

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
Crestwood Equity Partners LP		431918951	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Brent Ratliff	214-981-0795	InvestorRelations@energytransfer.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
8111 Westchester Drive		Dallas, Texas, 75225	
8 Date of action		9 Classification and description	
November 3, 2023		Common Units; Preferred Units, each representing limited partner interests	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
226344208; 226344307	NA	CEQP (NYSE Listed)	NA

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ►

On August 16, 2023, Crestwood Equity Partners LP ("Crestwood") entered into an Agreement and Plan of Merger (the "merger agreement") with Energy Transfer LP ("ET"), Pachyderm Merger Sub LLC, a wholly owned subsidiary of Energy Transfer ("Merger Sub"). The merger was effectuated as follows: Crestwood merged with and into MergerSub, with Merger Sub surviving the merger as a direct wholly owned subsidiary of ET. Crestwood's common unit holders will receive, for each Crestwood common unit that they own at the time of merger, 2.07 ET common units, each representing a limited partner interest in ET. Crestwood's preferred unit holders can elect to convert their preferred units into Crestwood common units, subject to payment of accrued but unpaid dividends; convert into new ET preferred units; or consistent with the Preferred Consent Solicitation that obtained requisite consents, redeem their preferred units in exchange for cash or Crestwood common units, at the discretion of Crestwood GP, at a price of \$9.857484 per Crestwood preferred unit, plus accrued and unpaid distributions. Crestwood's Class A unit holders will receive, for each Crestwood Class A unit that they own at the time of merger, 1.828 ET Class B units.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ►

Upon such exchange of Crestwood common units, each person that receives an ET common unit is deemed to make a contribution to ET pursuant to section 721 and holds limited partner interests of ET. Crestwood preferred unit holders who make an election to convert their Crestwood preferred units to new ET preferred units are deemed to make a contribution to ET pursuant to section 721 and holds limited partner interests of ET. All Crestwood unit holders are urged to consult their own tax advisors for a full understanding of the U.S. federal, state, local and non-U.S. tax consequences of the merger to them.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ►

The aggregate tax basis of the ET common units or new ET preferred units received pursuant to the merger is expected to be the same as the aggregate tax basis of each Crestwood preferred unit exchanged, decreased by basis attributable to Crestwood unit holder's share of Crestwood nonrecourse liabilities, and increased by such holder's share of ET nonrecourse liabilities after the merger. In addition, the tax basis in the ET common units or new ET preferred units received in the merger by a Crestwood unit holder will be increased by the amount of any income or gain recognized by such Crestwood unit holder pursuant to the transactions contemplated by the merger (other than with respect to the receipt of cash in lieu of a fractional ET common unit) and decreased by the amount of tax basis attributable to any fractional ET common unit treated as received in the merger and sold immediately following the merger. All Crestwood unit holders are urged to consult their own tax advisors for a full understanding of the U.S. federal, state, local and non-U.S. tax consequences of the merger to them.

Part II Organizational Action (continued)**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ►

721, 722, 752, 7704

18 Can any resulting loss be recognized? ►

The Merger Agreement provides for cash payments to Crestwood's preferred unitholders upon such an election. Accordingly, there is an expectation that loss could be recognized by preferred unit holders.

All Crestwood unit holders are urged to consult their own tax advisors for a full understanding of the U.S. federal, state, local and non-U.S. tax consequences of the merger to them.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ►

Any adjustments would generally be reportable in the tax year ended December 31, 2023 (in the case of a common unit holder utilizing a calendar year end). However, unit holders are advised to consult their own tax advisor regarding the proper reportable tax year.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ►



Date ►

11/15/2023

Print your name ►

DARRYL KREBS

Title ►

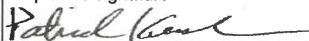
VICE PRESIDENT - TAX

Paid Preparer Use Only

Print/Type preparer's name

Patrick Kessler

Preparer's signature



Date

11/10/2023

Check ☐ if self-employed

PTIN

P01345182

Firm's name ► KPMG LLP

Firm's EIN ►

13-5565207

Firm's address ► 811 Main Street, Suite 4500, Houston, TX 77002

Phone no.

(713) 319-2000

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Summary of Tax Consequences

The following tax consequences associated with the acquisition of Crestwood Equity Partners, LP by Energy Transfer, LP are contingent upon the transaction qualifying as a tax-free exchange pursuant to Section 721 of the Internal Revenue Code.

1. Introduction

On August 16, 2023, Crestwood Equity Partners LP (“Crestwood”) entered into an Agreement and Plan of Merger (the “merger agreement”) with Energy Transfer LP (“ET”), Pachyderm Merger Sub LLC, a wholly owned subsidiary of Energy Transfer (“Merger Sub”). The merger was effectuated as follows: Crestwood merged with and into Merger Sub, with Merger Sub surviving the merger as a wholly owned subsidiary of ET.

Crestwood’s common unit holders will receive, for each Crestwood common unit that they own at the time of merger, 2.07 ET common units, each representing a limited partner interest in ET.

Crestwood’s preferred unit holders can elect to convert their preferred units into Crestwood common units, subject to payment of accrued but unpaid dividends; convert into New ET preferred units; or consistent with the Preferred Consent Solicitation that obtained requisite consents, redeem their preferred units in exchange for cash or Crestwood common units, at the discretion of Crestwood GP, at a price of \$9.857484 per Crestwood preferred unit, plus accrued and unpaid distributions. Crestwood’s Class A unit holders will receive, for each Crestwood Class A unit that they own at the time of merger, 1.828 ET Class B units.

This document is intended to provide a summary of certain U.S. federal income tax consequences to persons who exchanged Crestwood units for ET units pursuant to the Merger. This document does not constitute tax advice and does not address any special tax rules (including, but not limited to, the alternative minimum tax) or the tax consequences in any state, local, or foreign jurisdiction.

The actual tax consequences of the Merger to you may be complex and will depend on your specific tax situation. Please consult your own tax adviser to determine the U.S. income tax consequences of the transaction to you in light of your own personal circumstances as well as any other tax consequences under any state, local, or foreign tax authorities.

For purposes of the following examples and discussions, each Crestwood unit holder is an individual citizen or resident of the United States who purchased Crestwood units for cash and held such shares as a capital asset. This document does not generally apply to any shares held in tax-deferred accounts, such as 401(k) or IRA accounts. Further, the following summary is premised on the Merger qualifying as a contribution of Crestwood shares to ET under Section 721(a) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”).

II. Summary of Certain U.S. Federal Income Tax Consequences

A. Gain/Loss

The tax basis of the ET common units or new ET preferred units received by each Crestwood unit holder is the same as the basis of the Crestwood units exchanged therefor, decreased by basis attributable to Crestwood unit holder’s share of Crestwood nonrecourse liabilities, and increased by such holder’s share of ET nonrecourse liabilities after the merger. In addition, the tax basis in the ET common units or new ET preferred units received in the merger by a Crestwood unit holder will be increased by the amount of any income or gain recognized by

such Crestwood unit holder pursuant to the transaction contemplated by the merger (other than with respect to the receipt of cash in lieu of a fractional ET common unit) and decreased by the amount of tax basis attributable to any fractional ET common unit treated as received in the merger and sold immediately following the merger.

No gain is recognized solely as a result of the exchange of Crestwood units for ET units. No loss is recognized solely as a result of the exchange of Crestwood units for ET units.

As discussed below, gain or loss may be recognized in the event Crestwood preferred unit holders elect to have their preferred interests redeemed for cash at the discretion of Crestwood Equity GP LLC.

B. Holding Period

The holding period for ET units received in exchange for Crestwood units pursuant to the merger includes the period during which the unit holder held the Crestwood units, provided that the Crestwood units were held as a capital asset by such holder at the time of the Merger.

C. Illustrations

In general, tax basis should carry over to the ET units received. This example assumes that the investor did not increase or decrease their share of nonrecourse liabilities post-merger.

The tax basis is illustrated by the following examples:

Crestwood Common Units converting into ET Common Units

In this example, the investor will have elected to convert 100 Crestwood common units with a total tax basis of \$3,000 to ET common units.

The exchange ratio for each Crestwood common unit to ET common unit is 2.07 per Crestwood common unit.

Note that per the Merger Agreement, no fractional ET units were issued. All fractional ET common units that a holder of Crestwood common units would otherwise have been entitled to receive subject to applicable withholding, received a cash payment equal to such unitholders' proportionate interest in the net proceeds from the sale of the aggregated fractional ET common units that would have been issued in the merger.

100 Crestwood common units are now 207 ET common units (100×2.07). The 207 ET common units have an aggregate tax basis of \$3,000.

Crestwood Preferred Units converting into Crestwood Common Units

In this example, the investor will have elected to convert 100 Crestwood preferred units with a total tax basis of \$1,000 to Crestwood Common Units.

The exchange ratio for each Crestwood preferred unit to Crestwood common unit is .10 per Crestwood preferred unit.

100 Crestwood preferred units are now 10 Crestwood common units ($100 \times .10$). The 10 Crestwood common units have an aggregate tax basis of \$1,000.

Thereafter, the 10 Crestwood common units will be subject to the conversion of Crestwood common units into ET common units, as detailed immediately above.

Crestwood Preferred Units converting into ET Preferred Units

In this example, the investor will have elected to convert 100 Crestwood preferred units with a total tax basis of \$1,000 to new ET preferred units.

The exchange ratio for each Crestwood preferred unit to new ET preferred unit is 1 per Crestwood preferred unit.

100 Crestwood preferred units are now 100 ET preferred units (100×1). The 100 ET preferred units have an aggregate tax basis of \$1,000.

Crestwood Preferred Units redeemed for cash

In this example, the investor will have elected to redeem 100 Crestwood preferred units with a total tax basis of \$1,000 for cash at the discretion of Crestwood Equity GP LLC.

The redemption price for the Crestwood preferred units is \$9.857484 per Crestwood preferred unit.

Any cash distributed to the investor as a result of this redemption election is expected to be treated as a sale of Crestwood preferred units from the investor to ET for cash prior to the merger, and the recognition of gain or loss related to this sale is expected to equal the difference between the amount realized in the sale and the investor's tax basis in the Crestwood preferred units sold to ET. To the extent cash distributed to the investor exceeds that investor's tax basis in the preferred units sold, gain is expected to be recognized as a result of the redemption. Conversely, to the extent the investor's tax basis in the preferred units sold exceeds the cash distributed to the investor, loss is expected to be recognized as a result of the redemption.

100 Crestwood preferred units are redeemed for cash of \$985.75 ($100 \times \9.857484). Because the redeemed Crestwood preferred units had a tax basis of \$1,000, this redemption is expected to result in a recognized loss to the investor of approximately \$14.25.

Crestwood Preferred Units redeemed for Crestwood Common Units

In this example, the investor will have elected to redeem 100 Crestwood preferred units with a total tax basis of \$1,000 for Crestwood common units at the discretion of Crestwood Equity GP LLC.

The redemption price for the Crestwood preferred units is \$9.857484 per Crestwood preferred unit.

100 Crestwood preferred units are redeemed for \$985.75 in Crestwood common units ($100 \times \$9.857484$). The \$985.75 in Crestwood common units have an aggregate tax basis of \$1,000.

Thereafter, the \$985.75 in Crestwood common units will be subject to the conversion of Crestwood common units into ET common units, as detailed above.

Crestwood Class A Units converting into ET Class B Units

In this example, the investor's 100 Crestwood Class A units have a total tax basis of \$1,000 and are converting into ET Class B units.

The exchange ratio for each Crestwood Class A unit to ET Class B unit is 1.828 per Crestwood Class A unit.

100 Crestwood Class A units are now 182.8 ET Class B units. The 182.8 ET Class B units have an aggregate tax basis of \$1,000.

ET does not provide tax advice to its unit holders and has only provided these examples for illustrative purposes. They are not intended to be, nor should they be construed as, tax advice. ET suggests that you consult a tax advisor with any questions.