

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

<b>Part I Reporting Issuer</b>			
1 Issuer's name  Energy Transfer Operating, L.P.		2 Issuer's employer identification number (EIN)  73-1493906	
3 Name of contact for additional information  Brent Ratliff	4 Telephone No. of contact  214-981-0765	5 Email address of contact  InvestorRelations@energytransfer.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  8111 Westchester Drive		7 City, town, or post office, state, and ZIP code of contact  Dallas, Texas 75225	
8 Date of action  April 1, 2021		9 Classification and description  Preferred Units	
10 CUSIP number  See Additional Statement	11 Serial number(s)  NA	12 Ticker symbol  ETPprC, ETPprD, ETPprE	13 Account number(s)  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 March 5, 2021, Energy Transfer LP ("ET") agreed to undertake an internal reorganization with Energy Transfer Operating, L.P. ("ETO") and ETO Merger Sub LLC ("Merger Sub"), a wholly owned subsidiary of ET, pursuant to which Merger Sub merged into ETO (the "Merger"), with ETO surviving as a wholly owned subsidiary of ET.

See Additional Statement.

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 ▶  
Under the assets over form merger, ETO, the terminated partnership, is treated as contributing its assets and liabilities to the continuing partnership, ET, in exchange for partnership interests of ET. Then the ET partnership interests are distributed to the new partners of ET.

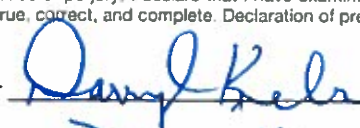

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶  
The aggregate tax basis in ET units received pursuant to the merger is generally expected to be the same as the aggregate tax basis of the portion of each ETO unit exchanged therefor, increased by such partner's share of liabilities of ET. Any section 743(b) adjustments in ETO may carry over to ET.

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶  
708, Treas. Reg. Sec. 1.708-1(c)(1) and 1.708-1(c)(3)(i)

18 Can any resulting loss be recognized? ▶ As the merger agreement does not provide for cash payments to ETO unit holders, no loss is expected to be recognized.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶  
Per section 706(c), ETO, as the terminating partnership, must file a final return with a taxable year ending on the date of the termination which is the date of merger with ET.

<b>Sign Here</b>	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 ▶	4/30/2021
<b>Paid Preparer Use Only</b>	Print your name ▶	DARRYL KREBS	Title ▶	VP-Tax
	Print/Type preparer's name	Patrick Kessler	Preparer's signature	
	Firm's name ▶	KPMG LLP	Date	04/29/2021
	Firm's address ▶	811 Main Street, Suite 4500, Houston, TX 77002	Check <input type="checkbox"/> if self-employed	PTIN P01345182
			Firm's EIN ▶	13-5565207
			Phone no.	(713) 319-2000

**STATEMENT ATTACHED TO AND MADE PART OF FORM 8937**

**Part 1.**

**10.**

29278N301, 29278N400, 29278N509

**Part II.**

**14.**

*Conversion of Hook Units:*

The LP Interests in ETO (ETO Class K Units, ETO Class L Units, ETO Class M Units, and ETO Class N Units) converted into the right to receive ET Class B Units, representing LP interests in ET:

101,525,429 ETO Class K Units converted into 193,396,409 ET Class B Units;

307,304,055 ETO Class L Units converted into 244,726,324 ET Class B Units;

281,280,400 ETO Class M Units converted into 149,334,657 ET Class B Units; and

166,068,756 ETO Class N Units converted into 88,167,610 ET Class B Units.

*Conversion of ETO Preferred Units (LP interests in ETO):*

ETO Series A Preferred Unit converted into one ET Series A Preferred Unit;

ETO Series B Preferred Unit converted into one ET Series B Preferred Unit;

ETO Series C Preferred Unit converted into one ET Series C Preferred Unit;

ETO Series D Preferred Unit converted into one ET Series D Preferred Unit;

ETO Series E Preferred Unit converted into one ET Series E Preferred Unit;

ETO Series F Preferred Unit converted into one ET Series F Preferred Unit;

ETO Series G Preferred Unit converted into one ET Series G Preferred Unit.

## Summary of Tax Consequences

The following tax consequences associated with the internal reorganization of Energy Transfer Operating, L.P. and Energy Transfer, LP are contingent upon the transaction qualifying as a partnership merger transaction under Section 708 of the Internal Revenue Code.

### 1. Introduction

On March 5, 2021, Energy Transfer, LP (“ET”) entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Energy Transfer Operating, L.P. (“ETO”), and ETO Merger Sub LLC (“Merger Sub”), a wholly owned subsidiary of ET, pursuant to which Merger Sub merged into ETO (the “Merger”), with ETO surviving as a wholly owned subsidiary of ET.

Each 7.375% Series C Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Unit (“ETO Series C”) was converted to one ET Series C Preferred Unit;

Each 7.625% Series D Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Unit (“ETO Series D”) was converted to one ET Series D Preferred Unit; and

Each 7.600% Series E Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Unit (“ETO Series E”, and together with the ETO Series C and ETO Series D, the “ETO Preferred Unit”) was converted to one ET Series E Preferred Unit (together with the ET Series C Preferred Unit and ET Series D Preferred Unit, the “ET Preferred Unit”).

This document is intended to provide a summary of certain U.S. federal income tax consequences to persons who exchanged ETO Preferred Units for ET Preferred Units pursuant to the Merger, as such this document is limited to the discussion of the publicly traded units of ETO. 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 ETO Preferred Unit holder is an individual citizen or resident of the United States who purchased ETO Preferred 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 partnership merger transaction whereby ETO is the terminating partnership and ET is the resulting partnership under Treas. Reg. Sec. 1.708-1(c)(1) and 1.708-1(c)(3)(i) 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 Preferred Units received by each ETO Preferred Unit holder is the same as the basis of the ETO Preferred Units exchanged there for, increased by each ETO Preferred Unit holder's share of the liabilities of ET. No gain is recognized solely as a result of the exchange of ETO Preferred Units for ET Preferred Units. No loss is recognized solely as a result of the exchange of ETO Preferred Units for ET Preferred Units.

### B. Holding Period

The holding period for ET Preferred Units received in exchange for ETO Preferred Units pursuant to the Merger includes the period during which the unit holder held the ETO Preferred Units, provided that the ETO Preferred 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 Preferred Units received. This example assumes that the investor did not increase their share of ET liabilities.

The tax basis is illustrated by the following example:

In this example, the investor will have exchanged 10 ETO Series C Units with a total tax basis of \$500.

The exchange ratio for each ETO Series C Unit is 1 ET Series C Preferred Unit.

The 10 ETO Series C Units become 10 ET Series C Preferred Units. The 10 ET Series C Preferred Units have an aggregate tax basis of \$500.

**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.**