts consider as evidence of unconscionability. *El Paso Nat. Gas Co.*, 964 S.W.2d at 61.

v. Energy Transfer's "different market" argument is unavailing.

When confronted with the gross disparity between the prices Energy Transfer was paying for its own supply and the prices it demanded from CPS Energy, some Energy Transfer witnesses have insisted that any such comparison is improper because Carthage is a "different market." But during Winter Storm Uri, Energy Transfer's traders routinely acknowledged the relevance of Carthage supply to sales all over the state, including in CPS Energy's area. For example,

[redacted]. Other parties likewise acknowledged the connection between [redacted]. In negotiating with Riegler over price, [redacted]

Energy Transfer has also at times insisted that it cannot move gas from the Tiger-Carthage interconnect to Central Texas on the HPL system, so it could not possibly flip the gas it was buying in Carthage to customers like CPS Energy in Central Texas. Ex. A133, Chambers Dep. at 36:8-38:23. But this litigation-driven argument runs headlong into Energy Transfer's own business practices. During Winter Storm Uri, Energy Transfer [redacted]

It is perhaps for this reason that, [redacted]. More fundamentally, as Alex Thom at ETC Marketing explained, when selling gas,

the focus is on balancing receipts and deliveries, not on tracking particular molecules—"[R]egardless of where [the gas] sits geographically on the pipe, if we can achieve that delivery, it does not matter to me if it's north, south, east, west, back haul, forward haul." Ex. A-135, Thom Dep. 166:9-14. And ultimately, all of the trades the business development team did at Carthage through ETC Marketing were moved over to the commercial optimization team's book. Ex. A-14, Small Dep. 217:7-218:3; Ex. A-136, ETP_000039587 at 39588. There is, at a minimum, a fact dispute on this issue.

Energy Transfer has similarly contended that the natural gas it purchased for its own supply at single-digit prices off the interstate Trunkline Pipeline at Trunk Katy (again through ETC Marketing) has no relevance to CPS Energy. Ex. A-133, Chambers Dep. at 130: 1-5. But, once again, Energy Transfer's contemporaneous conduct contradicts its after-the-fact litigation position. Internal communications show that Energy Transfer used natural gas purchased from ETC Marketing at Trunk Katy to displace third-party storage withdrawals from Energy Transfer's Bammel storage facility—the very same HPL storage facility where CPS Energy stored gas and from which it withdrew gas during February 2021. Ex. A-137, ETP_000040606; Ex. A-138, ETP_000040417[14]; Ex. A-101, ETP_000040423; Ex. A-34, CPSE-MDL_000028821 (Master Storage Agreement); Ex. A-139, CPSE-MDL_000004510 (Storage Agreement Confirmation). To say the low-cost supply Energy Transfer acquired from ETC Marketing at Trunk Katy had no relevance to gas available to CPS Energy during Winter Storm Uri is plain false.

The totality of the circumstances surrounding the prices Energy Transfer charged CPS Energy on February 12 demonstrate that they were unconscionable and/or void as to public policy. Accordingly, the Court should deny Energy Transfer's motion for summary judgment with respect to the following February 12 transactions:

Transaction No.	Seller	Trade Date & Time	Sale Point	Price (All fixed price deals)	Quantity + Flow Date(s)
CPSE # 62083	HPL	Feb. 12 9:24 AM	987357 HPL CPS Karnes Delivered Gas	$225	50,000/day (Feb. 13-16)

[14] Panhandle Energy is a third party storage customer at Bammel.

CPSE #62089	Oasis	Feb. 12 9:24 AM	1702 Oasis Rio Nogales Delivered Gas	$225	50,000/day (Feb. 13-16)
CPSE #62090	Oasis	Feb. 12 9:24 AM	1483 Oasis North Gate Delivered Gas	$225	50,000/day (Feb. 13-16)
CPSE # 62086	HPL	Feb. 12 9:51 AM	986780 Oasis Katy	$180	10,000/day (Feb. 13-16)
CPSE # 62087	HPL	Feb. 12 9:52 AM	986780 Oasis Katy	$180	10,000/day (Feb. 13-16)
CPSE# 62084	HPL	Feb. 12 10:02 AM	987342 HSC Pool	$150	10,000/day (Feb. 13-16)
CPSE# 62085	HPL	Feb. 12 10:05 AM	987342 HSC Pool	$150	10,000/day (Feb. 13-16)

b. The Long Weekend: February 13-16, 2021

Throughout the long weekend, temperatures plummeted and freezing precipitation bore down on Texas. Energy Transfer remained focused on exploiting the winter storm for profit. While weather reports warned of an impending human needs crisis, Energy Transfer remained laser-focused on profit and continued to [redacted]

i. Saturday, February 13

Throughout the weekend, Energy Transfer continued to insist on exorbitant fixed price deals, prompting one counterparty to [redacted] Meanwhile, ETC Marketing continued to [redacted] Riegler confirmed that [redacted]

[redacted]. That day, Beth Hickey texted the accounting department [redacted]:

[redacted]

ii. Sunday, February 14

On February 14, CPS Energy experienced the first of many weather-related cuts to its supply. [redacted] Ex. A-144, CPSE-MDL_000010372 (A. Irving et al. Text Thread). That morning, [redacted])—the only other supplier besides Energy Transfer able to deliver gas to Rio Nogales—notified CPS Energy's Bordovsky that [redacted] was "seeing some significant freezeoffs behind [its] plants and watching production disappear by the moment." [redacted] Ex. A-144, CPSE-MDL_000010372 (A. Irving et al. Text Thread). As Bordovsky explained, CPS Energy really needed

that gas from [redacted] Without [redacted] Energy Transfer was CPS Energy's only option for delivered gas at Rio Nogales. Ex. B, Bordovsky Aff. ¶ 8. If [redacted] volumes failed to show up, CPS Energy's only option would be to purchase those replacement volumes at exorbitant prices from Energy Transfer or derate its Rio Nogales power plant as customer generation demand only continued to climb. *Id.*, [redacted]; Ex. A-145, CPSE-MDL_000010809. Understanding that bind[redacted] trader messaged [redacted]. But by 11:00pm that evening, [redacted] and gas stopped showing up to Rio Nogales. [redacted].

Meanwhile, Energy Transfer continued to [redacted] By late afternoon, [redacted] At this point, Energy Transfer was purchasing so much low-cost supply from [redacted] that it prompted Ochoa to text "How much gas does [redacted] have[?]" "Unlimited?" Ex. A-158, ETP_000040658 at 40661. Later that afternoon, Riegler texted [redacted]. Small replied "Yeah. …We will take it all." [redacted].

By early evening, Energy Transfer was still [redacted] Just before 5:00 pm on February 14, [redacted] Ex[redacted]

[redacted]. As processing plants in West Texas went down, Small instructed the commercial development team to [redacted].

That afternoon, Energy Transfer's Co-CEO Mackie McCrea asked Small's intrastate optimization team to [redacted]. As Small put it, [redacted] Indeed, in a single weekend, Energy Transfer had just made almost triple what it typically makes from intrastate gas sales in an entire year. [redacted]; Ex. A-41, Energy Transfer LP, Annual Report (Form 10-K) 87 (Feb. 12, 2021); *see also Frostifresh*, 281 N.Y.S.2d at 965 (taking the seller's net costs and profit margin into account in evaluating unconscionability under the UCC).

iii. Monday, February 15

On February 15, temperatures plunged to 9 degrees. That morning, one-third of the state's power-generation capacity was down. To prevent a total collapse of Texas' power grid, ERCOT first ordered retail electric providers like CPS Energy to ensure all generators were working, and then eventually issued load-shedding directives to drastically reduce electricity distribution to CPS Energy's customers. The result was widespread blackouts across Texas.

The gas supply situation continued to deteriorate. [redacted]s gas supply remained down, eliminating the only source of gas for CPS Energy's Rio Nogales power plant other than Energy Transfer. [redacted]; Bordovsky Aff. ¶ 9. And things were only getting worse. Later that day, CPS Energy's supply from other gas suppliers, [redacted], coming in on HPL had been cut. Ex. A-158, CPSE-MDL_000010380, at 10381. Indeed, [redacted] reported to

CPS Energy that it was "losing gas all over the place." [redacted] Of the 354,500 MMBtu CPS Energy had counted on coming in off the Enterprise pipeline, 252,833 MMBtu had been cut. Ex. A-158, CPSE-MDL_000010380 at 10382. All natural gas scheduled to flow on the Permian Highway Pipeline had been cut to zero. *Id.* An HPL cut notification email arrived at around 11:30 AM, indicating approximately [redacted] of cuts at Katy Oasis and Houston Ship Channel. [redacted] As the day continued, cuts at the hubs climbed to 65,150 MMBtu. Ex. A-158, CPSE-MDL_000010380 at 10382. 41,692 MMBtu were cut at West Texas Map. *Id.* Of the 740,900 MMBtu CPS Energy had purchased for the long weekend, only 319,532 MMBtu were even flowing. *Id.* at 10383.

Critically, earlier that morning, CPS Energy learned that the Teak processing plant had shut down entirely, making it impossible for CPS Energy to receive any gas at Karnes from the Targa Pipeline. [redacted]; Ex. A-158, CPSE-MDL_000010380 at 10383. Once the Teak plant went down, CPS Energy's only option for delivered gas at Karnes was Energy Transfer. Ex. B, Bordovsky Aff. ¶¶ 4, 9–10. And because [redacted] had already cut CPS Energy's deliveries to zero, Energy Transfer was CPS Energy's only option at Rio Nogales as well. *Id.* at ¶8; [redacted] With no other gas showing up at Rio Nogales from [redacted] CPS Energy had to turn to Energy Transfer to meet the increasing demand of its customers. *Id.*; Ex. A-145 CPSE-MDL_000010809.

Around 3:30 PM—hours after ERCOT's load shedding left millions of Texans in the dark—Merritt demanded that CPS Energy put a deal in place "in the event" CPS Energy pulled more gas off the pipeline at Rio Nogales than it had nominated to the pipeline. Ex. A-44, CPSE-MDL_000009514 at 9519. Less than 10 minutes later, she messaged Bordovsky: "Right now, we do not have the gas. [W]e cannot support the overpull." *Id.* But she quickly clarified that the only overpull Energy Transfer could not support was one "outside of contractual rights." *Id.* That is, it wasn't that Energy Transfer lacked the gas that CPS Energy needed. It was instead that Energy Transfer wanted to extract as much money as possible for that gas. Accordingly, Merritt demanded $300 per

MMBtu for any overpulled volumes at Rio Nogales. *Id.* Bordovsky told Merritt CPS Energy was looking into whether Rio Nogales was overpulling. *Id.* "300.00/mmbtu," Merritt repeated. *Id.* One minute later, Merritt again demanded that CPS Energy confirm it would pay the $300.00/MMBtu price. *Id.* CPS Energy's transportation contract with HPL allowed for them to withdraw gas from their storage account with HPL at Bammel to automatically balance any overpulled volumes, up to their maximum daily withdrawal rate. Ex. A-17, CPSE-MDL_000026189 at 26195-26196; [redacted] It also allowed CPS Energy to cash out any overpulled volumes at an index price at the end of the month. Ex. A-17, CPSE-MDL_000026189 at 26195-26196. Confused about Merritt's demand, Bordovsky attempted to clarify whether Energy Transfer just wanted to put a sale in place or whether Energy Transfer truly did not have the volumes. Ex. A-44, CPSE-MDL_000009514 at 9520. Merritt did not answer. *Id.* She simply kept demanding CPS Energy agree to her $300 price. *Id.*

CPS Energy was in a bind—it had yet to pull more gas off the system than it had nominated and despite CPS Energy's contractual right to automatic balancing from its storage account for any overpulled volumes, Energy Transfer was still preemptively attempting to extract $300 for any excess gas CPS Energy *might* pull off the system. *Id.* Rio Nogales was pulling hard, and CPS Energy did not know if it could decrease its volumes to avoid the overpull without losing the unit. [redacted] Despite the fact that Energy Transfer had already made over [redacted] on intrastate gas sales over the weekend, Energy Transfer seized on another opportunity to exploit the human needs crisis: [redacted] Merritt insisted. Ex. A-44, CPSE-MDL_000009514 at 9519; [redacted] That day, the highest price HPL had paid to buy sameday gas for its own supply was [redacted]

When CPS Energy did not immediately agree to her $300 price, Merritt demanded that CPS Energy get on the phone with her and Small. Ex. A-44, CPSE-MDL_000009514 at 9520. CPS Energy and the rest of the state were "extremely concerned about the health of the grid," but Energy Transfer would not budge. *Id.*; Ex. A-145, CPSE-MDL_000010809 at 10824. Ultimately, as a result of Energy Transfer's sharp business practices, CPS Energy was forced to de-rate its Rio Nogales

plant, cutting its hourly power output by more than 35%. Ex. A-161, CPSE-MDL_000008776, at 8784.

c. The next-day prices Energy Transfer charged CPS Energy on February 16, 2021 are unconscionable.

When normal day-ahead gas trading resumed on Tuesday, February 16, temperatures had reached record low temperatures for two consecutive days. Temperatures in San Antonio would dip to another record-low 12 degrees. Millions of Texans remained without power. And the gas-supply situation was worse than ever. As CPS Energy's access to available supply became increasingly limited, CPS Energy was again left with no choice but to purchase gas from Energy Transfer. Knowing that CPS Energy had no available alternatives, Energy Transfer took advantage of that lack of bargaining power to extract exorbitant prices, deploying oppressive and sharp business practices to do so.

i. As gas supply grew even worse, CPS Energy was left with no available alternatives besides Enterprise and Energy Transfer.

CPS Energy's traders began contacting suppliers at 6:17 AM, asking anyone and everyone for any gas they could supply at a variety of sale points. But supplier after supplier responded the same way: they had no gas available to sell.

OXY - Ryan Hinze	CPS - Ken Skaer	02/16/2021 08:11:58	hey, gm...we have nothing here

Ex. A-162, CPSE-MDL_000009053.

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

To make matters worse, [redacted] remained unable to sell any delivered gas Rio Nogales, [redacted] and [redacted] So Energy Transfer remained the only option for delivered gas three critical CPS Energy delivery points.

ii. Energy Transfer took advantage of CPS Energy's lack of bargaining power to extract exorbitant prices.

Amidst these conditions, Energy Transfer surged their prices to truly unimaginable levels. Early that morning, Bordovsky reached out to Merritt for an offer on delivered gas. Ex. A-44, CPSE-MDL_000009514 at 9520. Four days earlier, the Railroad Commission had ordered gas suppliers like Energy Transfer to prioritize gas for local distribution companies serving human needs like CPS Energy. Ex. A-46, ETP_000000162 But that morning, Merritt stalled, telling Bordovsky that she would need to see how they were "shaping up for the new day." Ex. A-44, CPSE-MDL_000009514 at 9520. Meanwhile, Small set out to bid up prices on ICE. At 9:44 AM, Small posted offers on ICE for [redacted]. Over the next 45 minutes, he [redacted] At 10:23 AM, Small posted an offer [redacted]. The counterparty that lifted a small volume at that $400 price was Energy Transfer affiliate, ETC Marketing. Ex. A-91B, ICE-ET-EP000001.

[redacted] then instructed Merritt to offer CPS Energy $400 for next day (i.e., February 17) delivered gas at Rio, Karnes, and Oasis North Gate. Ex. A-44, CPSE-MDL_000009514 at 9521; [redacted] As [redacted] conceded, [redacted]

[redacted][5] CPS Energy implored Energy Transfer to lower the price. Bordovsky asked Merritt if she would consider selling CPS Energy gas on an index basis as opposed to demanding a $400 fixed price. Ex. A-44, ETP_000009514 at 9521. Merritt responded "No" without any further explanation, as directed by [redacted] *Id.*; [redacted] A few minutes later, Bordovsky again attempted to negotiate: "Katy price has been coming off a bit. Can we wiggle on your $400 price offer?" Ex. A-44, ETP_000009514 at 9521. Merritt refused to negotiate, responding "No wiggle room." *Id.* Again, that directive came directly from [redacted] Bordovsky tried one final time, reminding Energy Transfer that the gas was for human needs. Ex. A-44, ETP_000009514 at 9521. Merritt refused to budge: "We have to hold at $400." *Id.* CPS Energy had no choice but to accede to the $400 price. *Id.*

CPS Energy could not obtain the supply it needed at Oasis North Gate or Rio Nogales from any other supplier. *Freeman*, 435 S.W.3d at 228 (in assessing unconscionability, courts consider "the alternatives available to the parties at the time and their ability to bargain"); *El Paso Nat. Gas Co.*, 964 S.W.2d at 61 (listing "the absence of a viable alternative," as a factor to consider in the unconscionability analysis). Energy Transfer knew CPS Energy had no other options and no ability to bargain, so Energy Transfer refused to negotiate. Ex. A-44, CPSE-MDL_00009514 at 9521. CPS Energy needed the gas for human needs; it could not walk away. *Id.* So Energy Transfer, holding all the cards, doggedly insisted on their concocted price of $400. *Id.* Lacking any other option, CPS Energy purchased 25,000 MMBtu for delivery at Oasis North Gate and 50,000 MMBtu for delivery at Rio Nogales for $400. *Id.*

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15 [redacted]

Notwithstanding these facts, Energy Transfer insists that the bargaining process was "standard and fair" and—more remarkably—that "[t]here was nothing unusual about the bargaining process during Winter Storm Uri." ET Mot. Summ. J. at 24. The evidence demonstrates that there was nothing standard and fair about Winter Storm Uri or Energy Transfer's conduct. Instead, Energy Transfer planned in advance of the storm to leverage its unique position in the natural gas market to take advantage of the sales opportunity that CPS Energy's human needs obligation would present. [redacted] As temperatures plummeted and snowfall pummeled San Antonio, Energy Transfer capitalized on CPS Energy's lack of alternatives and demanded $400 for natural gas. Ex. A-44, CPSE-MDL_00009514 at 9521. It then refused to "wiggle" on price, understanding full well that CPS Energy had no ability to bargain and nowhere else to turn. *Id.* It did not matter that the gas was for human needs. *Id.* ("[W]e can definitely attest that this would be for human needs.") It did not matter that the Governor had declared a statewide disaster. It did not matter that CPS Energy had no other options—indeed, that was the point. Because Energy Transfer knew that on February 16, CPS could not buy the gas it needed from any other counterparty, Energy Transfer could demand whatever price it wanted and CPS Energy had no choice but to accede.

Energy Transfer also insists that CPS Energy was "free" to reject offers from Energy Transfer during the storm and simply purchase gas from some other, unidentified counterparty. ET Mot. Summ. J. at 25-26. Again, that argument ignores the realities of Winter Storm Uri, the massive cuts to supply CPS Energy had already received, and the limited number of options that CPS Energy had, even outside of the storm, to acquire delivered gas at Rio Nogales, Karnes, and Oasis North Gate. Ex. B, Bordovsky Aff. ¶¶ 7–11. As CPS Energy's attempts to buy gas from other suppliers demonstrate, CPS Energy's options to purchase gas at the hubs were also limited. Although a typical trading day would see upwards of 50 deals totaling millions of MMBtu of gas traded at Katy, on February 16, only nine fixed-price next-day deals for gas at Katy Oasis, totaling only 78,400 MMBtu, closed on the ICE platform. Ex. A-91B, ICE-ET-EP0000001. Similarly, only two transactions for gas at HSC pool, totaling less than 10,000 MMBtu, closed on the ICE platform. *Id.* Both were sales

by HPL. *Id.* Indeed, 100% of all transactions at HSC reported to Platts for flow day February 17 were sales by Energy Transfer. Ex. D, P. Bergin Decl. at ¶ 5(g).

With gas continuing to be cut at the hubs, CPS Energy had to purchase delivered gas, leaving them at Energy Transfer's mercy. Ex. A-6, Skaer Dep. at 253:7-20. Delivered gas that CPS Energy normally could count on receiving at Karnes off the [redacted]; *see also* Ex. B, Bordovsky Aff. ¶ 9. Again, because [redacted] had cut CPS Energy to zero, Energy Transfer was CPS Energy's only option for delivered gas at Rio Nogales as well. [redacted]; *see also* Ex. B, Bordovsky Aff. ¶ 8. And even outside of Winter Storm Uri, Energy Transfer was CPS Energy's only option for delivered gas at Oasis North Gate. Ex. B, Bordovsky Aff. ¶ 11. As Skaer explained "[T]here are only limited companies that can sell gas directly to CPS Energy…CPS Energy was at the mercy of those companies and we, essentially, had to buy the gas at whatever price they dictated, unless our executive team was willing to not buy the gas and have people freeze." Ex. A-6, Skaer Dep. at 69:11-17. Another CPS Energy executive explained: "[T]here were people dying, and we had no choice." Ex. A-168, Almaraz Dep. at 219:10-17. CPS Energy was "at the mercy of anyone that could supply to us at that time." *Id.*

iii. Energy Transfer deploys sharp business practices to extract the highest prices it could from CPS Energy.

Energy Transfer deployed sharp business practices to exploit CPS Energy's desperation in two ways. First, before offering gas to CPS Energy on February 16, Small posted offers on ICE to drive up prices. Ex. A-91B, ICE-ET-EP0000001. The Railroad Commission's order required suppliers like Energy Transfer to prioritize natural gas sales to local distribution companies serving human needs. Ex. A-46, ETP_000000162. In defiance of that order, Energy Transfer was not first communicating with utilities like CPS Energy—it was posting offers on ICE to the open market to drive up prices so that it could extract the highest price it could from CPS Energy. *Id.*

In addition to bidding up prices on ICE to extract the highest price it could from CPS Energy for next-day gas, Energy Transfer also deployed sharp business practices to capitalize on sameday pricing, as they had planned to do before the storm even started. Ex. A-85, CPSE-MDL_00009014. Later on February 16, when CPS Energy asked Merritt for an offer for additional next day delivered gas at Oasis North Gate and Karnes, she refused to make an offer. Ex. A-44, CPSE-MDL_000009514 at 9521-9522 ("We'll have to wait and look at it tomorrow. [S]ame day[.]")

Energy Transfer's decision to wait to price gas for February 17 until the following day had nothing to do with available supply and everything to do with holding out for higher prices as the winter storm disaster grew steadily worse. Indeed, Merritt could not identify a single instance during Winter Storm Uri when Energy Transfer turned down a deal because of a lack of available volumes to sell. Ex. A-36, Merritt Dep. 174:3-14.

So on February 16, Energy Transfer had CPS Energy exactly where it wanted them—desperate for gas and with no other supplier to turn to. CPS Energy had no choice but wait until the following day to see what exorbitant price Energy Transfer would demand for same day gas. Ex. A-85, ETP_000009014. Because the totality of the circumstances surrounding the prices Energy Transfer charged CPS Energy for next-day gas on February 16 demonstrate that they were unconscionable, the Court should deny Energy Transfer's motion for summary judgment with respect to the following February 16 transactions:

Transaction No.	Seller	Trade Date & Time	Sale Point	Price (Note: All fixed price deals)	Quantity + Flow Date(s)
CPSE #62325	Oasis	Feb. 16 12:38 PM	1702 Oasis Rio Nogales Delivered	$400	50,000 (Feb. 17)
CPSE# 62326	Oasis	Feb. 16 12:38 PM	1483 Oasis North Gate Delivered	$400	25,000 (Feb. 17)

d. The prices Energy Transfer charged CPS Energy on February 17, 2021 are unconscionable.

The next day, on February 17, 2021, at the height of the declared statewide disaster, and after San Antonio had experienced 100-plus consecutive hours of below freezing temperatures, Energy Transfer's prices went even higher. That day, Energy Transfer charged their highest price for natural gas of the entire disaster period: $500/MMBtu for same-day gas for delivery at Karnes and Oasis North Gate, representing an increase of more than 15,000% over pre-event prices. Ex. A-70, ETP_000000229; Ex. A-71, ETP_000000230. Energy Transfer also charged CPS Energy outrageous prices for next-day gas to be delivered on February 18: $300 for gas delivered to Rio Nogales, Oasis North Gate, and Karnes. Ex. A-169, ETP_000000226; Ex. A-170, ETP_000000227; Ex. A-171, ETP_000000228.

i. The prices Energy Transfer charged "shock the conscience" and compel the court to intercede.

The prices Energy Transfer charged CPS Energy are "sufficiently shocking or gross to compel the court to intercede." *Ski River Dev.*, 167 S.W.3d at 136; *Venture Cotton Co-op.*, 435 S.W.3d at 228 ("Under the UCC," the unconscionability analysis considers "the agreement's oppressive or shocking nature"). Every Energy Transfer witness conceded that they had never seen prices that high. Energy Transfer's own traders referred to the very prices they were charging as [redacted] Ex. A-178, ETP_000039658 at 39660; [redacted] But because those [redacted] prices were [redacted] they didn't think twice about charging them. [redacted]. The prices alone are sufficiently shocking and oppressive as to warrant court intervention. *Jones*, 59 Misc. 2d at 192 (finding the price charged was unconscionable because it was "exorbitant on its face," and so outrageous that it warranted a finding of unconscionability irrespective of the presence of any unfairness in the contract formation process); TEX. BUS. & COM. CODE § 2.302, cmt. 1.

The oppressive and shocking nature of Energy Transfer's prices is only heightened by the fact that Energy Transfer never considered whether it should charge any price other than the highest

price it could charge, even during the height of the storm on February 17. [redacted]; *see also* [redacted] When asked whether Energy Transfer could have charged less for natural gas during the storm and still made a significant profit, Small testified [redacted] Indeed, Energy Transfer—to this day—has no second thoughts about price gouging during a declared disaster and is [redacted] of its conduct during the storm. [redacted]

There is no reason Energy Transfer could not have chosen a different path and charged lower prices during the state-declared disaster. *See Jones*, 59 Misc. 2d at 191 ("Section 2-302 of the Uniform Commercial Code enacts the moral sense of the community into the law of commercial transactions."). Recognizing the severity of Winter Storm Uri, other natural gas suppliers made the decision after the long weekend not to extract whatever price they could get from CPS Energy. For instance, [redacted] decided starting on February 16 to charge CPS Energy first of month prices: "[M]aking sure people get gas," [redacted] trader said "[N]ot price gouging in these times if its for human needs":

[redacted]

[redacted].

Energy Transfer, too, could have made different choices. By the end of the long weekend, Energy Transfer had already made record profits. [redacted] If Energy Transfer had charged first of month prices like [redacted], Energy Transfer still would have made [redacted] Indeed, Energy Transfer's profit margin coming out of the long weekend was already triple what it typically was for an entire year. Ex. A-78, Energy Transfer LP, Quarterly Report (Form 10-Q) 42 (May 11, 2020); Ex. A-41,

Energy Transfer LP, Annual Report (Form 10-K) 87 (Feb. 12, 2021). But Energy Transfer wanted more and it deployed oppressive and shocking business practices—during a declared disaster—to get it.

ii. Energy Transfer's attempts to normalize the shocking prices they charged are unavailing.

Unable to escape the fact that the prices it charged CPS Energy are exorbitant and shocking on their face, Energy Transfer makes several unpersuasive attempts to normalize them. First, Energy Transfer insists that the prices it charged CPS Energy were "not market outliers," but were in fact "consistent" with prices charged by other suppliers. ET Mot. Summ J. at 28-31. That is misleading for several reasons. First, Energy Transfer ignores the fact that by February 16, only the pipeline companies had any gas. *See supra*. Second, it ignores that a number of the comparator sales plotted on pg. 32 of Energy Transfer's motion were done on an index basis. The *Gas Daily* index is a volume-weighted average of all reported fixed-price transactions for a given hub. [redacted] Energy Transfer's vast intrastate natural gas transportation and storage assets, including HPL and Oasis, give it a dominant role as a seller of natural gas in many Texas market areas, especially at Houston Ship Channel and Katy. For instance, on February 13-16, Energy Transfer's transactions made up **93%** of the reported fixed-price transactions at Houston Ship Channel. Ex. D, P. Bergin Aff. ¶ 5(g). On February 17, Energy Transfer's transactions made up **100%** of the reported fixed-price transactions at Houston Ship Channel.

Flow Date(s)	HSC	Katy	Waha
Feb. 6–8	100%	54%	58%
Feb. 9	91%	51%	60%
Feb. 10	0%	2%	48%
Feb. 11	100%	34%	42%
Feb. 12	32%	0%	13%
Feb. 13–16	93%	36%	34%
Feb. 17	100%	6%	0%
Feb. 18	64%	56%	15%
Feb. 19	64%	77%	2%

Id. Thus, any argument about the reasonableness of the prices Energy Transfer charged that relies on a comparison to an index price or a price charged by another supplier based on an index price must be assessed with an understanding of Energy Transfer's outsize influence on the daily indices reported for various hubs. Because of Energy Transfer's dominant influence—and on February 17—complete influence over the index price at Houston Ship Channel, any comparison to that index price is essentially a comparison with itself.

Energy Transfer next asserts that there is "abundant, undisputed evidence that CPS did not think the prices were unfair at the time." ET Mot. Summ. J. at 35. There could not be a more hotly disputed issue in this case. Every CPS Energy witness has testified that they thought the prices Energy Transfer was demanding were excessive and exorbitant. *See, e.g.*, Ex. A-168, Almaraz Dep at 97:6-12 ("**Q.** Did - - at this time, February 15th 2021 . . . did you believe these prices were excessive or exorbitant? **A.** Me, Frank, personally, absolutely. **Q.** At this time, February 15th, 2021? **A.** I was operating against a frame of reference of $2.50, $3. These numbers were stunning."); Ex. A-6, Skaer Dep. at 25:9-13 ("As the gas prices began to elevate, we were very concerned about the prices and wanted to ensure that - - that we had full support before buying any gas deals that were, what we considered, to be excessively priced.") Contemporaneous documents corroborate that testimony. Ex. A-44,CPSE-MDL_00009514 at 9521 ("[T]he numbers are so large . . . it's got everyone pretty freaked out"). And even Energy Transfer understood the prices at the time were "crazy". *See* Ex. A-172, ETP_000039658 at ETP_000039660.

Grasping at straws, Energy Transfer argues that because CPS Energy "was aware of market conditions and gas prices when it made its gas purchases during the storm," the prices Energy Transfer charged were somehow not unconscionable. ET Mot. Summ. J. at 34. CPS Energy knew that Energy Transfer was demanding outrageous prices during the storm. It also knew that because of Energy Transfer's outsize influence over the daily indexes at Houston Ship Channel and Katy, Energy Transfer was influencing—if not wholly driving—the index prices at various hubs. Ex. A-6, Skaer Dep. at 160:12-20; Ex. D, Bergin Aff. ¶ 5(g). CPS Energy's *awareness* of Energy Transfer's outrageous prices—and Energy Transfer's influence over the daily index prices at various hubs—does

not make those prices any less shocking. Indeed, because CPS Energy was constantly monitoring price and available supply, it made every effort to avoid buying gas from Energy Transfer when it had any other option, given Energy Transfer's reputation for charging the highest prices that it could. Ex. A-6, Skaer Dep. 252:11-15 ("I would say that oftentimes when we asked them for a price, Bruce, for instance, was afraid to hang up the phone because he said if he called them back in one minute they would raise the price."). CPS Energy only turned to Energy Transfer when it had no other option, and Energy Transfer used CPS Energy's lack of choice and ability to bargain to demand oppressive and shocking prices. Ex. B, Bordovsky Aff. ¶¶ 7–11.

Because the totality of the circumstances surrounding the prices Energy Transfer charged CPS Energy for next-day and same-day gas on February 17 demonstrate that they were unconscionable, the Court should deny Energy Transfer's motion for summary judgment with respect to the following February 17 transactions:

Transaction No.	**Seller**	**Trade Date & Time**	**Sale Point**	**Price (Note: All fixed price deals)**	**Quantity + Flow Date(s)**
CPSE# 62419	Oasis	Feb. 17 11:17 AM	Oasis Rio Nogales Delivered	$300	50,000 (Feb. 18)
CPSE# 62420	Oasis	Feb. 17 11:17 AM	Oasis North Gate Delivered	$300	75,000 (Feb. 18)
CPSE# 62417	HPL	Feb. 17 11:26 AM	987357 HPL CPS Karnes Delivered	$300	35,000 (Feb. 18)
CPSE #62323	HPL	Feb. 17 11:58 AM (intraday)	987357 HPL CPS Karnes Delivered	$500	80,000 (Feb. 17)

CPSE #62327	Oasis	Feb. 17 3:25 PM (intraday)	1483 Oasis North Gate Delivered	$500	50,000 (Feb. 17)

e. The prices Energy Transfer charged CPS Energy on February 18, 2021 are unconscionable.

At 8:00 AM on February 18, Bordovsky messaged Jennifer Merritt asking for 75,000 MMBtu of next-day delivered gas at Oasis North Gate. Ex. A-44, CPS-MDL_00009514 at 9524. She did not give him a price for an hour and a half. *Id.* At 9:30 AM, Merritt messaged "$50.00 offer." *Id.* Bordovsky asked Merritt to please "give [him] a sec, please" to get approval to buy the gas. *Id.* Small then started posting offers [redacted], offering gas to the entire market in violation of the Railroad Commission's prioritization order. [redacted]; Ex. A-46, ETP_000000162 (Railroad Commission Order). As Small was posting offers to sell gas at [redacted] he was posting a bid to buy gas for [redacted] At 9:41 AM, a counterparty lifted Small's $75 offer. Ex. A-91C, ICE-ET-EP000001. One minute later, Merritt messaged CPS Energy that she was "out" of her original $50 offer and increased her price to $75. Ex. A-44, CPS-MDL_00009514 at 9524. CPS Energy needed gas at North Gate and Energy Transfer remained CPS Energy's only option for delivered gas at that delivery point. CPS Energy had no choice but to assent to the $75. *Id.*; Ex. B, Bordovsky Aff. ¶ 11.

At this time, Energy Transfer's deals constituted 77% of all reported transactions at Katy as well as 80.6% of the volume traded at Katy on ICE. Ex. D, Bergin Aff. ¶5(g). Energy Transfer's outsize influence at Katy gave it the ability to influence, if not outright control, the price at Katy. *Id.*

As prices fell toward the end of the trading day, Energy Transfer seized its final opportunity of the storm to demand exorbitant prices: Small sold gas to CPS Energy over ICE for $50, the original price Merritt had quoted CPS Energy and then withdrawn earlier that morning. Ex. A-91C, ICE-ET-EP000001; Ex. A-44, CPS-MDL_00009514 at 9524. The next day, gas prices would return to pre-event levels of $2–$3 dollars. Reflecting on the exorbitant profit they had helped make possi-

ble, the commercial development joked about getting paid that month based on a percentage of Energy Transfer's profit. Ex. A-173, ETP_000039858 at 39859 (Ryan Lee asked Riley "How about .5% of book?" and Riegler texted back "BOOM!").

The prices Energy Transfer extracted from CPS Energy on February 18 culminated the weeks-long effort to deploy sharp and oppressive business practices to profit off a statewide emergency and CPS Energy's attendant desperation for gas. Indeed, by February 18, Energy Transfer had perfected its price gouging technique. When CPS Energy reached out in the morning for an offer, Energy Transfer again stalled, giving Small time to bid up prices on ICE. Ex. A-44, CPS-MDL_00009514, at 9524. It leveraged its outsize influence over the Katy index to essentially set that price. Ex. D, Bergin Aff. ¶5(g). Then, it withdrew its original $50 offer and demanded $75 from CPS Energy. Ex. A-44, CPS-MDL_00009514 at 952. Meanwhile, it was unwilling to purchase gas for its own supply for any more than $8. Ex. A-90C, ICE-Energy_Transfer000011. And the cost basis Energy Transfer assigned to the gas it withdrew from storage to sell remained $3. Ex. A-96, ETP_000012086.

Because the totality of the circumstances demonstrate that the prices Energy Transfer charged CPS Energy on February 18, like the prices Energy Transfer charged throughout the storm, were unconscionable, the Court should deny Energy Transfer's motion for summary judgment with respect to the following February 18 transactions:

Transaction No.	**Seller**	**Trade Date & Time**	**Sale Point**	**Price (Note: All fixed price deals)**	**Quantity + Flow Date(s)**
CPSE# 62454	Oasis	Feb. 18 9:50 AM Oasis North Gate	1483 Oasis North Gate Delivered	$75	75,000 (Feb. 19)
CPSE #62453	HPL	Feb. 18 11:05 AM	986780 Oasis Katy	$50	10,000 (Feb. 19)

2. The prices Energy Transfer charged CPS Energy during the storm bore no reasonable relationship to their supply costs.

The prices Energy Transfer charged CPS Energy are all the more outrageous given the enormous profit it knew it was making throughout the disaster. In price unconscionability cases, courts across the country have consistently held that the degree to which a seller profits from a given price is relevant to whether that price is unconscionable or excessive. *See California Grocers Assn.*, 27 Cal. Rptr. 2d at 403; *Frostifresh*, 281 N.Y.S.2d at 965; *Moran*, 208 Cal. Rptr. at 316; *Jones*, 59 Misc.2d at 191-192. To that end, courts look to the relationship between the prices a party charged and its supply costs. *See id.* Here, the prices Energy Transfer charged during Winter Storm Uri bore no reasonable relationship to its supply costs. For example, as previously discussed, Energy Transfer's commercial development team sourced low-cost gas—in the single digits— from Louisiana producers for Energy Transfer's own weekend supply. Energy Transfer also [redacted] Yet, it demanded prices as high as $500 from CPS Energy. Ex. A-70, CPSE-MDL_00009514 at 9523-9524; Ex. A-71, ETP_000000229; ETP_000000230.

Moreover, Energy Transfer knew—and celebrated—these outrageous profits throughout the disaster. *See supra* at Part A.1.iv. Energy Transfer's exorbitant profits combine with several other factors militating in favor of unconscionability, including CPS Energy's inability to bargain; its lack of alternatives; the context of a once in a generation storm; Energy Transfer's dominant role as a seller of natural gas in many Texas market areas, especially the Houston Ship Channel and Katy, and its corresponding ability to influence if not outright control the index price; Energy Transfer's sharp business practices—including its refusal to wiggle on price, its practice of bidding up prices on ICE before offering gas to CPS Energy, and the many actions it took to capitalize on CPS Energy's desperation to extract excessively high prices. At a minimum, the commercial circumstances that existed during Winter Storm Uri are sufficient to raise a fact issue on CPS Energy's unconscionability defense and summary judgment is therefore improper.

3. Sophisticated entities are not precluded from asserting the affirmative defense of unconscionability.

Unable to contest these facts, Energy Transfer baldly asserts, with no citation, that the Court can ignore them because "[i]n Texas, the affirmative defense of unconscionability is not available to large sophisticated entities in commercial transactions." ET Mot. Summ. J. at 23. Energy Transfer urges that because CPS Energy is "a sophisticated business entity," that "sophistication rules out procedural unconscionability," the Court should "end its inquiry here." *Id.* at 23-24. There is no such rule.

Unconscionability requires a fact-intensive inquiry into the circumstances at the time of contracting. A party's level of sophistication, while potentially probative of various factors, is not dispositive—indeed, no single factor is dispositive because under Texas law, the unconscionability analysis considers "the totality of the circumstances." *Delfingen US-Texas*, 407 S.W.3d at 801; *Besteman*, 272 S.W.3d at 787–88 ("Unconscionability must be determined on a case-by-case basis in light of a variety of factors."). There are no Texas cases indicating that a party's sophistication renders all other considerations immaterial, including the entire commercial atmosphere surrounding the challenged transactions.[16] Likewise, testimony that a party is unsophisticated does not, in the absence of other factors, establish unconscionability. *See, e.g.*, *Brackenridge Healthcare, Inc. v. Camero*, No. 04-22-00271-CV, 2023 WL 3107064, at *5 (Tex. App.—San Antonio Apr. 27, 2023, no pet.). A party's level of sophistication is not dispositive either way.

[16] Indeed, even when courts in Texas have concluded that a contract between two sophisticated entities is not unconscionable, the court's analysis did not begin and end with a party's level of sophistication. Courts in Texas, like those across the country, assess unconscionability in light of all the commercial circumstances existing at the time of contracting. *See, e.g.*, *Transamerican Leasing Co. v. Three Bears, Inc.*, 586 S.W.2d 472, 478 (Tex. 1979) (expressly considering factors such as whether the terms of the contract were "harsh" or "oppressive" and whether the party challenging the contract was in an unfair bargaining position in case involving two corporations); *Franz Chem. Corp. v. Philadelphia Quartz Co.*, 594 F.2d 146, 149–50 (5th Cir. 1979) (explaining that although the corporation was sophisticated, the corporation had the right under the UCC "to present evidence regarding the totality of circumstances surrounding the negotiation and execution [of the agreement] in order to assist the court in making its [unconscionability] determination").

Energy Transfer's proposed rule also altogether ignores that unconscionability is a defense *in the UCC*, which undoubtedly applies to sophisticated commercial entities. TEX. BUS. & COM. CODE § 2.302. "[S]ection 2.302 of the Business and Commerce Code does not limit its protections to only those involved in personal, as opposed to commercial, transactions." *El Paso Nat. Gas Co.*, 964 S.W.2d at 62. Indeed, the UCC also requires that parties be afforded "a reasonable opportunity to present evidence as to [a contract's] commercial setting, purpose and effect" to aid the court in evaluating the defense. TEX. BUS. & COMM. CODE § 2.302(b). "[T]he legislature did not intend to *ipso facto* exclude commercial transactions from the realm of unconscionability." *El Paso Nat. Gas Co.*, 964 S.W.2d at 62. And neither Energy Transfer nor this Court is "in a position to do that which the legislature has not done." *Id.*

Energy Transfer's cases do nothing more than demonstrate that the parties' relative sophistication is one among many factors in the totality of the circumstances analysis. ET Mot. Summ. J. at 23-24 (citing *Lost Maples Gen. Store, LLC v. Ascentium Cap.*, LLC, No. 14-18-00215-CV, 2019 WL 1966671 (Tex. App.—May 2, 2019, no pet.) For instance, in *Lost Maples*, the court's unconscionability analysis did not stop because the challenging party was sophisticated. The court considered whether the challenging party "was afforded ample time to review [the contract's terms] and seek legal counsel before signing them," whether the party had "negotiated [the contract's] terms" and evidence indicating that the challenging party had "considered the option of paying cash for the ice machine and walking away from the financing offer altogether." 2019 WL 1966671 at *6. As required by both case law and statute, the court considered the totality of the commercial circumstances surrounding the challenged transaction and all of plaintiff's evidence before rendering its decision about whether the agreement was unconscionable. *Venture Cotton Co-op.*, 435 S.W.3d at 228; TEX. BUS. & COMM. CODE § 2.302(b).

As for Energy Transfer's assertion that courts across the country have held it a "foundational principle" that sophisticated entities cannot assert an unconscionability defense, that is plainly untrue. Many courts, including in Texas, have applied the UCC's unconscionability framework to sophisticated commercial entities. *See, e.g.*, *Industralease Automated & Sci. Equip. Corp. v. R.M.E. Enterpris-*

es, Inc., 58 A.D.2d 482, 490, 396 N.Y.S.2d 427, 432 (1977) (applying the UCC and concluding that a disclaimer of warranties provision in a contract between two corporations involving industrial equipment was unconscionable because the industrial equipment never operated); *Transamerican Leasing Co. v. Three Bears, Inc.*, 586 S.W.2d 472, 478 (Tex. 1979) (analyzing unconscionability under the UCC in case involving two corporations with no mention of the challenging party's sophistication in its analysis).

In each of these cases cited by Energy Transfer, *see* ET Mot. Summ. J. at 23, the court does not dispense with its unconscionability analysis upon a determination that the challenging party is sophisticated but rather considered the party's sophistication as one of many factors in unconscionability's totality of the circumstances analysis. Indeed, in *Morrison v. Amway*, the court makes that requirement explicit, explaining that unconscionability "has no precise legal definition because it is not a concept but a determination to be made *in light of a variety of factors*" and "no single test exists to determine if a contract is unconscionable." 49 F. Supp. 2d 529, 533-544 (S.D. Tex. 1998) (emphasis added). In *United Teacher's Assocs. Ins. Co. v. MacKeen & Bailey, Inc.,* the court concluded the agreement was not unconscionable because the evidence demonstrated, among other things that the agreement was drafted by counsel, that the agreement provided consideration, and the parties were aware of the risk of conflicting interests. 847 F. Supp. 521, 540 n. 28 (W.D. Tex. 1994), *aff'd in part, rev'd in part sub nom United Tchrs. Assocs. Ins. Co. v. MacKeen & Bailey*, 99 F.3d 645 (5th Cir. 1996). In *NML Cap. v. Republic of Argentina,* 621 F.3d 230 (2d Cir. 2010) and *BBVA Compass Inv. Sols, Inc. v. Brooks,* 456 S.W.3d 711, 715 (Tex. App.—Fort Worth 2015, no pet.), the party's unconscionability claim failed because it rested in part on the occurrence of unfavorable *subsequent events* and a lack of evidence of oppressive conduct *at the time* the agreement was signed. *NML Cap.,* 621 F.3d 230, 237 (Argentina's later financial crisis caused the interest rate at issue in the contract to spike and there was no indication of a lack of meaningful choice or alternatives at the time of drafting; indeed Argentina drafted the very interest rate provision it was challenging); *BBVA Compass Inv. Sols*, 456 S.W.3d at 715 (BBVA Compass's transfer of all of plaintiffs' money into somebody else's account occurred long after plaintiffs signed a brokerage agreement containing the challenged arbitration agreement). And in

SOL Grp. Mktg. Co. v. Lines, No. 14-CV-9929 (SHS), 2016 WL 205444 (S.D.N.Y. Jan. 15, 2016), the court examined evidence demonstrating that the challenging party was "able to negotiate both a VIP rate and an amendment to the contract" and noted the lack of evidence that APL was Sol's only option, *id.* at *7. None of these cases hinged on a party's sophistication alone.

Moreover, in each of these cases, the party challenging the agreement simply failed to provide the kind of evidence CPS Energy has provided here. For instance, in *Morrison*, the court did not throw out the party's unconscionability defense because it was relatively sophisticated; rather, the court concluded the contract at issue was not unconscionable because the party challenging the agreement presented "no evidence" of "overreaching or sharp practices" and no evidence the agreement was "unfair or oppressive." 49 F. Supp. 2d at 534. Likewise, in *BBVA Compass Inv. Sols*, the record contained "no specific evidence" that the plaintiffs would "actually be charged excessive arbitration fees" and there was "no legally sufficient evidence that such fees prevent the [plaintiffs] from effectively pursuing their claim in the arbitral forum." 456 S.W.3d at 724. CPS Energy, by contrast, has presented substantial evidence that it lacked alternatives, had no bargaining ability, and it has demonstrated that Energy Transfer deployed sharp business practices to profit off a declared disaster to.[17] *See supra* at Part III.

Energy Transfer asks the Court to invent a rule without basis in case law or statute. The Court should decline the invitation and see the request for what it is: another attempt by Energy Transfer to avoid the fact-intensive inquiry the unconscionability doctrine requires.

4. Energy Transfer's sideshow arguments are unavailing.

At various points in its motion, Energy Transfer insists that CPS Energy had alternatives to purchasing gas from Energy Transfer at exorbitant prices. Energy Transfer, however, fails to identify a single supplier besides Energy Transfer that was able to sell CPS Energy the volumes it needed at

[17] Importantly, none of the cases Energy Transfer cites involved exorbitant price terms demanded during a declared disaster and the attendant public policy concerns associated with price gouging in times of an emergency. *Venture Cotton Co-op.*, 435 S.W.3d at 228 (explaining that unconscionability considers "public-policy concerns, and the agreement's oppressive or shocking nature").

the locations where it needed it during Winter Storm Uri. CPS Energy has explained why, for each day of the storm, Energy Transfer was CPS Energy's only option. Against that backdrop, Energy Transfer cannot establish as a matter of law that CPS Energy had other alternatives *at the time of contracting. See* TEX. BUS. & COM. CODE § 2.302 (limiting the lens of analysis to the commercial circumstances existing "at the time [the contract] was made").

Unable to identify the existence of actual available alternatives *during the storm*, Energy Transfer next points to supposed options CPS Energy should have pursued *before the storm even started.* These include:

- Purchasing baseload gas;
- Making additional financial hedges;
- Maintaining additional gas in storage which could have been used during Winter Storm Uri; and
- Relying on or storing additional natural gas alternatives, like fuel oil.

See ET Mot. Summ. J. at 2, 4, 25-27. Even if Energy Transfer's proposed "alternatives" were relevant, CPS Energy has adduced sufficient evidence to raise a genuine issue of material fact that these options were not available to CPS Energy or were not feasible in light of Winter Storm Uri. Energy Transfer's related arguments that CPS Energy deliberately chose a "risk profile" that exposed it to spot prices and somehow excuses Energy Transfer's unconscionable prices and that CPS Energy had a so-called "plan" to profit off high gas prices are also red herrings.

a. Energy Transfer's so-called alternatives are not relevant.

As noted above, because the unconscionability defense requires a court to assess the totality of the circumstances as they existed at the time of contracting, Energy Transfer's purported alternatives are not relevant. *See* TEX. BUS. & COM. CODE § 2.302(a); *Delfingen US-Texas,* 407 S.W.3d at 798; *Venture Cotton Co-op.,* 435 S.W.3d at 228. Here, because of the nature of the NAESB, the trial court must look at the particular circumstances when the natural gas transactions at issue were executed

between CPS Energy and Energy Transfer – that is, during Winter Storm Uri. That timing is important. Energy Transfer seems to concede as much at one point in its motion.[18]

Elsewhere, however, Energy Transfer wants this Court to examine hypothetical actions that CPS Energy could have taken in the months before Winter Storm Uri to allegedly better prepare for Winter Storm Uri. Those actions are simply not relevant to the unconscionability determination because none of them were alternatives available to CPS Energy *at the time* the disputed gas transactions occurred.

As Energy Transfer's own expert concedes, none of these so-called "alternatives" are relevant to the Court's unconscionability determination. Energy Transfer's expert, Michael De Laval, admits that CPS Energy's pre-Winter Storm Uri gas purchasing and hedging strategies were a "separate issue" from the question of whether the prices Energy Transfer ultimately charged were excessive. When asked how his review of CPS Energy's gas purchasing strategies for baseload versus swing gas would help the fact-finder determine whether Energy Transfer's prices were excessive, De Laval explained that "[r]egarding the individual prices, I think that's a separate issue." (Ex. A-174, De Laval Dep. 140:3–14.) De Laval then conceded on follow-up questioning that CPS Energy's gas purchasing strategy does not "go toward" the determination of whether a price is excessive because that is a separate issue:

> **Q.** But these specific opinions about their risk strategy don't go toward the determination of whether a price is excessive or not. Right? That's separate?
>
> **A.** That's separate. Correct.

(*Id.* at 140:15–19.)

[18] *See* ET Mot Summ. J. at 27 (quoting *In re Palm Harbor Homes, Inc.*, 195 S.W.3d 672, 678 (Tex. 2006) ("The test for substantive unconscionability is whether, "given the parties' general commercial background and the commercial needs of the particular trade or case, the clause involved is so one-sided that it is unconscionable ***under the circumstances existing when the parties made the contract***.").)

De Laval also admitted that his opinions concerning CPS Energy's hedging strategies would not help the fact-finder determine whether the prices charged by Energy Transfer were excessive, which is the exact question the fact-finder will be asked to resolve:

> **Q.** So I have the same question about what we were discussing with hedging. So how would your opinion with respect to CPS Energy's inter-month hedging strategy help the fact-finder to determine whether the prices Energy Transfer charged were excessive? . . .
>
> **A.** The absolute price, if they were just looking at the price of the transaction to the fact-finder to say if it's excessive or not, it wouldn't.

Ex. A-174, De Laval Dep. 214:5–14.

Even if the Court ventured beyond the permissible, contemporaneous lens of the unconscionability analysis to examine Energy Transfer's proposed alternatives, those proposed alternatives assume the benefit of hindsight. While Energy Transfer concedes that Winter Storm Uri had "no recent precedent," CPS Energy's weather expert, Jeffrey Basara—whom Energy Transfer has not challenged in this case—has testified that Winter Storm Uri was "unprecedented in the climatological record when you consider the combined attributes of its intensity, duration, and precipitation accumulation" and the likelihood of an event like Winter Storm Uri occurring was 1 in over 300,000 years. Ex. A-175, Basara Dep. 24:13-24. CPS Energy could not have taken steps to prepare for what would be an unprecedented event, and this Court should reject Energy Transfer's blame-game. Because all of Energy Transfer's proposed alternatives assume CPS Energy could have predicted Winter Storm Uri and its impact, the Court should reject all of them. Further, as detailed below, there are genuine issues of material fact as to whether these alternatives were available to CPS Energy or feasible.

Baseload gas. In its motion, Energy Transfer asserts that CPS Energy could have "[p]urchased additional baseload gas each month, making it less reliant on spot market prices." ET Mot. Summ. J. at 26. There is no dispute between the parties that CPS Energy could only buy baseload gas for February 2021 during "bid week" in January, long before forecasts ever predicted a storm of Winter Storm Uri's magnitude. Ex. A-37, CPS Corp Rep. Dep. 287:21-288:6. Weather

forecasts during bid week predicted a mild February. Ex. A-175, Basara Dep 42:21-25. Baseload gas is "the minimum amount of usage you can expect in a month." Ex. A-8, Bayazitoglu Dep. 86:20-22. Historically, CPS Energy has its lowest average daily gas consumption in February. So, based on its assessment of historical weather forecasts and its historical demand in a typical February, as even Energy Transfer's expert concedes is the correct approach, CPS Energy purchased a similar amount of baseload gas for February 2021 that it had purchased for the previous five Februaries. Ex. A-8, Bayazitoglu Dep. 78:10-12; Ex. A-174, De Laval Dep. 80:25-81:3. CPS Energy could "not know the kind of consumption month the coming February would be, and the market consensus did not suggest that February was going to be a cold or an above-average month." Ex. A-8, Bayazitoglu Dep. 86:13-17. Energy Transfer can point to no information available to CPS Energy during bidweek in January 2021 that should have signaled to CPS Energy that it needed to depart from what it had done for the past five Februaries.

Because the evidence shows that no one had any indication how bad the storm was going to be during bid week in January, buying additional baseload gas was not a reasonable alternative. *See* Ex. A-175, Basara Dep. 25:22-26:13 (explaining that the Winter Storm Uri forecast was not actionable until February 11, 2021, just days before the storm). And, as De Laval states, even if CPS Energy had additional baseload agreements in place, there is no guarantee that CPS Energy would have received that gas during the storm. Ex. A-174, De Laval Dep. 154:21-155:8 (**Q.** "So setting aside Energy Transfer specific, if CPS Energy had purchased more baseload gas in January 2021, would it have been guaranteed to flow during Winter Storm Uri? **A.** Of course not. But neither would daily gas.").[19]

Moreover, as it does throughout its motion, Energy Transfer refuses to engage with specifics. It asserts that CPS Energy could have "[p]urchased additional baseload gas," but it does not bother to explain how much more or whether a counterparty was interested in selling CPS Energy

[19] CPS Energy has moved to exclude De Laval's opinions and uses his statements here only to demonstrate that no competent evidence exists to support Energy Transfer's argument that reasonable alternatives exist.

that unspecified volume. Energy Transfer concedes that it would be unreasonable for a municipal utility like CPS Energy to meet its full demand requirements through baseload gas. Ex. A-174, De Laval Dep. at 80: 20-22 (**Q.** "So is it your opinion that CPS Energy should meet its full demand requirements through baseload gas?" **A.** Absolutely not.") And, as previously discussed, CPS Energy had to buy delivered gas from Energy Transfer at Karnes, Rio Nogales, and Oasis Northgate because no other counterparty could sell them delivered gas at those points on CPS Energy's system. Ex. B, Bordovsky Aff. ¶¶ 8–11. There is therefore simply no evidence to suggest that had CPS Energy purchased some unspecified increased volume of gas through baseload contracts that it could have avoided Energy Transfer's predatory spot market pricing.

Hedging. As for hedging, Energy Transfer contends that CPS Energy should have "[p]urchased additional financial hedges to protect itself from daily price risk." ET Mot. Summ. J. 26. Setting aside the absurdity of Energy Transfer's insistence that it was somehow CPS Energy's responsibility to protect itself from Energy Transfer's predatory conduct, the only competent evidence that Energy Transfer relies on for this point are two deposition excerpts referencing a BALMO – "balance of the month trade" – at $9 per MMBtu. But as CPS Energy has argued elsewhere, there is no indication that this hypothetical trade was even available to CPS Energy. *See* CPS Energy Mot. to Exclude De Laval at 9; *see also* Ex. A-8, Bayazitoglu Dep. 100:24-101:102:3 (identifying several factors why CPS Energy could not transact this "hypothetical BALMO trade"). Even if Energy Transfer had evidence that such a trade was available, CPS Energy could not have executed that trade under its policies for a host of reasons, including that CPS Energy's risk management policies—vetted by third-party consultant, Siemens—did not contemplate that type of trade, the trade would have exceeded set maximum volume limits, and CPS Energy's risk management policy, by design, does not allow for knee-jerk changes to its hedging strategy to prevent rogue decision making and to protect the public. Ex. A-8, Bayazitoglu Dep. 100:2-14; 101:6-102:3. Moreover, the historical data available to CPS Energy at the time would have indicated that entering into that hypothetical trade would have been foolish because historically, when there has been a price spike in the Houston Ship Channel market, prices have fallen within a day or two. *Id.* at 102:1-3. Nobody knew on Febru-

ary 11 how long Winter Storm Uri would last. Locking in a $9 BALMO price only to have prices subsequently return to $2 would have carried enormous hedging losses for CPS Energy, and its hedging policies are designed to prevent just that kind of risk taking. *Id.* Ultimately, Energy Transfer contends CPS Energy should have purchased a financial product to protect itself from Energy Transfer's price gouging that it has no evidence to suggest was even available, much less allowed under CPS Energy's risk management program. The Court should reject this argument.

Storage Gas. Next, Energy Transfer claims that CPS Energy could have purchased "additional storage contacts to both store additional gas at a lower cost and the ability to withdraw higher volumes each day." ET Mot. Summ. J. at 26. Energy Transfer points to no evidence outlining the terms of these hypothetical contracts or identifies with whom CPS Energy could have contracted to obtain additional storage. Energy Transfer also ignores the risks associated with CPS Energy purchasing natural gas and storing it for later use, the costs associated with obtaining and storing that gas, or the injection and withdrawal limits in these hypothetical storage contracts. The storage contract CPS Energy had with HPL, for instance, limited CPS Energy's daily storage withdrawals to 40,000 MMBTu—and CPS Energy maxed out its storage withdrawals for every day of the storm. [redacted]. Accordingly, there is no evidence to suggest that a hypothetical storage contract, for an unspecified storage volume, with an unidentified counterparty would have ensured that CPS Energy could have withdrawn sufficient gas from storage to avoid Energy Transfer's predatory pricing—much less that the gas would have shown up to the points on CPS Energy's system where it needed it.

Reliance on Additional National Gas Alternatives. Finally, Energy claims that CPS Energy should have used different alternatives to natural gas to avoid the excessive prices charged by Energy Transfer. This is equivalent to a gas station that is accused of price-gouging customers during a disaster arguing that customers should be driving Teslas instead of gas-powered vehicles. The Court should reject this argument.

Thus, even if these pre-storm alternatives were relevant—and they are not—CPS has certainly produced sufficient evidence to raise a genuine issue of material fact as to whether these alternatives were available to CPS Energy or were even feasible.

Energy Transfer is also wrong on the law. Energy Transfer claims that CPS Energy, as the party challenging the contract "must produce evidence that it unsuccessfully attempted to make use of alternatives" and cites a federal case, *Am. Stone Diamond, Inc. v. Lloyd's of London*, 934 F. Supp. 839, 845 (S.D. Tex. 1996), in support of that proposition. But *American Stone Diamond* says nothing of the sort. Instead, the availability of reasonable alternatives is simply one factor—among many—that is part of the highly-specific factual inquiry that the court must undertake to determine whether a contract is unconscionable or not. *Venture Cotton Co-op.,* 435 S.W.3d at 228. And *American Stone Diamond* is distinguishable on its facts. In that case, an insurance coverage dispute, the Houston federal court determined that the plaintiff, the insured, had failed to produce any evidence of any "lack of choice" because the only evidence it submitted was a single affidavit that did not explain whether the insured's agent could have used self-insurance, negotiated with the insurance carrier differently, or negotiated with other insurers. *Am. Stone Diamond*, 934 F. Supp. at 845. Here, by contrast, CPS Energy has produced evidence that it had no choice but to purchase natural gas from Energy Transfer and Energy Transfer has pointed to no evidence suggesting that CPS Energy could have purchased the volumes it purchased from Energy Transfer from another counterparty, or that another counterparty had the ability to get the gas to various delivery points on CPS Energy's system.

Energy Transfer also claims that courts broadly construe a "reasonable alternative" and that parties can arrange "viable alternatives" months beforehand. ET Mot. Summ. J. at 25. But the case it cites for the proposition, *Am. Emps. Ins.' Co. v. Aiken*, 942 S.W.2d 156, 161-162 (Tex. App.—Fort Worth 1997), is distinguishable. In that case, which involved an agent suing an insurer for termination of an agency agreement, the insurer filed a motion to compel arbitration, and the agent claimed that the arbitration provision was unconscionable. The court determined that there were reasonable alternatives in terms of different insurance companies that the agent could have signed with; there was no discussion that those reasonable alternatives included other actions that the agent could take

internally – like hedging differently, adding storage capacity, or purchasing baseload gas. In short, the reasonable alternatives must be tied to the specific unconscionable act.

b. Energy Transfer's risk-allocation argument is a red herring.

At various points in its motion, Energy Transfer claims that CPS Energy adopted a "risk profile" that exposed it to higher prices in the spot market. *See, e.g.,* ET Mot. Summ. J. at 27. Energy Transfer further contends that because CPS Energy allocated risk to the spot market, that somehow excuses the excessive prices charged by Energy Transfer during the storm because the "freedom to contract includes the freedom to allocate risk." ET Mot. Summ. J. at 15. Energy Transfer seeks to craft another exception to the unconscionability doctrine in Texas that does not exist.

First, because the unconscionability defense requires a court to assess the totality of the circumstances as they existed at the time of contracting, TEX. BUS. & COM. CODE § 2.302(a); *Delfingen US-Texas, L.P.*, 407 S.W.3d at 798, CPS Energy's actions before Winter Storm Uri have no bearing on whether the prices charged by Energy Transfer during the storm were excessive.

Second, and more fundamentally, there is no indication that CPS Energy allocated risk as part of its contract with Energy Transfer. Each of the cases Energy Transfer cites involves the allocation of risk between bilateral parties within the four corners of a contract. In *Lost Maples General Store*, for example, a general store purchased an ice machine, and to finance that purchase, entered into a separate agreement with the financer that explicitly "allocated to [the general store] the risk that [the ice machine seller] would fail to perform" by requiring the general store to "begin making immediate payments" to the financer even before the ice machine was delivered. 2019 WL 1966671 at *1. When the ice machine was never delivered, the general store sued the financer. The court ruled against the general store, finding that *the contract itself* contained an allocation of risk provision and "there is nothing unconscionable or against public policy by allowing sophisticated parties to allocate risks as they see fit." *Id.* at *7. Similarly, in *El Paso Field Servs., L.P. v. MasTec N. Am., Inc.*, the construction contract had explicit "risk-allocation provisions" that related to due diligence and that "constitute[d] the allocation by market participants of risks and benefits regarding the pipeline's

construction." 389 S.W.3d 802, 803 (Tex. 2012) (cleaned up). And in *Gym-N-I Playgrounds, Inc. v. Snider*, the commercial lease agreement at issue contained a risk allocation provision by which the commercial tenant leased the property "as is," and assumed the risk of a fire that eventually destroyed the property. 220 S.W.3d 905, 912-913 (Tex. 2007).

Here, by contrast, there is no such risk allocation provision in the NAESB contract between Energy Transfer and CPS Energy. Energy Transfer does not point to any such provision. Instead, the facts show that CPS Energy was compelled to purchase gas from Energy Transfer at the prices Energy Transfer charged. Unlike the contracts at issue in *Lost Maples*, *El Paso Field Services*, and *Gym-N-I Playgrounds*, the NAESB agreement at issue between Energy Transfer and CPS Energy is a form contract; the terms of individual transactions, including the price, quantity, delivery term and delivery point, are memorialized in separate Transaction Confirmations. As a result, CPS Energy could not negotiate or allocate a way to offload the risk of high spot market prices charged by Energy Transfer. Regardless, that CPS Energy could have hedged more, bought more storage capacity, or used fuel oil is simply irrelevant to the risk allocation as *between* CPS Energy and Energy Transfer. The Court should reject Energy Transfer's misguided attempt to craft an exception to the unconscionability doctrine based on risk allocation.

c. CPS Energy did not purchase gas during Winter Storm Uri "with a clear plan to profit."

Energy Transfer next contends that the predatory prices it charged CPS Energy were not unconscionable because CPS Energy bought gas from Energy Transfer "with a clear plan to profit from the subsequent sale of expensive electricity." ET Mot. Summ. J. at 35. According to Energy Transfer, CPS Energy benefited from the exorbitant prices it charged because CPS Energy could burn that "expensive gas" and generate electricity that it could then sell on the wholesale power market for $9,000/MWh. ET Mot. Summ J. at 37. This is nonsensical for several reasons.

First, as Energy Transfer well knows, CPS Energy is neither a for-profit power generator nor a "power generation compan[y]," much as Energy Transfer would have it otherwise. ET Mot.

Summ. J. at 35. CPS Energy is a municipal utility. Municipally-owned utilities are public, government-owned utilities that are owned not by shareholders but by the communities that they serve. CPS Energy does not strive to make a profit, but strives only to serve its customers through the efficient delivery of critical services, including electricity and natural gas on demand. Therefore, CPS Energy buys gas for two purposes, neither of which is profit: (1) for direct distribution to homes and business and (2) for fuel to generate electricity, which is in turn provided to homes and businesses. Any argument about profiting off electricity generation ignores that CPS Energy purchases gas to generate electricity *and for direct distribution to homes and businesses*.

Nevertheless, Energy Transfer, in an effort to distract from its own shocking business practices, declares that CPS Energy bought gas during Winter Storm Uri as part of some "clear plan to profit from the subsequent sale of expensive electricity." ET Mot. Summ. J. at 35. But, the only party that had a grand plan to profit off the statewide disaster was Energy Transfer. [redacted] *see also* [redacted].

Energy Transfer also argues that CPS Energy should be grateful for the predatory prices Energy Transfer charged because that gas "allowed CPS [Energy] to keep its power plants . . . up and running." ET. Mot. Summ. J. at 36. As a preliminary matter, keeping its power plants "up and running" during the storm was not a "benefit" Energy Transfer bestowed on CPS Energy. During Winter Storm Uri, the electrical grid came within 4 minutes and 37 seconds of total collapse; it was not an option for CPS Energy to not run its power plants—it had to provide electricity to its customers and play its part in maintaining the integrity of the electrical grid. Moreover, Energy Transfer's own actions severely limited CPS Energy's ability to run its power plants at full capacity. On February 15, Energy Transfer demanded $300 for any overpulled volumes at Rio Nogales, causing CPS Energy to derate the plant. Ex. A-44, CPSE-MDL_000009514 at 9519. Later, Energy Transfer states that "had [CPS Energy's] powerplants been able to run at capacity throughout the storm," it could have generated and sold more power to the ERCOT grid and made out like Austin Energy. ET Mot. Summ. J. at 37. Again, Energy Transfer ignores that CPS Energy, unlike Austin Energy,

buys gas for direct distribution. Ex. A-178, Gold-Williams Dep. 83:16-19. None of that distribution gas is used to generate power, much less to generate power to then sell to the ERCOT market.

Energy Transfer insists that because ERCOT raised the price of electricity to the regulatory cap to avoid a statewide blackout, the prices Energy Transfer extracted from CPS Energy's desperation for gas were excusable. ET Mot. Summ. J. at 37. But as Merritt explained, [redacted] Moreover, ERCOT did not raise the price of electricity to $9,000 until Monday, February 15. At a bare minimum, none of the exorbitant prices Energy Transfer charged during Winter Storm Uri on February 12 for weekend gas have any relevance to the $9,000 cap imposed on February 15.[20]

B. The prices Energy Transfer charged during Winter Storm Uri are unenforceable because they violate Texas public policy.

Independent of unconscionability, the prices Energy Transfer charged CPS Energy are unenforceable for a separate reason: they violate Texas public policy against taking advantage of a declared disaster by charging exorbitant or excessive prices for necessities. The freedom to contract is "not limitless." *Progressive Cnty. Mut. Ins. Co. v. Caltzonsing*, 658 S.W.3d 384, 397 (Tex. App.—Corpus-Christi-Edinburg 2022, no pet.); *Johnson v. Structured Asset Servs., LLC*, 148 S.W.3d 711, 726 (Tex. App.—Dallas 2004, no pet.) ("Contracts are subject to the public policy of the State."). Instead, it is "well established that courts may refuse to enforce contracts that are either expressly or impliedly prohibited by statute or by public policy." *In re Lee*, 411 S.W.3d 445, 464 n. 9 (Tex. 2013). In examining an agreement to determine if it is contrary to public policy, courts "look to whether the agreement has a tendency to injure the public good. A state's public policy is embodied in its constitution, statutes, and the decisions of its courts." *Johnson*, 148 S.W.3d at 726–27 (cleaned up).

[20] Furthermore, at least one Court of Appeal has determined that the PUCT overstepped its authority when it enacted the $9,000 cap. *Luminant Energy Co. LLC v. Pub. Util. Comm'n of Texas*, 665 S.W.3d 166, 192 (Tex. App.—Austin, 2023), *review granted* (Sept. 29, 2023), *review dismissed* (Dec. 1, 2023).

For decades, Texas has statutorily declared that price gouging during a declared disaster is unlawful in the DTPA. TEX. BUS. & COM. CODE § 17.46(a), (b)(27). Energy Transfer asks this Court to ignore that declaration of illegality because the excessive prices Energy Transfer charged CPS Energy total more than $500,000 and, thus, cannot form the basis of a private cause of action under the DTPA. *See id.* § 17.49(g).[21] But CPS Energy is not asserting a private cause of action under the DTPA and there is no authority for the proposition that Texas's public policy against price gouging is limited to such a private right of action.

1. Exemptions to a DTPA private cause of action do not alter Texas's public policy against price gouging.

Energy Transfer appears to concede that the Texas Legislature has declared price gouging during a declared disaster unlawful. Under Section 17.46(b)(27) of the DTPA, it is unlawful to take advantage of a declared disaster by selling fuel (i.e., natural gas) at an exorbitant or excessive price. And as explained above, Energy Transfer charged CPS Energy a more than 15,000% increase for natural gas during a state declared disaster. This amount significantly passes the threshold that has prompted the Attorney General to pursue price gouging claims under the DTPA before.[22] What En-

[21] Energy Transfer also contends that CPS Energy is not a "consumer" under the DTPA because CPS Energy has assets of $25 million or more and, thus, is a "business consumer." *See* ET Mot. Summ. J. at 40 (citing TEX. BUS. & COM. CODE § 17.45(4)). This is wrong. The DTPA defines *consumer* to include "an individual, partnership, corporation, this state, or a subdivision or agency of this state," but the definition excludes "a business consumer that has assets of $25 million or more." TEX. BUS. & COM. CODE § 17.45(4). Importantly, however, the DTPA makes clear that *business consumer* "does not include…a subdivision or agency of this state." *Id.* 17.45(10). Municipalities are subdivisions of the state, *Ass'n of Sch. Boards Risk Mgmt. Fund v. Benavides Indep. Sch. Dist.*, 221 S.W.3d 732, 734 (Tex. App.—San Antonio 2007, no pet.), and "CPS Energy is treated as a municipality," *Wheelabrator Air Pollution Control, Inc. v. City of San Antonio*, 489 S.W.3d 448, 450 n.1 (Tex. 2016). As such, CPS Energy cannot be a "business consumer" and is therefore a consumer under the DTPA.

[22] *See, e.g.,* Ex. A-179, *In the Matter of State of Texas and Thaman Enterprise, LLC d/b/a Caddo Stop*, No. D-1-GN-18-002665, Travis County (2018) (prosecuting 125% increase in the price of gas during Hurricane Harvey as excessive and exorbitant); *State of Texas and CMDM, LLC d/b/a Hans Chevron*, No. D-1-GN-19001827, Travis County (2019) (same); *State of Texas and Lovely Products, LLC*, No. D-1-GN-20-006547, Travis County (2020) (prosecuting 1,000% increase in face masks during Covid-19); *State of Texas v. Gregory Markwardt d/b/a Hotel Corpus Chrisi Bayfront*, Cause No. 2020DCV-0829-A, Nueces County (2021) (fining hotel for increasing price of hotel rooms by 67% during the Harvey State of Disaster); *State of Texas v. Starlight International, Inc. D/B/A/ Roadeway Inn; Hsiang-Ting Huang and Wei-Cheng Kao*, No. 2009-V-0017 Austin County (2009) (following price gouging claims

ergy Transfer instead argues is that CPS Energy's public policy defense does not apply as a matter of law because, according to Energy Transfer, CPS Energy cannot bring a private cause of action under the DTPA.

Energy Transfer's argument is a red herring. CPS Energy is not asserting a cause of action under the DTPA, and Energy Transfer knows it. Rather, CPS Energy asserts as an affirmative defense that the exorbitant prices Energy Transfer charged during Winter Storm Uri violate Texas's public policy against price gouging during a declared disaster. Texas's public policy against price gouging is reflected in the declaration of unlawful conduct in § 17.46 of the DTPA, TEX. BUS. & COM. CODE § 17.46(a), (b). The fact that the Texas legislature subsequently enacted limitations on private rights of action under § 17.50 of the DTPA does not erase or limit the public policy underlying the declaration that price gouging during declared disasters is unlawful.

Indeed, the interests underlying that public policy—protecting Texans from companies and individuals who would use the peril caused by natural disasters as an opportunity to profit—are directly implicated in this case. If the exorbitant and unlawful prices charged by Energy Transfer are allowed to stand, those excessive charges won't be borne by CPS Energy, but by CPS Energy's customers, the very class of Texas consumers the DTPA was intended to protect. Ex. A-7, Kuchinsky Dep. 44:16–45:18. CPS Energy has no shareholders and it pays no dividends. Instead, CPS exists and operates solely for the benefit of its customers. Ex. A-178, Gold-Williams Dep. 26-2-14; *id.* 80:14-24; *id.* 96:8-12. As a result, whenever CPS Energy purchases gas from a gas supplier, it is acting for its customers since the costs of purchasing such gas will be passed through to, and paid for by, those customers. Ex. A-35, Guinn Dep. 12:4-8; Ex. A-178, Gold-Williams Dep. 119:16-20.

2. Price gouging is anathema to Texas public policy.

Texas's public policy against price gouging during natural disasters is also reflected in communications from the Texas Attorney General's Office. The Attorney General's website, for exam-

during Hurricane Ike, the Court permanently restrained respondent from "taking advantage of any declared disaster by demanding or charging a price for lodging or other necessities that exceeds the normal price by more than ten percent (10%)).

ple, declares price gouging during a statewide disaster "illegal," and states that "if a disaster has been declared by the Governor of Texas or the President, and businesses raise the price of their products to exorbitant or excessive rates to take advantage of the disaster declaration, then it is quite likely that price gouging is taking place." Indeed, the Attorney General's office has issued civil investigative demands ("CIDs") for information about natural gas prices during the storm, and has expanded the scope of its investigation into price gouging related to the storm to include the natural gas industry, including issuing CIDs to Energy Transfer and its affiliates. Ex. A-180 (CID to Energy Transfer); Ex. A-181 (CID to Energy Transfer Fuel); Ex. A-182 (CID to Oasis). And Governor Abbott's disaster declaration itself embodied that same policy by suspending "any state statute or administrative rule regarding contracting or procurement [that] would impede any state agency's emergency response that is necessary to protect life or property threatened by this declared disaster." Ex. A-45, Feb. 12, 2021 Gov. Abbott Decl., CPSE-MDL_000062050.

Contracts can also be void as against public policy in the absence of express statutory declaration. "In the absence of expressed direction from the Legislature, whether a promise or agreement will be unenforceable on public policy grounds will be determined by weighing the interest in enforcing agreements versus the public policy interest against such enforcement." *Fairfield Ins. Co. v. Stephens Martin Paving, LP*, 246 S.W.3d 653, 663 (Tex. 2008). To do so, courts consider four factors: "(a) the strength of that policy as manifested by legislation or judicial decisions, (b) the likelihood that a refusal to enforce the term will further that policy, (c) the seriousness of any misconduct involved and the extent to which it was deliberate, and (d) the directness of the connection between that misconduct and the term." RESTATEMENT (SECOND) OF CONTRACTS § 178(3). In weighing the factors set out in the Restatement, it is clear that Energy Transfer's price gouging during the declared disaster does violate public policy. The strength of the public policy of prohibiting price gouging during a declared disaster is manifested by the unambiguous provisions of Section 17.46(b)(27) of the DTPA. Next, this Court's refusal to enforce Energy Transfer's invoices for exorbitant prices during a declared disaster will further the policy of preventing price gouging during a declared disaster. Third, the magnitude of Energy Transfer's price gouging in relation to pre-storm and post-storm

pricing demonstrates the seriousness of Energy Transfer's deliberate price gouging during the declared disaster.

There is also no dispute that the price gouging during the declared disaster had other serious consequences including multiple bankruptcies of power companies, as well as legislative and regulatory actions to allow utilities to securitize to recoup costs and expenses from high natural gas prices. *See, e.g*, Ex. A-5, Perryman Dep. 114:2-115:3; Railroad Commission of Texas, Notice to Gas Utilities, Procedure for Gas Utilities to File an Application for Regulatory Asset Determination Pursuant to H.B. 1520, Texas Utilities Code, chapter 104, subchapter I, and Participate in Securitization of Extraordinary Costs Incurred as a Result of the February 2021 Winter Weather Event, June 2021, available at https://www.rrc.texas.gov/media/ntrb1r1k/nto-re-securitization-061721.pdf. And finally, finding Energy Transfer's price gouging to be unlawful will disincentivize price gouging during future declared disasters. If the Court were to determine that charging 15,000% more for natural gas during a state declared disaster is permissible, then Energy Transfer – or other gas suppliers – will continue to take advantage of consumers—and municipal utilities like CPS Energy—during the next disaster.

Finally, and alternatively, material issues of fact exist with respect to whether Energy Transfer's price gouging is inconsistent with or contrary to the best interests of the public and, therefore, unenforceable as a matter of public policy. If this Court were to find that there is no "express[] direction" from the Texas Legislature, *Fairfield Ins. Co., LP*, 246 S.W.3d at 663, then the trial court must make further factual inquiries, including weighing evidence relating to the effect the enforcement of the transactions at issue will have upon the public good, to determine whether those transactions were "inconsistent with or contrary to the best interest of the public." *Johnson*, 148 S.W.3d at 727. Based upon the summary judgment evidence submitted by CPS Energy, there are clearly material fact issues relating to CPS Energy's affirmative public policy defense that preclude summary judgment in favor of Energy Transfer.

C. Energy Transfer's arguments regarding $38.83 and "short pay" are more misdirection.

As it has done throughout this case, Energy Transfer repeatedly harps on the fact that, once CPS Energy determined that some of the prices it had been charged during Winter Storm Uri were unconscionable or violated public policy (a determination made well after the storm ended), CPS Energy retained an expert to help it determine what to pay in place of those prices. Energy Transfer misrepresents this banal process as evidence of a premeditated scheme to short-pay Energy Transfer and other gas suppliers during Winter Storm Uri and impose a lasting, market-wide "price cap" on natural gas. ET Mot. Summ. J. at 11-14. As an initial matter, Energy Transfer fails to explain why this conspiracy theory is relevant to determining whether they prices Energy Transfer charged CPS Energy during the seven days of Winter Storm Uri are unconscionable or contrary to public policy. And even if it was somehow relevant, Energy Transfer is wrong on the underlying facts, wrong about CPS Energy's legal position, and wrong about the consequences of CPS Energy's payment of a conceded amount.

The NAESB contract that governs the natural gas transactions between CPS Energy and Energy Transfer in this case contains a dispute resolution procedure at Section 7.4 that provides:

> **7.4.** If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed without undue delay. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

When Energy Transfer and some other suppliers began seeking to collect on the excessive prices for natural gas sold to CPS Energy during the storm, CPS Energy challenged those excessive prices in good faith and used this dispute resolution provision of the NAESB to pay Energy Transfer "such amount as it concedes to be correct." To calculate the conceded amount, CPS Energy did not pull a number out of hat. Nor did it simply pay the prevailing prices before the storm, which were in the range of $3–$4. Instead, it hired Dr. Perryman, an outside economic expert, who performed an economic analysis showing the upper bound of an appropriate price had the natural gas markets been functionally appropriately, which he determined to be $38.83/MMBtu. That amount ultimately became the conceded price under Section 7.4 of the NAESB. CPS Energy provided

"supporting documentation" in the form of a spreadsheet showing the excessive amounts charged by Energy Transfer along with the conceded amount paid by CPS Energy. *See* CPS Energy's 1st Am. Pet., Ex. F. The conceded amount is a "placeholder" until the ultimate factfinder determines the appropriate price for the transactions. Ex. A-37, CPS Energy Corp. Rep. Dep. 61:2-10.

Contrary to Energy Transfer's argument, Dr. Perryman's calculation is not some overarching price cap on the market for natural gas. Dr. Perryman testified that he did not calculate a price cap. Ex. A-5, Perryman Dep. 153:4-12. Instead, his analysis indicates the "outer range of the price of natural gas should have been if the market had functioned properly during the storm" if "people had not opted to take advantage of the situation of a market failure and . . . charged excessive prices[.]" Ex. A-5, Perryman Dep. 165:19-24. Dr. Perryman also made clear that his analysis was limited to "very specific transactions involving CPS [Energy]." *Id.* at 255:8-18.

Energy Transfer also takes issue with the process, arguing that CPS Energy improperly used Section 7.4 of the NAESB, the dispute resolution procedure. To support this argument, Energy Transfer relies on the testimony of Josefa Castrejana, an Energy Transfer employee, for the proposition that Section 7.4 is only used to "resolve disputes about commercial terms that the parties agreed to at the time the transaction was negotiated," that "[t]here is no basis or precedent for using Section 7.4 to dispute a price after it was agreed," and that Dr. Perryman's report cannot qualify as "supporting documentation acceptable in industry practice" sufficient to challenge Energy Transfer's excessive prices under Section 7.4. ET Mot. Summ. J. at 18-19 (citing ET Mot. Summ. J. at Ex. 40). Of course, as revealed by Exhibit 40 itself, Castrejana's testimony was limited to "her experience" and Castrejana admitted that she did not work "usually" with Section 7.4. ET Mot. Summ. J. at Ex. 40, Castrejana Dep. 199:7-20. In any event, as will be set forth in CPS Energy's objections to Energy Transfer's summary judgment evidence, Castrejana's testimony is improper lay opinion testimony that the Court should not consider. But even if it were proper summary judgment evidence, CPS Energy has raised a genuine issue of fact on this issue because there is ample testimony that CPS Energy properly used Section 7.4 to challenge the invoices at issue in this lawsuit. *See, e.g.*, Ex. A. 37,

CPS Energy Corp. Rep. Dep. 60:18-61:10, 65:5-12; Ex. A-168, Almaraz Dep. 101:5-18, 209:24-210:11; Ex. A-5, Perryman Dep. 146:11-23.

Energy Transfer has also attempted to craft a narrative that CPS Energy concocted a plan to short-pay Energy Transfer and other gas suppliers during Winter Storm Uri. Again, this has nothing to do with determining whether Energy Transfer charged CPS Energy prices that are unconscionable or violate public policy. Further, as already explained in CPS Energy's motion for summary judgment on Energy Transfer's fraudulent inducement claim, there is no competent evidence to support Energy Transfer's theory. Two of the documents that Energy Transfer cites to support their theory are "action items" prepared by members of CPS Energy's financial team that list "partial pay all gas suppliers" as potential "options" to retain cash. ET Mot. Summ. J. at Exs. 25-26. And the third document Energy Transfer cites makes clear that "short pay" refers to one of several options in a "draft Financial Action Plan." ET Mot. Summ. J. at Ex. 27 at CPSE-MDL-000053702. Energy Transfer thus relies on speculation and innuendo to support its argument that CPS Energy concocted a plan to buy gas from Energy Transfer without any intent to pay the prices charged. *See Hurlston v. City of Princeton*, 672 Fed. App'x. 335, 341 (5th Cir. 2016) (speculation and innuendo are not competent summary judgment evidence).

Finally, this Court should reject Energy Transfer's argument that any result other than ordering CPS Energy to pay Energy Transfer an additional $250-plus million would "trigger a public policy crisis." Again, CPS Energy is not asking this Court or any other to make any rulings about any gas transactions at any time in any place other than the transactions during Winter Storm Uri in which Energy Transfer and Enterprise took advantage of a natural disaster to extract previously unthinkable prices from CPS Energy. That being the case, there is no likelihood that CPS Energy's payment of a Conceded Amount would "sow chaos in the Texas gas and power markets." ET Mot. Summ. J. at 41. There is certainly no undisputed evidence to support that contention.

D. CPS Energy's declaratory judgment claims survive.

Finally, the Court should reject Energy Transfer's motion for summary judgment on CPS Energy's declaratory judgment claim for three independent reasons.

First, Energy Transfer argues that CPS Energy's declaratory judgment claims fail because its affirmative defense fail. ET Mot. Summ. J. at 42. As described in extensive detail above, just as the evidence demonstrates that CPS Energy's affirmative defenses of unconscionability and public policy survive summary judgment, so should its declaratory judgment claim.

Second, Energy Transfer forgets that CPS Energy is the plaintiff in this matter. Energy Transfer quotes *Headington Royalty, Inc. v. Finley Res., Inc.*, 623 S.W.3d 480, 499 (Tex. App.—Dallas, 2021), aff'd, 672 S.W.3d 332 (Tex. 2023), for the proposition that a party may not have identical affirmative defenses and a declaratory judgment counterclaim, but here, CPS Energy, as the plaintiff, has an affirmative declaratory judgment claim that it filed before Energy Transfer filed its counterclaim. Energy Transfer's case law is inapposite.

Third, CPS Energy's declaratory judgment is substantially different than its affirmative defenses. CPS Energy's declaratory judgment has three parts: (1) that the amounts Energy Transfer charged in excess of the "Unlawful Price Threshold" ($38.83/MMbtu) are "unconscionable and/or violate Texas policy," (2) that it has no liability to Energy Transfer under the NAESB contracts when it paid amounts up to that "Unlawful Price Threshold"; and (3) that CPS Energy complied with the contracts by withholding payment of the "Unlawful Price Amounts" "as permitted by, and in accordance with, the NAESB Dispute Resolution Procedures[.]" CPS Energy's Am. Pet. ¶ 58. This relief is, on its face and in its entirety, substantially different than the affirmative defenses CPS Energy affirmatively pled in response to Energy Transfer's breach of contract counterclaim. For example and as described above, Energy Transfer has failed to present competent evidence that CPS Energy did not comply with the NAESB Dispute Resolution procedures. Accordingly, Energy Transfer's motion for summary judgment on CPS Energy's declaratory judgment claim should be denied.[23]

[23] In a footnote, Energy Transfer asserts that CPS Energy's affirmative defense of unclean hands is "unavailable" because Energy Transfer is seeking only "legal' relief in its breach of contract counterclaim. ET Mot. for Summ. J. at 19 n. 11. While it is not clear that Energy Transfer is expressly mov-

CONCLUSION

For the foregoing reasons, CPS Energy respectfully requests that the Court deny Energy Transfer's Motion for Summary Judgment on its breach of contract claim and award all other relief to which CPS Energy is entitled.

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ing for summary judgment on CPS Energy's unclean hands defense, CPS Energy concedes that the unclean hands defense is available only as a defense to requests for equitable relief. Insofar as Energy Transfer represents that it is not seeking equitable relief as part of its counterclaim for *either* breach of contract or fraudulent inducement, CPS Energy will agree to withdraw its affirmative defense of unclean hands.

CERTIFICATE OF SERVICE

I certify that on March 1, 2024, I served a copy of the foregoing on the parties and through email.

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