UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2026

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)

Texas	**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**
9.250% Series I Fixed Rate Perpetual Preferred Units	**ETprI**	**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 July 31, 2026, the registrant had 3,443,299,601 common units outstanding.

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ENERGY TRANSFER LP AND SUBSIDIARIES
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Definitions

References to the “Partnership” or “Energy Transfer” 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
Bakken Pipeline	Refers collectively to Dakota Access and Energy Transfer Crude Oil Pipeline and/or Energy Transfer Crude Oil Company, LLC, a non-wholly owned subsidiary of Energy Transfer
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 Florida Gas Transmission Company, LLC, which owns the Florida Gas Transmission Pipeline
Common Unitholders	Holders of Energy Transfer common units which represent limited partner interests in the Partnership
Dakota Access	Dakota Access, LLC, a non-wholly owned subsidiary of Energy Transfer and/or Dakota Access Pipeline
Energy Transfer Preferred Units	Collectively, the Series B Preferred Units, Series F Preferred Units, Series G Preferred Units, Series H Preferred Units and Series I Preferred Units
Energy Transfer R&M	Energy Transfer (R&M), LLC (formerly Sunoco (R&M), LLC)
EPA	United States Environmental Protection Agency
ETC Sunoco	ETC Sunoco Holdings LLC (formerly Sunoco, Inc.), a wholly owned subsidiary of Energy Transfer
ETO	Energy Transfer Operating, L.P., formerly a non-wholly owned subsidiary of Energy Transfer until its merger into the Partnership in April 2021
ET-S Permian	ET-S Permian Holdings Company LP, a joint venture between Energy Transfer and Sunoco LP, which owns crude oil and water gathering pipelines and storage assets in the Permian Basin
EURIBOR	Euro Interbank Offered Rate
Exchange Act	Securities Exchange Act of 1934, as amended
Explorer	Explorer Pipeline Company
FERC	United States Federal Energy Regulatory Commission
FIFO	first-in, first-out
GAAP	accounting principles generally accepted in the United States of America
General Partner	LE GP, LLC, the general partner of Energy Transfer
J.C. Nolan	collectively, J.C. Nolan Terminal Co., LLC and J.C. Nolan Pipeline Co., LLC, both of which are joint ventures between Energy Transfer and Sunoco LP, which own a diesel fuel storage terminal in Midland, Texas and a 500-mile diesel fuel pipeline
LIFO	last-in, first-out
MBbls	thousand barrels
MEP	Midcontinent Express Pipeline LLC
NGA	Natural Gas Act of 1938
NGL	natural gas liquid, such as propane, butane and natural gasoline
NuStar	NuStar Energy L.P.
NYSE	New York Stock Exchange
OTC	over-the-counter
Panhandle	Panhandle Eastern Pipe Line and/or Panhandle Eastern Pipe Line Company, LP, a wholly owned subsidiary of Energy Transfer
Parkland	Parkland Corporation
Partnership Agreement	Energy Transfer’s Agreement of Limited Partnership
PHMSA	Pipeline and Hazardous Materials Safety Administration
Preferred Unitholders	Unitholders of the Series B Preferred Units, Series F Preferred Units, Series G Preferred Units, Series H Preferred Units and Series I Preferred Units, collectively
Rover	Rover Pipeline and/or Rover Pipeline LLC, a non-wholly owned subsidiary of Energy Transfer
SEC	United States Securities and Exchange Commission
Series B Preferred Units	Series B Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units
Series F Preferred Units	Series F Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Units
Series G Preferred Units	Series G Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Units
Series H Preferred Units	Series H Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Units
Series I Preferred Units	Series I Fixed-Rate Perpetual Preferred Units
SESH	Southeast Supply Header, LLC
SPLP	Sunoco Pipeline L.P., a wholly owned subsidiary of Energy Transfer
Sunoco LP	Sunoco LP (NYSE: SUN), a publicly traded partnership and consolidated subsidiary of Energy Transfer

SunocoCorp	SunocoCorp LLC (NYSE: SUNC), a subsidiary which owns all of Sunoco LP's outstanding Class D Units
TanQuid	TanQuid GmbH & Co. KG
Transwestern	Transwestern Pipeline and/or Transwestern Pipeline Company, LLC, a wholly owned subsidiary of Energy Transfer
USAC	USA Compression Partners, LP (NYSE: USAC), a publicly traded partnership and consolidated subsidiary of Energy Transfer
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)

	June 30, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,020	$ 1,272
Accounts receivable, net	16,818	11,275
Accounts receivable from related companies	223	119
Inventories	4,385	4,770
Income taxes receivable	28	57
Derivative assets	12	52
Other current assets	627	688
Total current assets	23,113	18,233
Property, plant and equipment	146,073	141,283
Accumulated depreciation and depletion	(41,977)	(39,141)
Property, plant and equipment, net	104,096	102,142
Investments in unconsolidated affiliates	3,637	3,589
Lease right-of-use assets, net	1,939	1,841
Other non-current assets, net	2,615	2,591
Intangible assets, net	7,160	7,438
Goodwill	5,608	5,452
Total assets	$ 148,168	$ 141,286

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY TRANSFER LP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (continued)
(Dollars in millions)
(unaudited)

	June 30, 2026	December 31, 2025
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 13,720	$ 9,469
Accounts payable to related companies	47	41
Derivative liabilities	8	10
Operating lease current liabilities	215	245
Accrued and other current liabilities	5,856	5,165
Current maturities of long-term debt	12	25
Total current liabilities	19,858	14,955
Long-term debt, less current maturities	68,393	68,308
Non-current operating lease liabilities	1,621	1,515
Deferred income taxes	5,572	5,307
Other non-current liabilities	1,946	1,941
Commitments and contingencies		
Redeemable noncontrolling interests	256	250
Equity:		
Limited Partners:		
Preferred Unitholders	3,356	3,356
Common Unitholders	31,927	30,930
General Partner	(1)	(2)
Accumulated other comprehensive income	49	82
Total partners' capital	35,331	34,366
Noncontrolling interests	15,191	14,644
Total equity	50,522	49,010
Total liabilities and equity	$ 148,168	$ 141,286

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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
REVENUES:				
Refined product sales	$ 13,842	$ 5,175	$ 24,114	$ 10,138
Crude sales	10,303	5,024	17,297	10,473
NGL sales	5,739	4,500	10,867	10,142
Gathering, transportation and other fees	3,291	3,080	6,552	6,085
Natural gas sales	400	1,058	1,878	2,639
Other	759	405	1,397	785
Total revenues	34,334	19,242	62,105	40,262
COSTS AND EXPENSES:				
Cost of products sold	26,936	13,946	48,085	29,517
Operating expenses	1,828	1,343	3,523	2,642
Depreciation, depletion and amortization	1,575	1,384	3,158	2,751
Selling, general and administrative	421	257	782	545
Impairment losses	—	3	—	7
Total costs and expenses	30,760	16,933	55,548	35,462
OPERATING INCOME	3,574	2,309	6,557	4,800
OTHER INCOME (EXPENSE):				
Interest expense, net of interest capitalized	(934)	(865)	(1,881)	(1,674)
Equity in earnings of unconsolidated affiliates	108	105	218	197
Losses on extinguishments of debt	—	(17)	(7)	(19)
Other, net	(24)	5	(52)	(6)
INCOME BEFORE INCOME TAX EXPENSE	2,724	1,537	4,835	3,298
Income tax expense	194	79	329	120
NET INCOME	2,530	1,458	4,506	3,178
Less: Net income attributable to noncontrolling interests	432	275	1,147	659
Less: Net income attributable to redeemable noncontrolling interests	10	20	17	33
NET INCOME ATTRIBUTABLE TO PARTNERS	2,088	1,163	3,342	2,486
Less: General Partner’s interest in net income	2	1	3	2
Less: Preferred Unitholders’ interest in net income	59	63	118	130
Less: Loss on redemption of preferred units	—	8	—	8
Common Unitholders’ interest in net income	$ 2,027	$ 1,091	$ 3,221	$ 2,346
NET INCOME PER COMMON UNIT:				
Basic	$ 0.59	$ 0.32	$ 0.94	$ 0.68
Diluted	$ 0.59	$ 0.32	$ 0.93	$ 0.68

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY TRANSFER LP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Dollars in millions)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net income	$ 2,530	$ 1,458	$ 4,506	$ 3,178
Other comprehensive income (loss), net of tax:				
Change in value of available-for-sale securities	4	—	6	2
Actuarial loss related to pension and other postretirement benefit plans	—	(2)	—	(6)
Foreign currency translation adjustments	(28)	4	(40)	5
Change in other comprehensive income from unconsolidated affiliates	1	(1)	1	(3)
	(23)	1	(33)	(2)
Comprehensive income	2,507	1,459	4,473	3,176
Less: Comprehensive income attributable to noncontrolling interests	432	275	1,147	659
Less: Comprehensive income attributable to redeemable noncontrolling interests	10	20	17	33
Comprehensive income attributable to partners	$ 2,065	$ 1,164	$ 3,309	$ 2,484

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	Preferred Unitholders	General Partner	AOCI	Noncontrolling Interests	Total
Balance, December 31, 2025	$ 30,930	$ 3,356	$ (2)	$ 82	$ 14,644	$ 49,010
Distributions to partners	(1,140)	(27)	(1)	—	—	(1,168)
Distributions to noncontrolling interests	—	—	—	—	(545)	(545)
Capital contributions from noncontrolling interests	—	—	—	—	1	1
USAC equity issued for acquisition	—	—	—	—	457	457
Other comprehensive loss, net of tax	—	—	—	(10)	—	(10)
Other, net	20	—	—	—	3	23
Net income, excluding amounts attributable to redeemable noncontrolling interests	1,194	59	1	—	715	1,969
Balance, March 31, 2026	31,004	3,388	(2)	72	15,275	49,737
Distributions to partners	(1,149)	(91)	(1)	—	—	(1,241)
Distributions to noncontrolling interests	—	—	—	—	(523)	(523)
Other comprehensive loss, net of tax	—	—	—	(23)	—	(23)
Other, net	45	—	—	—	7	52
Net income, excluding amounts attributable to redeemable noncontrolling interests	2,027	59	2	—	432	2,520
Balance, June 30, 2026	$ 31,927	$ 3,356	$ (1)	$ 49	$ 15,191	$ 50,522

	Common Unitholders	Preferred Unitholders	General Partner	AOCI	Noncontrolling Interests	Total
Balance, December 31, 2024	$ 31,195	$ 3,852	$ (2)	$ 73	$ 10,899	$ 46,017
Distributions to partners	(1,105)	(27)	(1)	—	—	(1,133)
Distributions to noncontrolling interests	—	—	—	—	(455)	(455)
Capital contributions from noncontrolling interests	—	—	—	—	2	2
Other comprehensive loss, net of tax	—	—	—	(3)	—	(3)
Other, net	19	—	—	(6)	14	27
Net income, excluding amounts attributable to redeemable noncontrolling interests	1,255	67	1	—	384	1,707
Balance, March 31, 2025	31,364	3,892	(2)	64	10,844	46,162
Distributions to partners	(1,113)	(107)	(1)	—	—	(1,221)
Distributions to noncontrolling interests	—	—	—	—	(479)	(479)
Capital contributions from noncontrolling interests	—	—	—	—	3	3
Other comprehensive income, net of tax	—	—	—	1	—	1
Redemption of Series F Preferred Units	—	(500)	—	—	—	(500)
Conversion of USAC preferred to USAC common units	—	—	—	—	93	93
Other, net	10	8	—	—	19	37
Net income, excluding amounts attributable to redeemable noncontrolling interests	1,099	63	1	—	275	1,438
Balance, June 30, 2025	$ 31,360	$ 3,356	$ (2)	$ 65	$ 10,755	$ 45,534

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)

	Six Months Ended June 30,	
	2026	2025
OPERATING ACTIVITIES:		
Net income	$ 4,506	$ 3,178
Reconciliation of net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	3,158	2,751
Deferred income tax expense	167	7
Inventory valuation adjustments	(426)	(21)
Non-cash compensation expense	88	70
Impairment losses	—	7
Other non-cash	40	23
Equity in earnings of unconsolidated affiliates	(218)	(197)
Losses on extinguishments of debt	7	19
Distributions from unconsolidated affiliates	125	165
Distributions on unvested awards	(26)	(26)
Net change in operating assets and liabilities, net of effects of acquisitions	228	(297)
Net cash provided by operating activities	7,649	5,679
INVESTING ACTIVITIES:		
Cash paid for J-W Power Company acquisition, net of cash acquired	(445)	—
Cash paid for TanQuid acquisition, net of cash acquired	(194)	—
Cash paid for Delta acquisition, net of cash acquired	(75)	—
Cash paid for other acquisitions, net of cash acquired	(72)	(104)
Capital expenditures, excluding allowance for equity funds used during construction	(3,480)	(2,883)
Contributions in aid of construction costs	29	26
Contributions to unconsolidated affiliates	(30)	(4)
Distributions from unconsolidated affiliates in excess of cumulative earnings	79	56
Proceeds from sales of other assets	8	—
Other, net	46	10
Net cash used in investing activities	(4,134)	(2,899)
FINANCING ACTIVITIES:		
Proceeds from borrowings	24,053	16,146
Repayments of debt	(24,284)	(15,126)
Redemption of Energy Transfer preferred units	—	(500)
Capital contributions from noncontrolling interests	1	5
Capital contributions from redeemable noncontrolling interests	6	—
Distributions to partners	(2,409)	(2,354)
Distributions to noncontrolling interests	(1,068)	(934)
Distributions to redeemable noncontrolling interests	(17)	(34)
Debt issuance costs	(49)	(53)
Net cash used in financing activities	(3,767)	(2,850)
Net change in cash and cash equivalents	(252)	(70)
Cash and cash equivalents, beginning of period	1,272	312
Cash and cash equivalents, end of period	$ 1,020	$ 242

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 “Energy Transfer”).

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, 2025, filed with the SEC on February 19, 2026. 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 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 Partnership owns a controlling interest in Sunoco LP. As of June 30, 2026, our interest in Sunoco LP consisted of 100% of the general partner interests and incentive distribution rights, as well as 28.5 million common units. In addition, the Partnership controls SunocoCorp Management LLC, which controls SunocoCorp. SunocoCorp’s only cash-generating asset is its investment in all of Sunoco LP's Class D units; the Partnership does not have a beneficial interest in those Class D units.

The Partnership owns a controlling interest in USAC. As of June 30, 2026, our interest in USAC consisted of 100% of the general partner interests and 46.1 million common units of USAC.

The operations of certain pipelines and terminals in which we own an undivided interest are proportionately consolidated in the accompanying consolidated financial statements.

Certain prior period amounts have 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 requires 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.

Recent Accounting Pronouncements

In November 2024, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) 2024-03, *Income Statement–Reporting Comprehensive Income–Expense Disaggregation Disclosures (Subtopic 220-40)*. ASU 2024-03 requires disclosure of specified information about certain costs and expenses in the notes to the consolidated financial statements. ASU 2024-03 is effective for annual periods beginning after December 15, 2026, and interim periods within annual periods beginning after December 15, 2027, with early adoption permitted. ASU 2024-03 is to be applied on a prospective basis, with retrospective application permitted. We are currently evaluating the impact, if any, of ASU 2024-03 on our consolidated financial statements and related disclosures.

2. ACQUISITIONS

Sunoco LP

TanQuid Acquisition

On January 16, 2026, Sunoco LP completed the acquisition of TanQuid for €206 million ($239 million) and assumed debt with a fair value of €298 million ($346 million). TanQuid owns and operates 15 fuel terminals in Germany and one fuel terminal in Poland. The transaction was funded using cash on hand and amounts available under Sunoco LP’s credit facility.

The acquisition was recorded using the acquisition method of accounting which requires, among other things, that assets and liabilities assumed be recognized on the balance sheet at their estimated fair values as of the date of acquisition, with any excess purchase price over the fair value of net assets acquired recorded to goodwill. Determining the fair value of acquired assets requires management's judgment and the utilization of a third-party valuation specialist, if applicable, and involves the use of significant estimates and assumptions. Acquired assets were valued based on a combination of the discounted cash flow, the guideline company and the reproduction and replacement methods.

As of the date these financial statements were issued, Sunoco LP's management and the third-party valuation specialist continue to evaluate certain assumptions, which could result in a change to the allocation of the fair value among reporting units or between line items on the consolidated balance sheet, potentially impacting deferred tax balances and/or goodwill. The following table summarizes the preliminary allocation of the purchase price among assets acquired and liabilities assumed.

	As of January 16, 2026
Total current assets	$ 65
Property, plant and equipment, net	639
Lease right-of-use assets, net	59
Other non-current assets, net	1
Total assets	764
Total current liabilities	9
Long-term debt	346
Non-current operating lease liabilities	66
Deferred income taxes	62
Other non-current liabilities	42
Total liabilities	525
Total consideration	239
Cash acquired	45
Total consideration, net of cash acquired	$ 194

Delta Acquisition

On April 1, 2026, Sunoco LP completed the acquisition of Delta Petroleum Group (BVI) Limited ("Delta") for approximately $81 million, excluding cash and net working capital. The purchase price was allocated $36 million to property, plant and equipment, net, $15 million to intangible assets, and $24 million to goodwill. Delta owns and operates terminals and fuel distribution assets across five Caribbean markets. The transaction was funded using cash on hand and amounts available under Sunoco LP's credit facility.

Other Acquisitions

In the first and second quarters of 2026, Sunoco LP completed other acquisitions for total cash consideration of approximately $50 million and $22 million, respectively, plus working capital. These transactions were accounted for as asset acquisitions.

On August 5, 2026, Sunoco LP entered into a definitive agreement to acquire a U.S.-based fuel distribution network in an all-cash transaction valued at approximately $600 million. The transaction is expected to close in the fourth quarter of 2026, subject to customary closing conditions.

USAC

J-W Power Company Acquisition

On January 12, 2026, USAC completed the acquisition of J-W Energy Company ("J-W Energy") and its subsidiary, J-W Power Company ("J-W Power"), a large privately-held provider of compression services in the United States. USAC purchased all of the issued and outstanding capital stock of J-W Energy from Westerman, Ltd. (the "J-W Power Acquisition"). USAC completed the acquisition for total consideration of approximately $912 million, subject to customary purchase price adjustments, consisting of (i) approximately $455 million in cash and (ii) approximately 18.2 million newly issued USAC common units, which had a fair value on the J-W Power Acquisition date of approximately $457 million, subject to customary post-closing price adjustments. Upon consummation of the J-W Power Acquisition, J-W Power and J-W Energy became consolidated subsidiaries of USAC.

The J-W Power Acquisition added approximately 0.8 million active horsepower and 1.0 million total horsepower to USAC's fleet across key regions including the Northeast, Mid-Con, Rockies, Gulf Coast, Bakken and Permian Basin. J-W Power also owns and operates specialized manufacturing facilities that support its internal compression requirements and those of third-party customers.

The acquisition 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 estimated fair values as of the date of acquisition with any excess purchase price over the fair value of net assets acquired recorded to goodwill. Determining the fair value of acquired assets requires management's judgment and the utilization of a third-party valuation specialist, if applicable, and involves the use of significant estimates and assumptions. Acquired assets were valued based on a combination of the discounted cash flow, the guideline company and the reproduction and replacement methods.

The following table summarizes the preliminary allocation of the purchase price among assets acquired and liabilities assumed.

	As of January 12, 2026
Total current assets	$ 136
Property, plant and equipment, net	869
Lease right-of-use assets, net	5
Intangible assets, net (1)	6
Other non-current assets, net	1
Goodwill (2)	117
Total assets	1,134
Total current liabilities	33
Non-current operating lease liabilities	3
Other non-current liabilities	186
Total liabilities	222
Total consideration	912
Cash acquired	11
Total consideration, net of cash acquired	$ 901

(1) Intangible assets, net consisted of approximately $6.0 million of trade names with a remaining useful life of approximately 3 years.

(2) Goodwill recorded is primarily related to the recognition of deferred tax liabilities arising from acquisition date fair value adjustments with the remainder related to expected commercial and operational synergies, and is subject to change based on final purchase price allocations. None of the goodwill recorded as a result of this transaction is deductible for tax purposes.

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 June 30, 2026 or December 31, 2025.

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 and divestitures, included in the reconciliation of net income to net cash flows provided by operating activities is comprised as follows:

	Six Months Ended June 30,	
	2026	2025
Accounts receivable	$ (5,492)	$ 332
Accounts receivable from related companies	(104)	(103)
Inventories	789	273
Other current assets	97	(40)
Other non-current assets, net	367	26
Accounts payable	4,278	(793)
Accounts payable to related companies	7	(3)
Accrued and other current liabilities	392	33
Other non-current liabilities	(141)	(10)
Derivative assets and liabilities, net	35	(12)
Net change in operating assets and liabilities, net of effects of acquisitions	$ 228	$ (297)

Non-cash investing and financing activities were as follows:

	Six Months Ended June 30,	
	2026	2025
Accrued capital expenditures	$ 1,154	$ 650
Lease assets obtained in exchange for new lease liabilities	162	40
Distribution reinvestment	25	21
USAC exercise and conversion of preferred units into common units	—	93
Sunoco LP common units (noncontrolling interest) issued in connection with acquisitions	—	18
USAC common units (noncontrolling interest) issued in connection with acquisitions	457	—
Common units issued in connection with acquisition	22	—

4. INVENTORIES

Inventories consisted of the following:

	June 30, 2026	December 31, 2025
Natural gas, NGLs and refined products	$ 3,164	$ 3,506
Crude oil	127	286
Spare parts and other	1,094	978
Total inventories	$ 4,385	$ 4,770

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, except as described below.

Sunoco LP's fuel inventories are stated at the lower of cost or market using the LIFO method, except for certain fuel inventories in the Caribbean as discussed below. As of June 30, 2026 and December 31, 2025, Sunoco LP's fuel inventory balance included lower of cost or market reserves of $19 million and $472 million, respectively. For the three months ended June 30, 2026 and 2025, the Partnership's cost of products sold included unfavorable LIFO inventory valuation adjustments of $18 million and $40 million, respectively, which decreased net income. For the six months ended June 30, 2026 and 2025, the Partnership's cost of products sold included favorable LIFO inventory valuation adjustments of $426 million and $21 million, respectively, which increased net income.

During the three months ended March 31, 2026, Sunoco LP reduced its overall fuel inventories, resulting in a LIFO liquidation. Based on the assumed impact to cost of products sold if the liquidated inventories had been replaced, the effect of the LIFO liquidation was an increase of $102 million to pre-tax income, or $0.03 per common unit (excluding any income tax impact or any assumed changes to distributions) for the six months ended June 30, 2026, with no impact to the three months ended June 30, 2026. Interim LIFO calculations are based on management's estimates of expected year-end inventory levels and costs; consequently, these interim estimates are subject to changes during the remainder of the year that could impact the final year-end inventory levels or valuation.

Certain of Sunoco LP's fuel inventories in the Caribbean are stated at the lower of cost or market using the first-in, first-out method, under which the cost of fuel sold consists of older acquisition costs, including transportation and storage costs. These FIFO method inventories totaled $145 million and $88 million as of June 30, 2026 and December 31, 2025, respectively.

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable approximate their fair value.

Commodity derivatives, excluding those designated as normal purchases or normal sales, are recognized as assets or liabilities at fair value on our consolidated balance sheets. Fair value is determined using the highest level of observable inputs available, in accordance with the fair value hierarchy.

Exchange-traded contracts, such as futures, swaps and options, are valued using quoted market prices from exchanges including the New York Mercantile Exchange, Intercontinental Exchange or similar platforms. These are classified as Level 1.

Over-the-counter (OTC) swaps, options and physical forward contracts that are comparable to actively traded instruments are valued using third-party broker quotes, pricing services or relevant exchange data. This category also includes OTC options valued using an option pricing model based on observable market inputs. These instruments are classified as Level 2.

Less liquid instruments, including non-standard term OTC swaps and options, as well as long-dated contracts, are valued using internally developed models based on historical industry practices. These models incorporate forward price curves, volatility assumptions, time value and other relevant economic factors. These are classified as Level 3.

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 June 30, 2026 and December 31, 2025 based on inputs used to derive their fair values:

		Fair Value Measurements at June 30, 2026	
	Fair Value Total	Level 1	Level 2
Assets:			
Interest rate derivatives	$ 1	$ —	$ 1
Total commodity derivatives	826	753	73
Other non-current assets	215	215	—
Total assets	$ 1,042	$ 968	$ 74
Liabilities:			
Total commodity derivatives	(760)	(692)	(68)
Total liabilities	$ (760)	$ (692)	$ (68)

		Fair Value Measurements at December 31, 2025	
	Fair Value Total	Level 1	Level 2
Assets:			
Total commodity derivatives	$ 618	$ 531	$ 87
Other non-current assets	209	209	—
Total assets	$ 827	$ 740	$ 87
Liabilities:			
Total commodity derivatives	$ (454)	$ (404)	$ (50)
Total liabilities	$ (454)	$ (404)	$ (50)

The aggregate estimated fair value and carrying amount of our consolidated debt obligations as of June 30, 2026 were $68.27 billion and $68.41 billion, respectively. As of December 31, 2025, the aggregate fair value and carrying amount of our consolidated debt obligations were $68.55 billion and $68.33 billion, respectively. The fair value of our consolidated debt obligations is a Level 2 valuation based on the respective debt obligations' observable inputs for similar liabilities.

6. NET INCOME PER COMMON UNIT

A reconciliation of income or loss and weighted average units used in computing basic and diluted income per common unit is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net income	$ 2,530	$ 1,458	$ 4,506	$ 3,178
Less: Net income attributable to noncontrolling interests	432	275	1,147	659
Less: Net income attributable to redeemable noncontrolling interests	10	20	17	33
Net income, net of noncontrolling interests	2,088	1,163	3,342	2,486
Less: General Partner's interest in net income	2	1	3	2
Less: Preferred Unitholders' interest in net income	59	63	118	130
Less: Loss on redemption of preferred units	—	8	—	8
Common Unitholders' interest in net income	$ 2,027	$ 1,091	$ 3,221	$ 2,346
Basic Income per Common Unit:				
Weighted average common units	3,442.2	3,432.2	3,441.4	3,431.8
Basic income per common unit	$ 0.59	$ 0.32	$ 0.94	$ 0.68
Diluted Income per Common Unit:				
Common Unitholders' interest in net income	$ 2,027	$ 1,091	$ 3,221	$ 2,346
Dilutive effect of equity-based compensation of subsidiaries (1)	—	—	1	—
Diluted income attributable to Common Unitholders	$ 2,027	$ 1,091	$ 3,220	$ 2,346
Weighted average common units	3,442.2	3,432.2	3,441.4	3,431.8
Dilutive effect of unvested restricted unit awards (1)	20.9	21.3	21.1	22.3
Weighted average common units, assuming dilutive effect of unvested restricted unit awards	3,463.1	3,453.5	3,462.5	3,454.1
Diluted income per common unit	$ 0.59	$ 0.32	$ 0.93	$ 0.68

(1) Dilutive effects are excluded from the calculation for periods where the impact would have been antidilutive.

7. DEBT OBLIGATIONS

Recent Transactions

Energy Transfer Notes Issuances and Redemptions

In January 2026, the Partnership issued $1.00 billion aggregate principal amount of 4.55% senior notes due 2031, $1.00 billion aggregate principal amount of 5.35% senior notes due 2036 and $1.00 billion aggregate principal amount of 6.30% senior notes due 2056. The Partnership used the net proceeds to refinance existing indebtedness, including to repay commercial paper and borrowings under its Five-Year Credit Facility.

In January 2026, the Partnership redeemed its $1.00 billion aggregate principal amount of 4.75% senior notes due January 2026 using cash on hand and commercial paper borrowings.

In February 2026, the Partnership redeemed its $600 million aggregate principal amount of 5.625% senior notes due May 2027 using cash on hand and commercial paper borrowings.

In July 2026, the Partnership issued $650 million aggregate principal amount of its Series 2026A Junior Subordinated Notes due 2057 (the "Series 2026A notes") and $1.10 billion aggregate principal amount of its Series 2026B Junior Subordinated Notes due 2057 (the "Series 2026B notes"). Initially, the Series 2026A notes will bear interest at an annual rate of 6.550% and the Series 2026B notes will bear interest at an annual rate of 6.700%. The Partnership intends to use the net proceeds to redeem the Series H Preferred Units, to repay borrowings under its Five-Year Credit Facility and for general partnership purposes.

Sunoco LP Senior Notes Issuances and Redemption

In March 2026, Sunoco LP issued $600 million aggregate principal amount of 5.375% senior notes due 2031 and $600 million aggregate principal amount of 5.625% senior notes due 2034. These notes will mature on July 15, 2031 and July 15, 2034, respectively, and interest is payable semi-annually on January 15 and July 15 of each year, commencing on July 15, 2026. Sunoco LP used a portion of the net proceeds from this private offering to redeem in full its $500 million aggregate principal amount of 6.000% senior notes due 2026 and its $600 million aggregate principal amount of 6.000% senior notes due 2027.

In March 2026, Sunoco LP redeemed Parkland's remaining senior notes.

In June 2026, Sunoco LP redeemed all of its outstanding 3.875% CAD senior notes due 2026.

Credit Facilities and Commercial Paper

Five-Year Credit Facility

The Partnership's revolving credit facility (the "Five-Year Credit Facility") allows for unsecured borrowings up to $5.00 billion until April 11, 2027, and up to $4.84 billion until April 11, 2029. The Five-Year Credit Facility contains an accordion feature, under which the total aggregate commitment may be increased up to $7.00 billion under certain conditions.

As of June 30, 2026, the Five-Year Credit Facility had $1.21 billion of outstanding borrowings, $1.12 billion of which consisted of commercial paper. The amount available for future borrowings was $3.76 billion, after accounting for outstanding letters of credit in the amount of $24 million. The weighted average interest rate on the total amount outstanding as of June 30, 2026 was 4.00%.

Sunoco LP Credit Facility

As of June 30, 2026, Sunoco LP's credit facility, which matures in June 2030, had no outstanding borrowings and $183 million in standby letters of credit. The unused availability on Sunoco LP's revolving credit facility as of June 30, 2026 was $2.32 billion. The weighted average interest rate on the total amount outstanding as of June 30, 2026 was 5.46%.

Sunoco LP Receivables Financing Agreement

Upon the closing of Sunoco LP's acquisition of NuStar, the commitments under NuStar's receivables financing agreement were reduced to zero during a suspension period, for which the period end has not been determined. As of June 30, 2026, this facility had no outstanding borrowings.

USAC Credit Facility

As of June 30, 2026, USAC's credit facility, which matures in August 2030, had $1.21 billion of outstanding borrowings and $2 million outstanding letters of credit. As of June 30, 2026, USAC's credit facility had $537 million of remaining unused availability. The weighted average interest rate on the total amount outstanding as of June 30, 2026 was 5.59%.

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 June 30, 2026. For the quarter ended June 30, 2026, the Partnership's leverage ratio, as calculated pursuant to the covenant related to its Five-Year Credit Facility, was 3.01x.

8. REDEEMABLE NONCONTROLLING INTERESTS

Certain redeemable noncontrolling interests in the Partnership's subsidiaries were reflected as mezzanine equity on the consolidated balance sheets.

Redeemable noncontrolling interests consisted of the following:

	June 30, 2026	December 31, 2025
Crestwood Niobrara LLC preferred units	$ 225	$ 225
Other [1]	31	25
Total redeemable noncontrolling interests	$ 256	$ 250

[1] Relates to noncontrolling interest holders in one of the Partnership's consolidated subsidiaries that have the option to sell their interests to the Partnership.

9. EQUITY

Energy Transfer Common Units

Changes in Energy Transfer common units during the six months ended June 30, 2026 were as follows:

	Number of Units
Number of common units at December 31, 2025	3,440.0
Common units issued under the distribution reinvestment plan	1.3
Common units issued for acquisition	1.1
Common units vested under equity incentive plans and other	0.9
Number of common units at June 30, 2026	3,443.3

Energy Transfer Repurchase Program

During the six months ended June 30, 2026, Energy Transfer did not repurchase any of its common units under its current buyback program. As of June 30, 2026, $880 million remained available to repurchase under the current program.

Energy Transfer Distribution Reinvestment Program

During the six months ended June 30, 2026, distributions of $25 million were reinvested under the distribution reinvestment program. As of June 30, 2026, a total of 35.1 million Energy Transfer common units remained available to be issued under currently effective registration statements in connection with the distribution reinvestment program.

Cash Distributions on Energy Transfer Common Units

Distributions declared and/or paid with respect to Energy Transfer common units subsequent to December 31, 2025 were as follows:

Quarter Ended	Record Date	Payment Date	Rate
December 31, 2025	February 6, 2026	February 19, 2026	$ 0.3350
March 31, 2026	May 8, 2026	May 20, 2026	0.3375
June 30, 2026	August 7, 2026	August 19, 2026	0.3400

Energy Transfer Preferred Units

As of June 30, 2026 and December 31, 2025, Energy Transfer's outstanding preferred units included 550,000 Series B Preferred Units, 1,484,780 Series G Preferred Units, 900,000 Series H Preferred Units and 41,464,179 Series I Preferred Units. Series H Preferred Units will be redeemed on August 17, 2026.

The following tables summarize changes in the Energy Transfer Preferred Units:

	Preferred Unitholders				
	Series B	Series G	Series H	Series I	Total
Balance, December 31, 2025	$ 556	$ 1,488	$ 893	$ 419	$ 3,356
Distributions to partners	(18)	—	—	(9)	(27)
Net income	9	26	15	9	59
Balance, March 31, 2026	$ 547	$ 1,514	$ 908	$ 419	$ 3,388
Distributions to partners	—	(53)	(29)	(9)	(91)
Net income	9	27	14	9	59
Balance, June 30, 2026	$ 556	$ 1,488	$ 893	$ 419	$ 3,356

	Preferred Unitholders					
	Series B	Series F [1]	Series G	Series H	Series I	Total
Balance, December 31, 2024	$ 556	$ 496	$ 1,488	$ 893	$ 419	$ 3,852
Distributions to partners	(18)	—	—	—	(9)	(27)
Net income	9	8	26	15	9	67
Balance, March 31, 2025	$ 547	$ 504	$ 1,514	$ 908	$ 419	$ 3,892
Distributions to partners	—	(16)	(53)	(29)	(9)	(107)
Redemption of preferred units	—	(500)	—	—	—	(500)
Other, net	—	8	—	—	—	8
Net income	9	4	27	14	9	63
Balance, June 30, 2025	$ 556	$ —	$ 1,488	$ 893	$ 419	$ 3,356

(1) The Partnership's Series F Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Units were redeemed in May 2025.

Cash Distributions on Energy Transfer Preferred Units

Distributions declared on the Energy Transfer Preferred Units were as follows:

Period Ended	Record Date	Payment Date	Series B [2]	Series G [2]	Series H [2]	Series I [1]
December 31, 2025	February 1, 2026	February 15, 2026	$ 33.125	$ —	$ —	$ 0.2111
March 31, 2026	May 1, 2026	May 15, 2026	—	35.630	32.500	0.2111
June 30, 2026	August 3, 2026	August 17, 2026	33.125	—	16.611	0.2111

(1) The record date and payment date shown above apply to all Energy Transfer Preferred Units, except for the Series I Preferred Units. For the period ended December 31, 2025, the cash distribution on Series I Preferred Units was paid on February 17, 2026 to unitholders of record as of the close of business on February 4, 2026. For the period ended March 31, 2026, the cash distribution on Series I Preferred Units was paid on May 15, 2026 to unitholders of record as of the close of business on May 4, 2026. For the period ended June 30, 2026, the cash distribution on Series I Preferred Units will be paid on August 14, 2026 to unitholders of record as of the close of business on August 4, 2026.

(2) Series B, Series G and Series H distributions are currently paid on a semi-annual basis. Distributions on the Series B Preferred Units will begin to be paid quarterly on February 15, 2028. The final distributions on Series H Preferred Units will be paid in conjunction with the Series H Preferred Unit redemption on August 17, 2026.

Noncontrolling Interests

The Partnership's consolidated financial statements include noncontrolling interests in SunocoCorp, Sunoco LP and

USAC, as well as other non-wholly owned consolidated joint ventures. The following sections describe cash distributions made by our publicly traded subsidiaries, SunocoCorp, Sunoco LP and USAC, all of which are required 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.

SunocoCorp Cash Distributions

Distributions on SunocoCorp's common units declared and/or paid by SunocoCorp subsequent to December 31, 2025 were as follows:

Quarter Ended	Payment Date	Rate	
December 31, 2025	February 19, 2026	$	0.9317
March 31, 2026	May 20, 2026		0.9899
June 30, 2026	August 19, 2026		1.0023

Sunoco LP Cash Distributions

Distributions on Sunoco LP's common units and Class D Units declared and/or paid by Sunoco LP subsequent to December 31, 2025 were as follows:

Quarter Ended	Payment Date	Rate	
December 31, 2025	February 19, 2026	$	0.9317
March 31, 2026	May 20, 2026		0.9899
June 30, 2026	August 19, 2026		1.0023

Distributions on Sunoco LP's Series A Preferred Units, which are paid semi-annually, were as follows:

Record Date	Payment Date	Rate	
March 2, 2026	March 18, 2026	$	39.3800

USAC Cash Distributions

Distributions on USAC's common units declared and/or paid by USAC subsequent to December 31, 2025 were as follows:

Quarter Ended	Payment Date	Rate	
December 31, 2025	February 6, 2026	$	0.525
March 31, 2026	May 8, 2026		0.525
June 30, 2026	August 7, 2026		0.525

Accumulated Other Comprehensive Income

The following table presents the components of AOCI, net of tax:

	June 30, 2026		December 31, 2025	
Available-for-sale securities	$	36	$	30
Foreign currency translation adjustment		(52)		(12)
Actuarial gains related to pensions and other postretirement benefits		54		54
Investments in unconsolidated affiliates, net		11		10
Total AOCI included in partners' capital, net of tax	$	49	$	82

10. REGULATORY MATTERS, COMMITMENTS, CONTINGENCIES AND ENVIRONMENTAL LIABILITIES

FERC Proceedings

Rover – FERC – Stoneman House

In late 2016, FERC Enforcement Staff began a non-public investigation related to Rover's purchase and removal of a potentially historic home (known as the Stoneman House) while Rover's application for permission to construct the new 711-mile interstate natural gas pipeline and related facilities was pending. On March 18, 2021, FERC issued an Order to Show Cause and Notice of Proposed Penalty (Docket No. IN19-4-000), ordering Rover to explain why it should not pay a $20 million civil penalty for alleged violations of FERC regulations requiring certificate holders to be forthright in their submissions of information to the FERC. Rover filed its answer and denial to the order on June 21, 2021 and a surreply on September 15, 2021. FERC issued an order on January 20, 2022 setting the matter for hearing before an administrative law judge. The hearing was set to commence on March 6, 2023; as explained below, this FERC proceeding has been stayed.

On February 1, 2022, Energy Transfer and Rover filed a Complaint for Declaratory Relief in the United States District Court for the Northern District of Texas ("USDC") seeking an order declaring that FERC must bring its enforcement action in federal district court (instead of before an administrative law judge). Also on February 1, 2022, Energy Transfer and Rover filed an expedited request to stay the proceedings before the FERC administrative law judge pending the outcome of the USDC case. On May 24, 2022, the USDC ordered a stay of the FERC's enforcement case and the USDC case pending the resolution of two cases pending before the United States Supreme Court. Arguments were heard in those cases on November 7, 2022. On April 14, 2023, the United States Supreme Court held against the government in both cases, finding that the USDC had jurisdiction to hear those suits and to resolve the parties' constitutional challenges. The cases were remanded to the USDC for further proceedings.

On September 13, 2023 the USDC ordered that the USDC case would be stayed pending the resolution of another case pending before the United States Supreme Court and that the FERC enforcement case would remain stayed. On November 13, 2023, the FERC appealed the USDC order to the United States Court of Appeals for the Fifth Circuit (the "Fifth Circuit"). On December 11, 2023, FERC filed a motion to withdraw that appeal, which the Fifth Circuit granted on December 12, 2023. The FERC and USDC proceedings were previously stayed pending resolution of the case pending before the United States Supreme Court. The Supreme Court issued a decision in that case on June 27, 2024. The FERC and USDC proceedings remain stayed at this time. The USDC set a scheduling conference for December 16, 2025. The parties have filed several motions to continue the status conference. On July 22, 2026, the USDC held this matter in abeyance, pending the outcome of settlement discussions between the parties. Notwithstanding the foregoing, Energy Transfer and Rover intend to vigorously defend this claim.

Rover – FERC – Tuscarawas

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. In 2019, Enforcement Staff provided Rover with a notice pursuant to Section 1b.19 of the FERC regulations that Enforcement Staff intended to recommend that the FERC pursue an enforcement action against Rover and the Partnership. On December 16, 2021, FERC issued an Order to Show Cause and Notice of Proposed Penalty (Docket No. IN17-4-000), ordering Rover and Energy Transfer to show cause why they should not be found to have violated Section 7(e) of the NGA, Section 157.20 of FERC's regulations, and the Rover Pipeline Certificate Order, and assessed civil penalties of $40 million.

Rover and Energy Transfer filed their answer to this order on March 21, 2022, and Enforcement Staff filed a reply on April 20, 2022. Rover and Energy Transfer filed their surreply to this order on May 13, 2022. FERC has taken no further action on the case since that time.

The primary contractor (and one of the subcontractors) responsible for the HDD operations of the Tuscarawas River site have agreed to indemnify Rover and the Partnership for any and all losses, including any fines and penalties from government agencies, resulting from their actions in conducting such HDD operations. 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; however, the Partnership believes the indemnity described above will be applicable to the penalty proposed by Enforcement Staff and intends to vigorously defend itself against the subject claims.

Other FERC Proceedings

By an order issued on January 16, 2019, the FERC initiated a review of Panhandle's then-existing rates pursuant to Section 5 of the NGA to determine whether the rates 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 NGA Section 5 and Section 4 proceedings were consolidated by order of the Chief Judge on October 1, 2019. The initial decision by the administrative law judge was issued on March 26, 2021, and on December 16, 2022, the FERC issued its order on the initial decision. On January 17, 2023, Panhandle and the Michigan Public Service Commission each filed a request for rehearing of FERC's order on the initial decision, which were denied by operation of law as of February 17, 2023. On March 23, 2023, Panhandle appealed these orders to the D.C. Circuit, and the Michigan Public Service Commission also subsequently appealed these orders. On April 25, 2023, the D.C. Circuit consolidated Panhandle's and Michigan Public Service Commission's appeals and stayed the consolidated appeal proceeding while the FERC further considered the requests for rehearing of its December 16, 2022 order. On September 25, 2023, the FERC issued its order addressing arguments raised on rehearing and compliance, which denied our requests for rehearing. Panhandle filed its Petition for Review with the D.C. Circuit regarding the September 25, 2023 order. On October 25, 2023, Panhandle filed a limited request for rehearing of the September 25 order addressing arguments raised on rehearing and compliance, which was subsequently denied by operation of law on November 27, 2023. On November 17, 2023, Panhandle provided refunds to shippers and on November 30, 2023, Panhandle submitted a refund report regarding the consolidated rate proceedings, which was protested by several parties. On January 5, 2024, the FERC issued a second order addressing arguments raised on rehearing in which it modified certain discussion from its September 25, 2023 order and sustained its prior conclusions. Panhandle has timely filed its Petition for Review with the D.C. Circuit regarding the January 5, 2024 order. On May 28, 2024, the FERC issued an order rejecting Panhandle's refund report. On June 27, 2024, Panhandle filed a revised refund report in compliance with the FERC's May 28, 2024 order rejecting Panhandle's refund report and a request for rehearing of the FERC's May 28, 2024 order rejecting Panhandle's refund report, and provided revised refunds to shippers, or in the case of shippers whose revised refunds are less than the original amounts refunded, notices of upcoming debits. One party protested Panhandle's revised refund report, and Panhandle submitted a response to the protest on July 24, 2024. By notice issued July 29, 2024, Panhandle's rehearing request was deemed denied. In an order issued September 9, 2024, FERC addressed arguments raised on rehearing, modified the discussion in the May 28, 2024 order and continued to reach the same result. On September 18, 2024, Panhandle petitioned the D.C. Circuit for review of the September 9, 2024, July 29, 2024, and May 28, 2024 orders. On December 5, 2024, the FERC issued an order rejecting Panhandle's June 27, 2024, refund report, ordering a corrected refund report and directing the issuance of additional refunds. On January 3, 2025, Panhandle submitted an adjusted refund report as well as a request for rehearing of the FERC's December 5, 2024 order. The FERC approved the adjusted refund report by letter order dated January 23, 2025. On February 3, 2025, the FERC issued a Notice of Denial of Rehearing by Operation of Law and Providing for Further Consideration. On March 24, 2025, Panhandle petitioned the D.C. Circuit for review of the December 5, 2024 and February 3, 2025 orders. On April 4, 2025, the FERC issued an Order on Rehearing and Clarification. On May 16, 2025, Panhandle petitioned the D.C. Circuit for review of the April 4, 2025 order. On May 19, 2025, the D.C. Circuit consolidated all cases before it and placed the consolidated cases in abeyance pending further order of the D.C. Circuit. On August 12, 2025, the D.C. Circuit issued an order returning all cases to the court's active docket and issued a briefing schedule. Panhandle filed its initial brief on November 10, 2025, FERC filed its brief on February 9, 2026, intervenors filed their brief on February 23, 2026, and Panhandle filed its reply brief on March 16, 2026. Oral argument is scheduled for September 24, 2026.

Commitments

In the normal course of business, Energy Transfer 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. Energy Transfer believes that the terms of these agreements are commercially reasonable and will not have a material adverse effect on the Partnership's 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 following table reflects ROW expense included in operating expenses in the accompanying consolidated statements of operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
ROW expense	$ 17	$ 19	$ 32	$ 35

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. Due to the flammable and combustible nature of natural gas and crude oil, the potential exists for personal injury and/or property damage to occur 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 parties to various legal proceedings, arbitrations 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 June 30, 2026 and December 31, 2025, accruals of approximately $133 million and $324 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 $74 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.

In addition to the contingent loss amounts disclosed above, we are also party to litigation where contingent gains exist. We and our subsidiaries have recently received favorable verdicts in multiple matters, including against Greenpeace International, et al. and CPS Energy, which total approximately $786 million in the aggregate, including any portions allocable to noncontrolling interests. These contingent gains have not been recorded as of June 30, 2026, because the judgment has not yet been received and/or the matter is still appealable.

The following sections include descriptions of certain matters that could impact the Partnership's financial position, results of operations and/or cash flows in future periods. The following sections also include updates to certain matters that have previously been disclosed, even if those matters are not anticipated to have a potentially significant impact on future periods. In addition to the matters disclosed in the following sections, the Partnership is also involved in multiple other matters that could impact future periods, including other lawsuits and arbitration related to the Partnership's commercial agreements. With respect to such matters, contingencies that met both the probable and reasonably estimable criteria have been included in the accruals disclosed above, and the range of additional losses disclosed above also reflects any relevant amounts for such matters.

Dakota Access Pipeline

On July 27, 2016, the Standing Rock Sioux Tribe ("SRST") filed a lawsuit in the U.S. District Court for the District of Columbia (the "D.C. 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 D.C. District Court remanded the case back to the USACE for preparation of an Environmental Impact Statement ("EIS"). On July 6, 2020, the D.C. District Court vacated the easement and ordered the Dakota Access Pipeline 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 Circuit ("D.C. Circuit") 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 D.C. Circuit (1) granted a stay of the portion of the D.C. 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 D.C. Circuit as to whether the USACE would be required to prepare an EIS and (3) denied a motion to stay the D.C. District Court's order to vacate the easement during this appeal process. The August 5 order also states that the D.C. Circuit 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 D.C. District Court may consider additional relief, if necessary.

On August 10, 2020, the D.C. 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 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 D.C. Circuit affirmed the D.C. 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 D.C. Circuit also overturned the D.C. 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 D.C. Circuit denied. On September 20, 2021, Dakota Access filed a petition with the United States Supreme Court to hear the case. Oppositions were filed by the Solicitor General on December 17, 2021 and the

Tribes on December 16, 2021. Dakota Access filed its reply on January 4, 2022. On February 22, 2022, the United States Supreme Court declined to hear the case.

The D.C. District Court scheduled a status conference for February 10, 2021 to discuss the effects of the D.C. Circuit's January 26, 2021 order on the pending motion for injunctive relief, as well as the USACE's expectations as to how it will proceed regarding its enforcement discretion regarding the easement. On May 3, 2021, the USACE advised the D.C. District Court that it had not changed its position with respect to its opposition to the Tribes' motion for injunction. On May 21, 2021, the D.C. District Court denied the plaintiffs' request for an injunction. On June 22, 2021, the D.C. District Court terminated the consolidated lawsuits and dismissed all remaining outstanding counts without prejudice.

On September 8, 2023, the USACE published the Draft EIS. Comments on the Draft EIS were due on December 13, 2023. In December 2025, the USACE issued a Final EIS concluding that the USACE's preferred alternative is that the USACE reissue its easement to DAPL subject to additional easement conditions. The USACE published the Notice of Availability of the Record of Decision in the federal register on June 5, 2026. The easement has not yet issued, but is expected to issue in the third or fourth quarter of 2026. The pipeline continues to operate. Energy Transfer cannot determine when or how future lawsuits will be resolved or the impact they may have on the Bakken Pipeline; however, Energy Transfer expects that after the law and complete record are fully considered, any such proceeding 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.

Standing Rock Sioux Tribe in Federal Court in District of Columbia

In late 2024, the SRST sued the USACE arguing that the USACE's alleged failure to stop Dakota Access from operating violates numerous laws, including the Mineral Leasing Act, the Government Acquisition and Streamlining Act, the National Environmental Policy Act, the Clean Water Act, the National Historic Preservation Act, and the Administrative Procedure Act, as well as the 1868 Fort Laramie Treaty. The SRST requests a permanent injunction or writ of mandamus that would compel the USACE to shut Dakota Access down pending the completion of the USACE's EIS and decision on whether to grant Dakota Access an easement under the Mineral Leasing Act.

On October 15, 2024, the SRST filed the above referenced complaint. A summons to the USACE was issued on October 17, 2024. Dakota Access, the state of North Dakota and numerous other states intervened in the lawsuit in support of the USACE.

On January 17, 2025, the USACE, Dakota Access and state intervenors (including North Dakota and thirteen other states) each filed a motion to dismiss all of the claims in the new SRST litigation. Also, on January 17, 2025, the SRST filed a motion for partial summary judgment on certain of their claims. On March 28, 2025, the D.C. District Court granted the motions to dismiss. On May 27, 2025, the SRST appealed the dismissal to the D.C. Circuit. On June 23, 2026, the D.C. Circuit dismissed this appeal at the request of the SRST. Dakota Access intends to vigorously defend against this claim.

Williams Antitrust Litigation

On June 28, 2024, Louisiana Energy Gateway LLC, The Williams Companies, Inc., and Williams Fields Services Group, LLC (collectively, "Williams") filed a Petition for Damages against Energy Transfer and Gulf Run Transmission, LLC ("Gulf Run") in the 42nd Judicial District Court, Parish of DeSoto, State of Louisiana ("42nd District Court"), alleging that Energy Transfer and/or Gulf Run have monopolized, conspired to monopolize, and/or attempted to monopolize the relevant product and geographic market for the movement of natural gas from the Haynesville Shale in northwestern Louisiana south to natural gas facilities in the Louisiana Gulf Coast (the "Relevant Market"), engaged in acquisitions that have directly enabled and incentivized to substantially lessen competition, and engaged in unfair methods of competition and unfair trade practices.

On September 16, 2024, Energy Transfer and Gulf Run removed the case to the U.S. District Court for the Western District of Louisiana ("Federal Court"). On October 4, 2024, Williams filed a Motion to Remand with the Federal Court, seeking to remand the case back to the 42nd District Court. On October 21, 2024, Energy Transfer and Gulf Run filed a consent to remand based on a subsequent change in circumstances. After the case was remanded, on November 18, 2024, Energy Transfer and Gulf Run filed a Peremptory Exception of No Cause, asserting that Williams failed to state a cause of action. The Peremptory Exception was heard on February 10, 2025 and denied. The 42nd District Court has set the case for trial on June 21, 2027.

Mont Belvieu Incident

On June 26, 2016, a hydrocarbon storage well located on another operator's facility adjacent to Lone Star NGL Mont Belvieu LP's ("Lone Star," now known as Energy Transfer Mont Belvieu NGLs LP) 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 resumed at the facilities in the fall of 2016, with the exception of one of Lone Star’s storage wells at the North Terminal that has not been returned to service. Lone Star has obtained payment for most of the losses it has submitted to the adjacent operator. Lone Star continues to quantify and seek reimbursement for outstanding losses.

MTBE Litigation

ETC Sunoco and Energy Transfer R&M (collectively, “Sunoco Defendants”) are defendants in lawsuits alleging methyl tertiary butyl ether (“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 June 30, 2026, Sunoco Defendants are defendants in two cases: one case initiated by the State of Maryland and one by the Commonwealth of Pennsylvania. The actions brought also named ETO, ETP Holdco Corporation and Sunoco Partners Marketing & Terminals L.P., now known as Energy Transfer Marketing & Terminals L.P., as defendants. ETP Holdco Corporation and Energy Transfer Marketing & Terminals L.P. are wholly owned subsidiaries of Energy Transfer.

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.

Unitholder Litigation Regarding Pipeline Construction

Various purported unitholders of Energy Transfer have filed derivative actions against various past and current officers and members of Energy Transfer’s Board of Directors, LE GP, LLC, and Energy Transfer, as a nominal defendant that assert claims for breach of fiduciary duties, unjust enrichment, waste of corporate assets, breach of Energy Transfer’s Partnership Agreement, tortious interference, abuse of control and gross mismanagement related primarily to matters involving the construction of pipelines in Pennsylvania and Ohio. They also seek damages and changes to Energy Transfer’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.); Barry King v. LE GP, Case No. 3:20-cv-00719-X (N.D. Tex.); Inter-Marketing Group USA, Inc. v. LE GP, et al., Case No. 2022-0139-SG (Del. Ch.); Elliot v. LE GP LLC, Case No. 3:22-cv-01527-B (N.D. Tex.); Chapa v. Kelcy L. Warren, et al., Index No. 611307/2022 (N.Y. Sup. Ct.); Elliot v. LE GP et al, Cause No. DC-22-14194 (Dallas County, Tex.); and Charles King v. LE GP, LLC et al, Cause No. DC-22-14159 (Dallas County, Texas). The Barry King action that was filed in the U.S. District Court for the Northern District of Texas (Case No. 3:20-cv-00719-X) has been consolidated with the Bettiol action. On August 9, 2022, the Elliot action that was filed in the U.S. District Court for the Northern District of Texas (Case No. 3:22-cv-01527-B) was voluntarily dismissed. On July 13, 2026, the plaintiffs in the Bettiol action voluntarily dismissed that action without prejudice.

On June 3, 2022, another purported unitholder of Energy Transfer, Mike Vega, filed suit, purportedly on behalf of a class, against Energy Transfer and Messrs. Warren, Long, McCrea and Whitehurst. See Vega v. Energy Transfer LP et al., Case No. 1:22-cv-4614 (S.D.N.Y.). The action asserts claims for violations of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder related primarily to statements made in connection with the construction of Rover. On August 10, 2022, the court appointed the New Mexico State Investment Council and Public Employees Retirement Association of New Mexico (the “New Mexico Funds”) as lead plaintiffs. New Mexico Funds filed an amended complaint on September 30, 2022 and added as additional defendants Energy Transfer directors John W. McReynolds and Matthew S. Ramsey. On November 7, 2022, the court granted the defendants’ motion to transfer and transferred this action to the U.S. District Court for the Northern District of Texas. On January 27, 2023, the defendants filed their motion to dismiss the New Mexico Funds’ amended complaint.

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 (the “Eastern District Court”) against Sunoco, Inc. (R&M), (now known as Energy Transfer R&M) and Energy Transfer Marketing & Terminals L.P. (collectively, “ETMT”) that alleged ETMT 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 Eastern District 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 $75 million for late payment interest for identified and unidentified royalty owners and interest-on-interest. This amount was later amended to $81 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, ETMT filed its Notice of Appeal with the 10th Circuit Court of Appeals (“10th Circuit”) and appealed the entirety of the Order. The matter was fully briefed, and oral argument was set for November 15, 2021. However, on November 1, 2021, the 10th Circuit dismissed the appeal due to jurisdictional concerns with finality of the Order. En banc rehearing of this decision was denied on November 29, 2021. On December 1, 2021, ETMT filed a Petition for Writ of Mandamus to the 10th Circuit to correct the jurisdictional problems and secure final judgment. On February 2, 2022, the 10th Circuit denied the Petition for Writ of Mandamus, citing that there are other avenues for ETMT to obtain adequate relief. On February 10, 2022, ETMT filed a Motion to Modify the Plan of Allocation Order and Issue a Rule 58 Judgment with the trial court, requesting the Eastern District Court to enter a final judgment in compliance with the Rules. ETMT also filed an injunction with the trial court to enjoin all efforts by plaintiffs to execute on any non-final judgment. On March 31, 2022, Judge Gibney denied the Motion to Modify the Plan of Allocation, reiterating his thoughts that the order constitutes a final judgment. Judge Gibney granted the injunction in part (placing a hold on enforcement efforts for 60 days) and denied the injunction in part. The injunction has since been lifted.

Despite the fact that ETMT has taken the position that the judgment is not final and not subject to execution, the Class engaged in asset discovery and actively tried to collect on the judgment through garnishment proceedings from ETMT’s customers. ETMT unsuccessfully tried to deposit the funds into the Eastern District Court’s Registry. Accordingly, to stop the garnishment proceedings, on December 2, 2022, ETMT wired approximately $161 million to the plaintiff’s approved Plan Administrator, which represented at the time the full amount of the judgment with attorneys’ fees and post-judgment interest. ETMT did so without waiving its ability to pursue its pending appeal or its right to appeal the merits of the judgment. Plaintiff has since dismissed the garnishment actions.

ETMT appealed the denial of the Motion to Modify to the 10th Circuit in an attempt to get a decision on finality. The appeal was fully briefed, and oral argument was held on March 21, 2023. On August 3, 2023, the 10th Circuit ruled in favor of ETMT and found that the Eastern District Court’s plan of allocation (which was part of the final judgment) did not satisfy all finality requirements. The 10th Circuit held that the district court abused its discretion in denying ETMT’s Rule 60(b)(6) Motion to Modify and reversed and remanded for further proceedings. The case was sent back to the trial court so that the Eastern District Court could fix the finality requirements with the judgment. Further, ETMT sought and recovered a return of funds deposited with the Plan Administrator; Class Counsel did not oppose this motion.

At a status hearing on September 28, 2023, Class Counsel indicated that it would seek additional interest up until the date that the final judgment is entered. The Eastern District Court asked for briefing on the issue of additional interest and held a hearing on October 17, 2023 to address this issue further and enter a ruling as to whether additional interest should be added to the judgment total. During the hearing, the Eastern District Court ruled that additional interest should be awarded at the 12% statutory rate from the date of the prior improper judgment up until October 17, 2023. However, the Judge tolled the running of interest for the time period during which the Plan Administrator was in possession of ETMT’s funds (between November 2, 2022 and October 10, 2023). Based on this ruling, the Class calculated that approximately $23 million in additional interest should be added to the final judgment. On October 19, 2023, the Eastern District Court entered the new final judgment with a corrected Plan of Allocation. Both parties agree that this newly entered judgment fixes the finality concerns and will allow an appeal to the 10th Circuit on the merits. With the inclusion of additional interest, the total amount awarded to the Class is approximately $104 million in actual damages and $75 million in punitive damages. ETMT appealed the entirety of the judgment to the 10th Circuit. Oral argument took place on November 20, 2024. On November 17, 2025, the 10th Circuit issued its opinion, reversing the issue of punitive damages and affirming the remainder of the Eastern District Court’s findings and rulings. Specifically, the 10th Circuit affirmed the Eastern District Court’s orders granting class certification and denying post-trial class decertification, along with the orders determining the actual damages awarded to the Class, including pre-judgment interest. The 10th Circuit, however, vacated the $75 million punitive damages award and remanded to the Eastern District Court to amend the judgment consistent with this opinion.

On February 23, 2026, the Eastern District Court judge entered an amended Rule 58 Judgment Order (the “Amended Judgment”), which removed punitive damages from the judgment. The Amended Judgment awarded plaintiffs $104 million in actual damages. Post-judgment interest will also accrue from the date of the prior October 19, 2023 judgment. The parties have also stipulated that attorneys' fees for class counsel would total $5 million if the judgment is ultimately affirmed on appeal.

ETMT appealed the February 23, 2026 final judgment to the 10th Circuit, seeking summary affirmance. The 10th Circuit granted summary affirmance on March 30, 2026. On June 26, 2026, ETMT filed its Petition for Writ of Certiorari to the United States Supreme Court, which is still pending at this time.

On February 25, 2026, the Class filed a Motion to Show Cause and Enforce Security Providers' Liability Pursuant to Rule 65.1, asking for an order directing payment of the entire amount of the judgment into the fund established by the Judgment Administrator. The Class argued that the supersedeas bond and parent guaranty expired on their terms and that the full amount of the judgment was due, despite the fact that ETMT timely appealed the Amended Judgment. On May 4, 2026, the Court granted the Class's Motion to Show Cause and directed the security providers to tender the judgment to the Class. As a result, ETMT paid the entirety of the judgment in the amount of $124 million without prejudice to the rights of ETMT to petition to the United States Supreme Court or any of its rights in the event the judgment is reversed or vacated. ETMT's position is that no distributions should be made from the fund until the Supreme Court rules on the petition.

ETMT cannot predict the outcome of the case, nor can ETMT predict the amount of time and expense that will be required to resolve the appeal.

Massachusetts Attorney General v. New England Gas Company

On July 7, 2011, the Massachusetts Attorney General (the "MA AG") filed a regulatory complaint with the Massachusetts Department of Public Utilities ("DPU") against New England Gas Company ("NEG") with respect to certain environmental cost recoveries. NEG was an operating division of Southern Union Company ("SUG"), and the NEG assets were acquired in connection with the merger transaction with Energy Transfer in March 2012. Subsequent to the merger, in 2013, SUG sold the NEG assets to Liberty Utilities ("Liberty," and together with NEG and SUG, "Respondents") and retained certain potential liabilities, including the environmental cost recoveries with respect to the pending complaint before the DPU. Specifically, the MA AG seeks a refund to NEG's ratepayers for approximately $18 million in legal fees associated with SUG environmental response activities. The MA AG requests that the DPU initiate an investigation into NEG's collection and reconciliation of recoverable environmental costs, namely: (1) the legal fees charged by the Kasowitz, Benson, Torres & Friedman firm and passed through the recovery mechanism since 2005; (2) the legal fees charged by the Bishop, London & Dodds firm and passed through the recovery mechanisms since 2005; and (3) the legal fees passed through the recovery mechanism that the MA AG contends only qualify for a lesser (i.e., 50%) level of recovery. Respondents maintain that, by tariff, these costs are recoverable through rates charged to NEG customers pursuant to the environmental remediation adjustment clause program. After the Respondents answered the complaint and filed a motion to dismiss in 2011, the Hearing Officer deferred decision on the motion to dismiss and issued a stay of discovery pending resolution of a discovery dispute, which it later lifted on June 24, 2013, permitting the case to resume. However, the MA AG failed to take any further steps to prosecute its claims for nearly seven years. The case remained largely dormant until February 2022, when the Hearing Officer denied the motion to dismiss. After receiving input from the parties, the Hearing Officer entered a procedural schedule on March 16, 2022 (which was amended slightly on August 22, 2022). The parties engaged in discovery and the preparation of pre-filed testimony. Respondents submitted their pre-filed testimony on July 11, 2022. The MA AG served three sets of discovery requests on Respondents on September 9, September 12, and September 20, 2022, to which Respondents timely responded. On October 5, 2022, the MA AG requested that the DPU issue a ruling on whether the information that Respondents redacted in their attorneys' fees invoices is protected by the attorney-client privilege. On the same day, the MA AG also filed a Motion to Stay the Procedural Schedule pending a ruling on the privilege issue. On October 6, 2022, without even affording Respondents the opportunity to respond, the DPU granted the MA AG's request to stay the procedural schedule. Accordingly, all previous deadlines (including the MA AG's October 7, 2022, deadline to submit direct pre-filed testimony) are presently stayed. On October 18, 2023, the DPU issued an Order on Attorney General's Motion to Compel, ruling on issues originally raised in a motion to compel that the MA AG filed in 2013. The October 18, 2023 Order directed NEG to review its redactions again and, to the extent any invoices are completely redacted or heavily redacted, to provide more lightly redacted versions within 30 days. The October 18, 2023 Order also stated that the DPU will set a new procedural schedule in this matter sometime after NEG complies with the directives in the order, which Respondents have completed as of January 17, 2024. On January 6, 2026, the Hearing Officer issued a memo requesting substantive briefing on the merits of the matter. The MA AG filed its initial brief on April 23, 2026. On May 22, 2026, the Hearing Officer granted an assented motion to extend the briefing schedule setting June 5, 2026 as the deadline for the Respondents' initial brief and concluding all briefing by July 30, 2026. On May 22, 2026, the Hearing Officer granted an assented motion to extend the briefing schedule setting June 22, 2026 as the deadline for the Respondents' initial brief and concluding all briefing by July 31, 2026.

Twin Oaks Pipeline Litigation

On March 27, 2025, Daniel and Katherine La Hart filed a Class Action Complaint against SPLP, Energy Transfer, and Energy Transfer R&M in the Court of Common Pleas of Philadelphia County, captioned Daniel La Hart and Katherine La Hart v. Sunoco Pipeline L.P., Energy Transfer, and Energy Transfer R&M; Case No. 250303655. The action is related to the release of jet fuel (the "Release") from the 14-inch Twin-Oaks to Newark Pipeline (the "Pipeline") in Upper Makefield Township, Bucks County, Pennsylvania. Seven individual actions have also been filed in the Court of Common Pleas of Philadelphia County related to the Release. Plaintiffs in these cases assert causes of action for negligence, gross negligence, negligence per se, strict liability/abnormally dangerous/ultrahazardous activity, strict liability failure to warn, public nuisance, private nuisance, trespass, negligent infliction of emotional distress and medical monitoring. Plaintiffs seek compensatory damages, punitive damages, declaratory and injunctive relief, and medical monitoring for their alleged exposure to petroleum constituents at their properties and in groundwater. The putative class is comprised of homeowners in the surrounding area from September 1, 2023 to present.

On June 25, 2025, Defendants filed their preliminary objections to Plaintiffs' Amended Complaints which included an objection based on improper venue, and on June 27, 2025, Defendants filed a Motion to Transfer the cases to the Court of Common Pleas of Bucks County, Pennsylvania on the grounds of forum non conveniens. On July 9, 2025, Plaintiffs filed a Motion for Preliminary Injunction in the class action, seeking inter alia, to enjoin the operation of the Pipeline, which Defendants opposed on July 21, 2025. In connection with the venue issues raised by these filings, the Court of Common Pleas ordered certain discovery, followed by amended pleadings and/or supplemental briefing. Following this discovery, Plaintiffs filed the current operative complaints on January 15, 2026, which add multiple additional defendants, including Energy Transfer Marketing & Terminals L.P. as well as other defendants who were allegedly shippers of product on the Pipeline and contractors who allegedly worked on the Pipeline. Plaintiffs in the individual actions filed third amended complaints on March 5, 2026, further amending the inclusion of certain contractor and shipper defendants. The Court of Common Pleas has ordered a schedule which provides for additional venue-related discovery and a determination of venue.

Shortly after the original class action complaint was filed, SPLP, Energy Transfer, and Energy Transfer R&M removed the class action to the U.S. District Court for the Eastern District of Pennsylvania (the "E.D. Pa.") on April 24, 2025. On June 13, 2025, the E.D. Pa. granted Plaintiffs' motion to remand the case to the Court of Common Pleas of Philadelphia County. Defendants have appealed the remand decision. Following the filing of the second amended class action complaint, the newly-added defendants (including Energy Transfer Marketing & Terminals L.P.) removed the class action to E.D. Pa. on February 20, 2026. Plaintiffs moved to remand on March 23, 2026, which Defendants opposed on April 13, 2026. The class action is stayed pending the resolution of the appeal of the remand decision.

SPLP, Energy Transfer, Energy Transfer R&M and Energy Transfer Marketing & Terminals intend to vigorously defend these claims.

State of Oklahoma Attorney General – Winter Storm Uri

On April 10, 2024, the State of Oklahoma, through Attorney General Gentner Drummond ("Plaintiff"), filed a petition on behalf of Grand River Dam Authority against defendants ET Gathering & Processing, LLC, successor by merger to Enable Midstream Partners, LP, Enable Oklahoma Intrastate Transmission, LLC, Enable Gas Transmission, LLC and Enable Energy Resources, LLC arising out of Winter Storm Uri in February 2021. Specifically, plaintiff alleges that defendants violated the Oklahoma Antitrust Reform Act (79 O.S. §201, *et. seq.*) by acting individually and in concert with each other to unreasonably restrain trade in the natural gas market in Oklahoma during the storm. Plaintiff also alleges causes of action for breach of contract, unjust enrichment, fraud, bad faith, conspiracy and negligence. Plaintiff's petition seeks actual damages, punitive damages, treble damages and attorneys' fees and costs. However, the actual amount sought was not specified.

On June 3, 2024, defendants filed a Motion to Dismiss and a Motion to Transfer Venue, along with a Brief in Support. In its Motion to Dismiss, defendants argued that plaintiff's petition fails to state a claim upon which relief can be granted and also that such claims should be dismissed because collateral estoppel bars plaintiff from bringing allegations inconsistent with earlier agency and judicial findings that the extreme cold weather—not defendants' conduct—caused the natural gas shortage and resulting high prices during Winter Storm Uri. Defendants also argued that plaintiff's suit should be dismissed for filing suit in the wrong forum or, alternatively, should be transferred to the correct county of venue (Oklahoma County). Plaintiff filed its response brief on July 12, 2024. A hearing on both motions was held on October 15, 2024. On January 16, 2025, the Judge denied all motions, noting (1) that venue is proper in Osage County, Oklahoma; (2) collateral estoppel does not bar recovery; (3) the plaintiffs can plead inconsistent theories of recovery; and (4) the recovery is public in nature and not foreclosed by statute of limitations. The case then proceeded into the discovery phase.

On February 9, 2026, after significant document discovery was conducted between the parties and the deadline for adding new claims passed in the Court's scheduling order, Plaintiff filed a motion to consolidate this action with two other pending actions, including State of Oklahoma ex rel. Gentner Drummond, Attorney General of Oklahoma vs. Symmetry

Energy Solutions, LLC (Case No. CJ-2024-78) and State of Oklahoma ex rel. Gentner Drummond, Attorney General of Oklahoma vs. Symmetry Energy Solutions, LLC, ETC Marketing Ltd., et. al. (Case No. CJ-2025-06) (discussed below), both also pending in the District Court of Osage County, but which are in vastly different procedural stages with different parties and claims. Plaintiff also filed a motion for leave to amend its petition to assert new causes of action against Enable in the pending suit with the aim to consolidate the new claims with the two other pending actions. Enable opposed both the motion for consolidation and motion for leave to amend.

On March 19, 2026, the Court granted the State of Oklahoma's Motion to Consolidate the three pending actions. The Court also granted the State's Motion to Amend its Petition in part, allowing the State the opportunity to amend to add claims under the Oklahoma Antitrust Reform Act, unjust enrichment, and civil conspiracy. However, the Court denied the State the ability to amend to add a claim under the Oklahoma Consumer Protection Act.

On April 29, 2026, the Enable defendants filed a Motion to Dismiss the amended petition filed in the consolidated action based on failure to plead a claim as a matter of law and based on statute of limitations grounds. On May 26, 2026, the Court denied the Motion to Dismiss. The claims against Enable will now move at the pace of the slower docket control order in the other cases. Defendants cannot predict the ultimate outcome of this litigation but will vigorously defend against these claims.

In a separate matter filed on January 9, 2025, the Plaintiff filed a petition against ETC Marketing Ltd. and ETC Marketing Inc. (collectively, "ETCM") and other natural gas marketers in Case No. CJ-25-06 in the District Court of Osage County, Oklahoma, arising out of Winter Storm Uri in February 2021. The Oklahoma Attorney General brought this action on behalf of its state agencies, political subdivisions and the people of the State of Oklahoma. Specifically, Plaintiff alleges that the defendants violated the Oklahoma Antitrust Reform Act (79 O.S. §201, et. seq.) by acting individually and in concert with each other to unreasonably restrain trade in the natural gas market in Oklahoma during the storm. Plaintiff also alleges causes of action for unjust enrichment and violation of the Oklahoma Consumer Protection Act. Plaintiff's petition seeks damages in excess of $75,000, including actual damages, punitive damages, treble damages, and attorneys' fees and costs. However, the actual amount sought was not specified.

On March 17, 2025, all defendants (including ETCM) jointly filed a motion to dismiss and brief in support. In the joint motion to dismiss, defendants asserted that FERC's exclusive jurisdiction preempts all the Attorney General's state-law claims and, alternatively, that the petition does not state a claim under Oklahoma antitrust law. Further, the motion argues that the Oklahoma Consumer Protection Act claims are time-barred and inconsistent with the statute, and that the unjust enrichment claims are barred by Oklahoma law. Finally, the motion alleges that the Attorney General's unjust enrichment claims fail as a matter of law because defendants sold natural gas pursuant to valid contracts and the individual consumers were not direct purchasers of natural gas from defendants. On August 19, 2025, the court denied the motion without holding oral argument. The case will now proceed into the discovery phase. The above-referenced Enable case filed by the Oklahoma Attorney General will now be consolidated into this action.

Defendants cannot predict the ultimate outcome of this litigation but will vigorously defend against these claims.

Tax Contingencies

Rover Ad Valorem Taxes

Rover appealed the Ohio Department of Taxation (the "Department")'s final determination of the 2019 Ohio true value of the Rover pipeline to the Ohio Board of Tax Appeals (the "BTA") on September 11, 2020. On March 7, 2024, the BTA remanded the matter to the Department to redetermine the Ohio true value of the Rover pipeline consistent with the opinion of the appraiser the Department engaged for purposes of the BTA hearing. Rover appealed the BTA's order to the Ohio Supreme Court on April 5, 2024, and the court affirmed the BTA's order on August 13, 2025.

Rover timely petitioned the Department's preliminary assessments of its 2020, 2021, 2022, 2023, 2024, and 2025 Ohio true values, and these petitions remain pending. If it becomes probable that the Ohio Tax Commissioner's preliminary assessments for tax years 2020 through 2025 are ultimately upheld, then Rover would recognize an additional Ohio public utility personal property tax liability for tax years 2020 through 2025 up to approximately $345 million, including interest. Rover intends to pursue all available legal remedies for the 2020 through 2025 tax years, and Rover cannot predict the outcome of these matters at this time.

On November 10, 2025, Rover filed a complaint against the Ohio Tax Commissioner in the Court of Common Pleas, Franklin County, Ohio. Rover is seeking a declaration that the Tax Commissioner's 2019 valuation approach, if applied to Rover's subsequent tax years, would violate certain protections afforded to Rover under the U.S. Constitution and the Ohio Constitution. The Tax Commissioner filed a motion to dismiss on December 8, 2025, and the motion was denied on March 24, 2026. This matter remains pending, and Rover cannot predict the outcome of this matter at this time.

Sunoco LP New York Motor Fuel Excise Tax Audit

New York State issued a motor fuel excise tax assessment to Sunoco, LLC, a wholly owned subsidiary of Sunoco LP, in the amount of approximately $20 million, exclusive of penalties and interest, for the periods of March 2017 through May 2020. Sunoco, LLC filed an appeal with the New York State Division of Tax Appeals challenging the assessment. Sunoco, LLC cannot predict the outcome of this matter at this time.

USAC Federal Income Tax Audit

On April 13, 2026, USAC settled and closed the IRS' examination of its U.S. federal income tax returns for the years 2019 and 2020.

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.

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. that are subject to environmental assessments, including formerly owned terminals and other logistics assets, retail sites that the Partnership no longer operates, closed and/or sold refineries and other formerly owned sites.
- The Partnership 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 June 30, 2026, the Partnership had been named as a PRP at approximately 29 identified or potentially identifiable "Superfund" sites under federal and/or comparable state law. The Partnership is usually one of a number of companies identified as a PRP at a site. The Partnership has reviewed the nature and extent of its involvement at each site and other relevant circumstances and, based upon the Partnership'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 following table 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.

	June 30, 2026	December 31, 2025
Current	$ 84	$ 62
Non-current	438	354
Total environmental liabilities	$ 522	$ 416

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 and six months ended June 30, 2026, the Partnership recorded $7 million and $13 million, respectively, of expenditures related to environmental cleanup programs. During the three and six months ended June 30, 2025, the Partnership recorded $5 million and $7 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 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 the Federal Occupational Safety and Health Act ("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; however, 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 13 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 tables summarize the consolidated activity of our contract liabilities:

	Contract Liabilities
Balance, December 31, 2025	$ 745
Additions	358
Revenue recognized	(366)
Balance, June 30, 2026	$ 737
Balance, December 31, 2024	$ 759
Additions	531
Revenue recognized	(669)
Balance, June 30, 2025	$ 621

The balances of Sunoco LP's contract assets and contract liabilities were as follows:

	June 30, 2026	December 31, 2025
Contract assets	$ 607	$ 480
Accounts receivable from contracts with customers	2,612	1,686
Contract liabilities	136	125

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 components of the contracts are included in the following table.

As of June 30, 2026, the aggregate amount of transaction price allocated to unsatisfied (or partially satisfied) performance obligations was $34.33 billion. The Partnership expects to recognize this amount as revenue within the time bands illustrated in the following table:

	Years Ending December 31,				
	2026 (remainder)	2027	2028	Thereafter	Total
Revenue expected to be recognized on contracts with customers existing as of June 30, 2026	$ 4,318	$ 7,020	$ 5,600	$ 17,395	$ 34,333

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 natural gas, 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 intrastate 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 intrastate 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:

	June 30, 2026		December 31, 2025	
	Notional Volume	Maturity	Notional Volume	Maturity
Mark-to-Market Derivatives				
Natural Gas (BBtu)	(129,145)	2026-2028	(233,645)	2026-2028
Power (Megawatt)	(2,115,904)	2026-2033	(461,896)	2026-2029
Crude, NGL and refined products (MBbls)	(23,166)	2026-2029	(59,247)	2026-2029
Other	various	2026	various	2026-2042
Fair Value Hedging Derivatives				
Natural Gas (BBtu)	(56,635)	2026	(100,346)	2026

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 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 June 30, 2026
Sunoco LP:		
December 2030 [(2)]	Pay an average fixed rate of 2.5095% and receive a floating rate	$ 126

(1) Floating rates are based on EURIBOR.

(2) The December 2030 interest rate swap was acquired in conjunction with Sunoco LP's TanQuid acquisition in 2026, with a notional amount of €111 million ($126 million).

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.

Our natural gas transportation and midstream revenues are derived significantly from companies that engage in exploration and production activities. In addition to oil and gas producers, the Partnership's counterparties consist of a diverse portfolio of customers across the energy industry, including petrochemical companies, commercial and industrial end-users, 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 is 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	
	June 30, 2026	December 31, 2025	June 30, 2026	December 31, 2025
Derivatives designated as hedging instruments:				
Commodity derivatives – margin deposits	$ 12	$ 31	$ (6)	$ (2)
	12	31	(6)	(2)
Derivatives not designated as hedging instruments:				
Commodity derivatives – margin deposits	740	485	(684)	(392)
Commodity derivatives	74	102	(70)	(60)
Interest rate derivatives	1	—	—	—
	815	587	(754)	(452)
Total derivatives	$ 827	$ 618	$ (760)	$ (454)

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	June 30, 2026	December 31, 2025	June 30, 2026	December 31, 2025
Derivatives without offsetting agreements	Derivative assets (liabilities)	$ 1	$ —	$ —	$ —
Derivatives in offsetting agreements:					
OTC contracts	Derivative assets (liabilities)	74	102	(70)	(60)
Broker cleared derivative contracts	Other current assets (liabilities)	752	516	(690)	(394)
Total gross derivatives		827	618	(760)	(454)
Offsetting agreements:					
Counterparty netting	Derivative assets (liabilities)	(61)	(50)	61	50
Counterparty netting	Other current assets (liabilities)	(648)	(384)	648	384
Total net derivatives		$ 118	$ 184	$ (51)	$ (20)

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 of Gain (Loss) Recognized on Income on Derivatives	Amount of Gain (Loss) Recognized in Income on Derivatives			
		Three Months Ended June 30,		Six Months Ended June 30,	
		2026	2025	2026	2025
Derivatives not designated as hedging instruments:					
Commodity derivatives	Cost of products sold	$ 241	$ 116	$ (151)	$ 104
Interest rate derivatives	Other, net	2	—	2	—
Total		$ 243	$ 116	$ (149)	$ 104

13. 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 and in gathering, transportation and other fees. 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. Revenues from our all other segment are primarily reflected in natural gas sales.

We report Segment Adjusted EBITDA (defined below) as the measure of segment performance reviewed by our chief operating decision maker ("CODM"). The role of the CODM is held by the Partnership's co-chief executive officers ("co-CEOs"). Both of the co-CEOs fulfill specific functions that impact the allocation of resources and assessment of performance among our reportable segments, including the approval of budgets and the evaluation of growth projects and acquisitions. The Partnership's co-CEOs receive and review the same information with respect to the Partnership's segment operating results.

The co-CEOs use Segment Adjusted EBITDA to allocate resources (including employees, property, and financial or capital resources) for each segment predominantly in the annual budget and forecasting process. The co-CEOs also use Segment Adjusted EBITDA to assess the performance for each segment and in the compensation of certain employees. The co-CEOs consider forecast-to-actual variances on a monthly basis when making decisions about allocating capital and personnel to the segments. Assets by segment are not a measure used to assess our performance by the co-CEOs and thus are not reported in our disclosures.

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, certain foreign currency transaction gains and losses and other non-operating income or expense items, as well as certain non-recurring gains and losses. Inventory valuation 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 June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Revenues:				
Intrastate transportation and storage:				
Revenues from external customers	$ 531	$ 819	$ 1,523	$ 1,966
Intersegment revenues	65	112	229	259
	596	931	1,752	2,225
Interstate transportation and storage:				
Revenues from external customers	599	584	1,226	1,197
Intersegment revenues	10	6	17	14
	609	590	1,243	1,211
Midstream:				
Revenues from external customers	842	857	1,751	1,741
Intersegment revenues	1,979	2,278	4,114	5,050
	2,821	3,135	5,865	6,791
NGL and refined products transportation and services:				
Revenues from external customers	6,405	5,029	12,109	11,063
Intersegment revenues	1,314	912	2,283	1,787
	7,719	5,941	14,392	12,850
Crude oil transportation and services:				
Revenues from external customers	11,045	5,748	18,796	11,953
Intersegment revenues	6	—	13	3
	11,051	5,748	18,809	11,956
Investment in Sunoco LP:				
Revenues from external customers	14,241	5,386	24,930	10,563
Intersegment revenues	18	4	19	6
	14,259	5,390	24,949	10,569
Investment in USAC:				
Revenues from external customers	310	234	626	464
Intersegment revenues	32	16	47	31
	342	250	673	495
All other:				
Revenues from external customers	361	585	1,144	1,315
Intersegment revenues	204	351	475	616
	565	936	1,619	1,931
Eliminations	(3,628)	(3,679)	(7,197)	(7,766)
Total	$ 34,334	$ 19,242	$ 62,105	$ 40,262

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Cost of products sold:				
Intrastate transportation and storage	$ 132	$ 561	$ 842	$ 1,525
Interstate transportation and storage	4	3	7	5
Midstream	1,392	1,911	3,066	4,171
NGL and refined products transportation and services	5,927	4,635	11,411	10,276
Crude oil transportation and services	9,766	4,725	16,558	9,939
Investment in Sunoco LP	12,795	4,821	21,796	9,347
Investment in USAC	33	40	62	78
All other	502	909	1,496	1,904
Eliminations	(3,615)	(3,659)	(7,153)	(7,728)
Total	$ 26,936	$ 13,946	$ 48,085	$ 29,517

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Operating expenses, excluding non-cash compensation, amortization, accretion and other non-cash expenses:				
Intrastate transportation and storage	$ 75	$ 61	$ 140	$ 118
Interstate transportation and storage	230	221	445	410
Midstream	513	416	959	837
NGL and refined products transportation and services	284	230	582	477
Crude oil transportation and services	231	237	454	450
Investment in Sunoco LP	434	162	815	320
Investment in USAC	91	47	180	90
All other	6	—	13	1
Eliminations	(55)	(48)	(104)	(93)
Total	$ 1,809	$ 1,326	$ 3,484	$ 2,610

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Depreciation, depletion and amortization:				
Intrastate transportation and storage	$ 51	$ 51	$ 103	$ 102
Interstate transportation and storage	144	141	289	283
Midstream	470	459	939	907
NGL and refined products transportation and services	255	248	515	496
Crude oil transportation and services	268	244	536	481
Investment in Sunoco LP	282	154	568	310
Investment in USAC	89	71	176	141
All other	16	16	32	31
Total	$ 1,575	$ 1,384	$ 3,158	$ 2,751

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Selling, general and administrative expenses, excluding non-cash compensation and accretion expenses:				
Intrastate transportation and storage	$ 15	$ 10	$ 28	$ 24
Interstate transportation and storage	34	26	64	63
Midstream	52	47	106	103
NGL and refined products transportation and services	48	41	96	89
Crude oil transportation and services	45	38	46	82
Investment in Sunoco LP	155	47	306	83
Investment in USAC	27	14	60	28
All other	13	13	17	26
Total	$ 389	$ 236	$ 723	$ 498

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Equity in earnings of unconsolidated affiliates [(1)] :				
Intrastate transportation and storage	$ 7	$ 3	$ 10	$ 8
Interstate transportation and storage	71	72	146	135
Midstream	3	3	5	6
NGL and refined products transportation and services	18	20	37	37
Crude oil transportation and services	6	5	12	9
All other	3	2	8	2
Total	$ 108	$ 105	$ 218	$ 197

(1) Amounts reflected above exclude Sunoco LP's earnings from the ET-S Permian and J.C. Nolan joint ventures, which are eliminated in consolidation.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Other income (expense) [(1)] :				
Intrastate transportation and storage	$ 3	$ (15)	$ 72	$ 70
Interstate transportation and storage	140	130	273	249
Midstream	20	7	37	13
NGL and refined products transportation and services	(152)	(2)	168	3
Crude oil transportation and services	(175)	(16)	(48)	(11)
Investment in Sunoco LP	107	94	(192)	93
Investment in USAC	3	—	11	—
All other	(19)	(13)	(13)	13
Eliminations	(61)	(53)	(118)	(103)
Total	$ (134)	$ 132	$ 190	$ 327

(1) Other income and expense include, if applicable to a segment, Adjusted EBITDA related to unconsolidated affiliates, unrealized gains and losses on commodity risk management activities and other items. For the investment in Sunoco LP segment, this also includes inventory valuation adjustments.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Additions to property, plant and equipment [1]:				
Intrastate transportation and storage	$ 326	$ 273	$ 912	$ 499
Interstate transportation and storage	200	79	453	125
Midstream	391	384	785	733
NGL and refined products transportation and services	292	385	609	748
Crude oil transportation and services	129	50	214	157
Investment in Sunoco LP	202	160	401	261
Investment in USAC	64	30	99	63
All other	66	125	132	154
Total	$ 1,670	$ 1,486	$ 3,605	$ 2,740

[1] Amounts are presented on the accrual basis, net of contributions in aid of constructions costs. Amounts exclude acquisitions and include only the Partnership's proportionate share of capital expenditures related to joint ventures.

	June 30, 2026	December 31, 2025
Investments in unconsolidated affiliates [1]:		
Intrastate transportation and storage	$ 156	$ 151
Interstate transportation and storage	2,385	2,353
Midstream	131	130
NGL and refined products transportation and services	374	362
Crude oil transportation and services	187	190
Investment in Sunoco LP	341	342
All other	63	61
Total	$ 3,637	$ 3,589

[1] Amounts reflected above exclude Sunoco LP's investments in the ET-S Permian and J.C. Nolan joint ventures, which are eliminated in consolidation.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Segment Adjusted EBITDA:				
Intrastate transportation and storage	$ 377	$ 284	$ 814	$ 628
Interstate transportation and storage	481	470	1,000	982
Midstream	884	768	1,771	1,693
NGL and refined products transportation and services	1,308	1,033	2,471	2,011
Crude oil transportation and services	834	732	1,703	1,474
Investment in Sunoco LP	982	454	1,840	912
Investment in USAC	194	149	382	299
All other	6	(24)	22	(35)
Adjusted EBITDA (consolidated)	$ 5,066	$ 3,866	$ 10,003	$ 7,964

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Reconciliation of net income to Adjusted EBITDA:				
Net income	$ 2,530	$ 1,458	$ 4,506	$ 3,178
Depreciation, depletion and amortization	1,575	1,384	3,158	2,751
Interest expense, net of interest capitalized	934	865	1,881	1,674
Income tax expense	194	79	329	120
Impairment losses	—	3	—	7
Non-cash compensation expense	46	33	88	70
Unrealized (losses) gains on commodity risk management activities	(396)	(100)	140	(31)
Inventory valuation adjustments (Sunoco LP)	18	40	(426)	(21)
Losses on extinguishments of debt	—	17	7	19
Adjusted EBITDA related to unconsolidated affiliates	196	182	392	349
Equity in earnings of unconsolidated affiliates	(108)	(105)	(218)	(197)
Other, net	77	10	146	45
Adjusted EBITDA (consolidated)	$ 5,066	$ 3,866	$ 10,003	$ 7,964

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, 2025 filed with the SEC on February 19, 2026. 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, 2025 filed with the SEC on February 19, 2026. Additional information on forward-looking statements is discussed in "Forward-Looking Statements."

Unless the context requires otherwise, references to "we," "us," "our," the "Partnership" and "Energy Transfer" mean Energy Transfer LP and its consolidated subsidiaries.

RECENT DEVELOPMENTS

Acquisitions

TanQuid Acquisition by Sunoco LP

On January 16, 2026, Sunoco LP completed the acquisition of TanQuid for €206 million ($239 million) and assumed debt with a fair value of €298 million ($346 million). TanQuid owns and operates 15 fuel terminals in Germany and one fuel terminal in Poland. The transaction was funded using cash on hand and amounts available under Sunoco LP's credit facility.

Delta Acquisition by Sunoco LP

On April 1, 2026, Sunoco LP completed the acquisition of Delta Petroleum Group (BVI) Limited ("Delta") for approximately $81 million, excluding cash and net working capital. Delta owns and operates terminals and fuel distribution assets across five Caribbean markets. The transaction was funded using cash on hand and amounts available under Sunoco LP's credit facility.

Other Sunoco LP Acquisitions

In the first and second quarters of 2026, Sunoco LP completed other acquisitions for total cash consideration of approximately $50 million and $22 million, respectively, plus working capital. These transactions were accounted for as asset acquisitions.

On August 5, 2026, Sunoco LP entered into a definitive agreement to acquire a U.S.-based fuel distribution network in an all-cash transaction valued at approximately $600 million. The transaction is expected to close in the fourth quarter of 2026, subject to customary closing conditions.

J-W Power Company Acquisition by USAC

On January 12, 2026, USAC completed the acquisition of J-W Energy Company ("J-W Energy") and its subsidiary, J-W Power Company ("J-W Power"), a large privately-held provider of compression services in the United States. USAC purchased all of the issued and outstanding capital stock of J-W Energy from Westerman, Ltd. (the "J-W Power Acquisition"). USAC completed the acquisition for total consideration of approximately $912 million, subject to customary purchase price adjustments, consisting of (i) approximately $455 million in cash and (ii) approximately 18.2 million newly issued USAC common units, which had a fair value on the J-W Power Acquisition date of approximately $457 million, subject to customary post-closing price adjustments. Upon consummation of the J-W Power Acquisition, J-W Power and J-W Energy became consolidated subsidiaries of USAC.

The J-W Power Acquisition added approximately 0.8 million active horsepower and 1.0 million total horsepower to USAC's fleet across key regions including the Northeast, Mid-Con, Rockies, Gulf Coast, Bakken and Permian Basin. J-W Power also owns and operates specialized manufacturing facilities that support its internal compression requirements and those of third-party customers.

Quarterly Cash Distribution

In July 2026, Energy Transfer announced a quarterly distribution of $0.3400 per unit ($1.36 annualized) on Energy Transfer common units for the quarter ended June 30, 2026.

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 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 ratemaking-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 return on equity and tax-related components, but also other pipeline costs that will continue to affect 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 Tiger Pipeline, Midcontinent Express Pipeline and Fayetteville Express Pipeline, 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 Florida Gas Transmission Pipeline, 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 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 an order issued on January 16, 2019, the FERC initiated a review of Panhandle's then-existing rates pursuant to Section 5 of the NGA to determine whether the rates 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 NGA Section 5 and Section 4 proceedings were consolidated by order of the Chief Judge on October 1, 2019. The initial decision by the administrative law judge was issued on March 26, 2021, and on December 16, 2022, the FERC issued its order on the initial decision. On January 17, 2023, Panhandle and the Michigan Public Service Commission each filed a request for rehearing of FERC's order on the initial decision, which were denied by operation of law as of February 17, 2023. On March 23, 2023, Panhandle appealed these orders to the D.C. Circuit, and the Michigan Public Service Commission also subsequently appealed these orders. On April 25, 2023, the D.C. Circuit consolidated Panhandle's and Michigan Public Service Commission's appeals and stayed the consolidated appeal proceeding while the FERC further considered the requests for rehearing of its December 16, 2022 order. On September 25, 2023, the FERC issued its order addressing arguments raised on rehearing and compliance, which denied our requests for rehearing. Panhandle filed its Petition for Review with the D.C. Circuit regarding the September 25, 2023 order. On October 25, 2023, Panhandle filed a limited request for rehearing of the September 25 order addressing arguments raised on rehearing and compliance, which was subsequently denied by operation of law on November 27, 2023. On November 17, 2023, Panhandle provided refunds to shippers and on November 30, 2023, Panhandle submitted a refund report regarding the consolidated rate proceedings, which was protested by several parties. On January 5, 2024, the FERC issued a second order addressing arguments raised on rehearing in which it modified certain discussion from its September 25, 2023 order and sustained its prior conclusions. Panhandle has timely filed its Petition for Review with the D.C. Circuit regarding the January 5, 2024 order. On May 28, 2024, the FERC issued an order rejecting Panhandle's refund report. On June 27, 2024, Panhandle filed a revised refund report in compliance with the FERC's May 28, 2024 order rejecting Panhandle's refund report and a request for rehearing of the FERC's May 28, 2024 order rejecting Panhandle's refund report, and provided revised refunds to shippers, or in the case of shippers whose revised refunds are less than the original amounts refunded, notices of upcoming debits. One party protested Panhandle's revised refund report, and Panhandle submitted a response to the protest on July 24, 2024. By notice issued July 29, 2024, Panhandle's rehearing request was deemed denied. In an order issued September 9, 2024, FERC addressed arguments raised on rehearing, modified the discussion in the May 28, 2024 order and continued to reach the same result. On September 18, 2024, Panhandle petitioned the D.C. Circuit for review of the September 9, 2024, July 29, 2024, and May 28, 2024 orders. On December 5, 2024, the FERC issued an order rejecting Panhandle's June 27, 2024, refund report, ordering a corrected refund report and directing the issuance of additional refunds. On January 3, 2025, Panhandle submitted an adjusted refund report as well as a request for rehearing of the FERC's December 5, 2024 order. The FERC approved the adjusted refund report by letter order dated January 23, 2025. On February 3, 2025, the FERC issued a Notice of Denial of Rehearing by Operation of Law and Providing for Further Consideration. On March 24, 2025, Panhandle petitioned the D.C. Circuit for review of the December 5, 2024 and February 3, 2025 orders. On April 4, 2025, the FERC issued an Order on Rehearing and Clarification. On May 16, 2025, Panhandle petitioned the D.C. Circuit for review of the April 4, 2025 order. On May 19, 2025, the D.C. Circuit consolidated all cases before it and placed the consolidated cases in abeyance pending further order of the D.C. Circuit. On August 12, 2025, the D.C. Circuit issued an order returning all cases to the court's active docket and issued a briefing schedule. Panhandle filed its initial brief on November 10, 2025, FERC filed its brief on February 9, 2026, intervenors filed their brief on February 23, 2026, and Panhandle filed its reply brief on March 16, 2026. Oral argument is scheduled for September 24, 2026.

Pipeline Certification

The FERC issued a Notice of Inquiry ("NOI") on April 19, 2018, 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. On February 18, 2021, the FERC issued another NOI ("2021 NOI"), reopening its review of the 1999 Policy Statement. Comments on the 2021 NOI were due on May 26, 2021; we filed comments in the FERC proceeding. In September 2021, FERC issued a Notice of Technical Conference on Greenhouse Gas Mitigation related to natural gas infrastructure projects authorized under Sections 3 and 7 of the Natural Gas Act of 1938. A technical conference was held on November 19, 2021, and post-technical conference comments were submitted to the FERC on January 7, 2022.

On February 18, 2022, the FERC issued two new policy statements: (1) an Updated Policy Statement on the Certification of New Interstate Natural Gas Facilities ("2022 Certificate Policy Statement") and (2) a Policy Statement on the Consideration of Greenhouse Gas Emissions in Natural Gas Infrastructure Project Reviews ("GHG Policy Statement"), to be effective that same day. On March 24, 2022, the FERC issued an order designating the 2022 Certificate Policy Statement and the GHG Policy Statement as draft policy statements, and requested further comments. The FERC stated that it will not apply the now draft policy statements to pending applications or applications to be filed at FERC until it issues any final guidance on these topics. Comments on the 2022 Certificate Policy Statement and GHG Policy Statement were due on April 25, 2022, and reply comments were due on May 25, 2022. On January 24, 2025, the FERC issued an order withdrawing the draft GHG Policy Statement and terminating the proceeding. On September 12, 2025, the FERC issued an order withdrawing the draft 2022 Certificate Policy Statement and terminating the proceeding.

Interstate Common Carrier Regulation

Liquids pipelines transporting in interstate commerce are regulated by FERC as common carriers under the Interstate Commerce Act ("ICA"). Under the ICA, 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 December 2020, FERC issued an order setting the indexed rate at the Producer Price Index for Finished Goods (PPI-FG) plus 0.78% during the five-year period commencing July 1, 2021 and ending June 30, 2026. The FERC received requests for rehearing of its December 17, 2020 order and on January 20, 2022, granted rehearing and modified the oil index. Specifically, for the five-year period commencing July 1, 2021 and ending June 30, 2026, FERC-regulated liquids pipelines charging indexed rates were permitted to adjust their indexed ceilings annually by PPI-FG minus 0.21%. FERC directed liquids pipelines to recompute their ceiling levels for July 1, 2021 through June 30, 2022, as well as the ceiling levels for the period July 1, 2022 through June 30, 2023, based on the new index level. Where an oil pipeline's filed rates exceeded its ceiling levels, FERC ordered such oil pipelines to reduce the rate to bring it into compliance with the recomputed ceiling level to be effective March 1, 2022. Some parties sought rehearing of the January 20, 2022 order with FERC, which was denied by FERC on May 6, 2022. Certain parties appealed the January 20 and May 6 orders. On July 26, 2024, the D.C. Circuit ruled in LEPA v. FERC that FERC violated the Administrative Procedure Act because the January 20, 2022 order modified the index without following notice and comment. As a result, the D.C. Circuit vacated the January 20, 2022 order and on September 17, 2024, the Commission reinstated the index level established by its original December 17, 2020 order, directed pipelines to file an informational filing to show their recomputed ceiling levels reflecting the reinstated index level and stated that pipelines could file to prospectively increase their indexed rates to their recomputed levels. On October 17, 2024, FERC issued a Supplemental Notice of Proposed Rulemaking ("Supplemental NOPR") that proposed a reduction to the then- effective index by one percent.

On November 20, 2025, FERC withdrew the Supplemental NOPR and confirmed that the PPI-FG-0.78% index established in its December 17, 2020 order will remain in effect through June 30, 2026. On the same day, FERC issued an Order Denying Rehearing of the Reinstatement Order and Granting Remedial Relief ("Remedial Relief Order"), which granted remedial relief to liquids pipelines for the period of March 1, 2022 to September 17, 2024 (the "Locked-In Period"), when the lower index was effective under the order vacated by the D.C. Circuit in LEPA v. FERC, but only if such pipelines charged the maximum rate allowed under the applicable index ceiling during the relevant time period. Parties have since filed requests for clarification or rehearing, as well as court appeals, to determine whether pipelines may recover rate differences in other scenarios. Those requests and appeals remain pending.

Also on November 20, 2025, the FERC issued a Notice of Proposed Rulemaking on the 2026 Five-Year Oil Pipeline Index ("2026 Index NOPR"), proposing to use the Producer Price Index for Finished Goods (PPI-FG) minus 1.42% as the index level beginning July 1, 2026 to June 30, 2031. The NOPR proceeded through the standard notice-and-comment process, with comments submitted in late 2025 and early 2026.

On December 18, 2025, the Commission issued an Order Denying Petition for Emergency Relief ("Emergency Relief Order Denial"), which denied a petition requesting emergency relief from invoices issued by a liquid pipeline company to recover amounts of indexed rates for the Locked-In Period and explained that, consistent with the Remedial Relief Order, pipelines that charged the maximum rates permitted under the Commission's now-vacated January 20, 2022 rehearing order during the Locked-In Period may invoice shippers to recover the amounts that would have been chargeable under the December 17, 2020 order.

In January 2026, multiple shippers have filed petitions for review at the D.C. Circuit challenging FERC's November 20, 2025 orders, including, the (i) Remedial Relief Order, (ii) Order Terminating Supplemental NOPR, and (iii) Emergency Relief Order Denial. These appeals are pending.

On April 24, 2026, the FERC issued an order setting the indexed rate at PPI-FG minus 0.55% during the five-year period commencing July 1, 2026 through June 30, 2031 ("Index Order"). Following issuance of the final rule on April 24, 2026, shippers and other parties filed petitions for review with the D.C. Circuit challenging the Index Order. Those petitions are pending.

Separately, on December 15, 2022, the FERC had issued a Proposed Policy Statement on Oil Pipeline Affiliate Committed Service, which addressed whether a contract for committed transportation service complies with the ICA where the only shipper to obtain the committed service is an affiliate of the regulated entity. The proposed policy statement would have created a rebuttable presumption that affiliate contracts are unduly discriminatory and not just and reasonable in certain circumstances and required a pipeline to produce additional evidentiary support for affiliate contracts rates and terms. On February 19, 2026, the FERC withdrew the proposed policy statement on the basis that the record contained insufficient evidence of discriminatory open season terms and conditions to merit an industry-wide policy statement. FERC noted, however, that it would continue to address issues related to affiliated-only committed service in individual proceedings.

On May 21, 2026, the FERC issued a notice of proposed rulemaking to revise its blanket certificate regulations to expand the scope and scale of projects that interstate natural gas pipelines may construct without a case-specific authorization order and to increase the cost limits for such projects, among other changes.

Air Quality Standards

In 2023, the EPA finalized its Good Neighbor Plan (the "Plan") which seeks to reduce nitrogen oxide pollution from power plants and other industrial facilities from 23 upwind states which the EPA determined is contributing to National Ambient Air Quality Standards (NAAQS) nonattainment and interfering with maintenance of the 2015 ozone NAAQS in downwind states. As part of the Plan, the EPA announced that it would be issuing prescriptive emission standards for several sectors, including certain new and existing internal combustion engines of a certain size used in pipeline transportation of natural gas. The EPA's final rule was to become effective on August 4, 2023, and the prescribed emission standards were scheduled to be effective in 2026. However, on March 12, 2025, the EPA announced plans to end the Plan.

Operators and industry groups have challenged the Plan in the D.C. Circuit, as well as the legal predicates to the individual upwind states' inclusion in the Plan in the regional circuits. The effectiveness of the rule is currently stayed in the nine states within the Partnership's footprint, by nature of judicial stays of the legal predicate to the Plan, by judicial stay of the Plan itself by the United States Supreme Court, or by the administrative stay issued by the EPA in October 2024. On June 18, 2025, the United States Supreme Court ruled that the regional circuits are the appropriate venue for the proceedings. On July 30, 2025, the Court of Appeals for the Tenth Circuit placed the case in abeyance pending the EPA's reconsideration of its disapproval of upwind states' state implementation plans addressing their Plan obligations. Proceedings challenging the Plan in the D.C.

Circuit were also placed in abeyance on May 2, 2025 pending the EPA's reconsideration of the Plan. The EPA is preparing a proposed rulemaking as part of the reconsideration process, and on January 27, 2026, the EPA announced its proposal to approve state implementation plans for eight states, including those in which we operate, which would resolve those states' obligations under the Good Neighbor Plan. We cannot predict with any certainty the substance of any later proposed rule or the potential impacts on the Partnership.

Additionally, on April 4, 2026, the EPA published a final rule finalizing revisions to certain aspects of Subparts OOOOb/OOOOc under the Clean Air Act that provide greater flexibility in venting and flaring from oil and gas operations. The EPA continues to develop proposals to revise other aspects of Subparts OOOOb/OOOOc.

The Partnership currently estimates that the existing final rule regarding the Plan would require retrofitting or replacement of approximately 192 engines in its interstate and intrastate natural gas transportation and storage operations. The Partnership is involved in challenging application of the Plan in the nine states impacted within its footprint. Compliance with the Plan (if implementation is not stayed or otherwise delayed) will still require substantial capital expenditures which could adversely affect our business in future periods. However, at this time, we are still assessing the potential costs of this rule and, given uncertainties resulting from the multiple legal challenges filed against the Plan in various states, in the D.C. Circuit and the United States Supreme Court, we cannot predict with any certainty what the final costs of compliance for the Plan for the Partnership ultimately may be.

OECD Pillar Two Global Minimum Tax

The acquisition of Parkland brings the Partnership into scope for Pillar Two global minimum tax. Several jurisdictions in which we now operate have enacted legislation implementing the Organization for Economic Co-operation and Development ("OECD") Pillar Two global minimum tax framework. These rules generally impose a 15% minimum top-up tax on the profits of large multinational enterprises. Sunoco LP estimates its Pillar Two global minimum tax expense to be immaterial in 2026 and has not accrued any current tax expense related to Pillar Two during the six months ended June 30, 2026.

On January 5, 2026, the OECD released new guidance that provides relief for U.S. parented multinationals and establishes a side-by-side framework for the U.S. tax system to coexist with Pillar Two global minimum tax. Effective for fiscal years beginning on or after January 1, 2026, U.S. parented multinationals would be exempt from the main charging provisions of Pillar Two. Sunoco LP will continue to estimate and potentially accrue Pillar Two global minimum tax until the relevant jurisdictions in which Sunoco LP operates enact the side-by-side framework into law.

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, as well as certain non-recurring gains and losses. Inventory valuation 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 following table, 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 June 30, 2026	Three Months Ended June 30, 2025	Change	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Change
Segment Adjusted EBITDA:						
Intrastate transportation and storage	$ 377	$ 284	$ 93	$ 814	$ 628	$ 186
Interstate transportation and storage	481	470	11	1,000	982	18
Midstream	884	768	116	1,771	1,693	78
NGL and refined products transportation and services	1,308	1,033	275	2,471	2,011	460
Crude oil transportation and services	834	732	102	1,703	1,474	229
Investment in Sunoco LP	982	454	528	1,840	912	928
Investment in USAC	194	149	45	382	299	83
All other	6	(24)	30	22	(35)	57
Adjusted EBITDA (consolidated)	$ 5,066	$ 3,866	$ 1,200	$ 10,003	$ 7,964	$ 2,039

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Change	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Change
Reconciliation of net income to Adjusted EBITDA:						
Net income	$ 2,530	$ 1,458	$ 1,072	$ 4,506	$ 3,178	$ 1,328
Depreciation, depletion and amortization	1,575	1,384	191	3,158	2,751	407
Interest expense, net of interest capitalized	934	865	69	1,881	1,674	207
Income tax expense	194	79	115	329	120	209
Impairment losses	—	3	(3)	—	7	(7)
Non-cash compensation expense	46	33	13	88	70	18
Unrealized (gains) losses on commodity risk management activities	(396)	(100)	(296)	140	(31)	171
Inventory valuation adjustments (Sunoco LP)	18	40	(22)	(426)	(21)	(405)
Losses on extinguishments of debt	—	17	(17)	7	19	(12)
Adjusted EBITDA related to unconsolidated affiliates	196	182	14	392	349	43
Equity in earnings of unconsolidated affiliates	(108)	(105)	(3)	(218)	(197)	(21)
Other, net	77	10	67	146	45	101
Adjusted EBITDA (consolidated)	$ 5,066	$ 3,866	$ 1,200	$ 10,003	$ 7,964	$ 2,039

Net Income. For the three and six months ended June 30, 2026 compared to the same periods last year, net income increased $1.07 billion and $1.33 billion, respectively, primarily due to higher segment margin from all our segments. The most significant increases were in (i) our intrastate transportation and storage segment, where segment margin was favorably impacted by wider basis differentials and early volumes from the commissioning of the Hugh Brinson Pipeline, (ii) our midstream segment, where segment margin was favorably impacted by higher gathering and processing volumes, as well as higher NGL and natural gas prices, (iii) our NGL and refined products transportation and storage segment, where segment margin benefited from higher premiums from the sale of NGLs for export and for domestic supply and from higher spreads and prices, (iv) our crude oil transportation and services segment, where segment margin was favorable due to market conditions, higher crude oil prices and higher volumes and (v) our investment in Sunoco LP segment, where segment margin included increases resulting from recent acquisitions and strategic transactions. The increase in segment margin was partially offset by increases in operating expenses, selling, general and administrative expenses, depreciation, depletion and amortization and interest expense. These changes are discussed in more detail below and in "Segment Operating Results."

Adjusted EBITDA (consolidated). For the three and six months ended June 30, 2026 compared to the same periods last year, Adjusted EBITDA increased by $1.20 billion and $2.04 billion, respectively, primarily due to increases in our intrastate transportation and storage segment, midstream segment, NGL and refined products transportation and services segment, crude oil and transportation and services segment, and our investment in Sunoco LP segment.

Additional information on changes impacting net income and Adjusted EBITDA is available below and in “Segment Operating Results.”

Depreciation, Depletion and Amortization. Depreciation, depletion and amortization increased for the three and six months ended June 30, 2026 compared to the same periods last year primarily due to additional depreciation and amortization from assets recently placed in service and recent acquisitions.

Interest Expense, Net of Interest Capitalized. Interest expense, net of interest capitalized, increased for the three and six months ended June 30, 2026 compared to the same periods last year primarily due to an increase in aggregate debt balances following the acquisition of Parkland and the refinancing of certain preferred units with long-term debt.

Income Tax Expense. For the three and six months ended June 30, 2026 compared to the same periods last year, income tax expense increased primarily due to increased corporate earnings from recent acquisitions. Some of the recent acquisitions have subsidiaries that operate in foreign jurisdictions where those subsidiaries are subject to statutory income tax rates that are higher than the U.S. federal corporate income tax rate. Additionally, the income tax expense from those recent acquisitions was further increased due to the non-deductibility of a portion of foreign currency exchange losses in certain Canadian subsidiaries and losses incurred in certain foreign subsidiaries that operate in foreign jurisdictions that do not impose a corporate income tax.

Impairment Losses. For the three and six months ended June 30, 2025, the impairment losses were related to USAC’s evaluation of the future deployment of its idle fleet under current market conditions.

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 gain and loss within each segment is included in “Segment Operating Results,” and additional information on the commodity-related derivatives, including notional volumes, maturities and fair values, is available in “Item 3. Quantitative and Qualitative Disclosures About Market Risk” and in Note 12 to our consolidated financial statements included in “Item 1. Financial Statements.”

Inventory Valuation Adjustments. Inventory valuation adjustments represent changes in lower of cost or market reserves using the LIFO 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 June 30, 2026 and 2025, the Partnership’s cost of products sold included Sunoco LP’s unfavorable inventory valuation adjustments of $18 million and $40 million, respectively, which decreased net income. For the six months ended June 30, 2026 and 2025, the Partnership’s cost of products sold included Sunoco LP’s favorable inventory valuation adjustments of $426 million and $21 million, respectively, which increased net income.

Losses on Extinguishments of Debt. For the three and six months ended June 30, 2026, loss on extinguishment of debt was due to Sunoco LP's redemption of senior notes. For the three and six months ended June 30, 2025, loss on extinguishment of debt was primarily related to Sunoco LP’s termination of bridge financing related to the Parkland acquisition.

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.”

Other, Net. Other, net primarily includes the amortization of regulatory assets and other income and expense amounts.

Supplemental Information on Unconsolidated Affiliates

The following table presents financial information related to unconsolidated affiliates:

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Change	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Change
Equity in earnings of unconsolidated affiliates:						
Citrus	$ 38	$ 40	$ (2)	$ 76	$ 73	$ 3
MEP	20	18	2	42	35	7
White Cliffs	7	5	2	11	8	3
Explorer	5	7	(2)	11	14	(3)
SESH	14	14	—	30	28	2
Other	24	21	3	48	39	9
Total equity in earnings of unconsolidated affiliates	$ 108	$ 105	$ 3	$ 218	$ 197	$ 21
Adjusted EBITDA related to unconsolidated affiliates [(1)]:						
Citrus	$ 87	$ 88	$ (1)	$ 173	$ 167	$ 6
MEP	28	26	2	59	52	7
White Cliffs	12	10	2	21	18	3
Explorer	9	12	(3)	19	23	(4)
SESH	15	15	—	32	30	2
Other	45	31	14	88	59	29
Total Adjusted EBITDA related to unconsolidated affiliates	$ 196	$ 182	$ 14	$ 392	$ 349	$ 43
Distributions received from unconsolidated affiliates:						
Citrus	$ 33	$ 36	$ (3)	$ 33	$ 66	$ (33)
MEP	30	29	1	59	55	4
White Cliffs	11	9	2	20	18	2
Explorer	5	10	(5)	12	15	(3)
SESH	17	15	2	30	23	7
Other	30	25	5	50	44	6
Total distributions received from unconsolidated affiliates	$ 126	$ 124	$ 2	$ 204	$ 221	$ (17)

(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 following tables 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 gain or loss 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 loss is added back and the unrealized gain is 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.

The following analysis of segment operating results includes a measure of segment margin. 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 following sections 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 June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
Natural gas transported (BBtu/d)	13,814	14,229	(415)	13,798	14,224	(426)
Withdrawals from storage natural gas inventory (BBtu)	4,020	—	4,020	23,698	8,225	15,473
Revenues	$ 596	$ 931	$ (335)	$ 1,752	$ 2,225	$ (473)
Cost of products sold	132	561	(429)	842	1,525	(683)
Segment margin	464	370	94	910	700	210
Unrealized (gains) losses on commodity risk management activities	(6)	(21)	15	57	55	2
Operating expenses, excluding non-cash compensation expense	(75)	(61)	(14)	(140)	(118)	(22)
Selling, general and administrative expenses, excluding non-cash compensation expense	(15)	(10)	(5)	(28)	(24)	(4)
Adjusted EBITDA related to unconsolidated affiliates	8	5	3	13	11	2
Other	1	1	—	2	4	(2)
Segment Adjusted EBITDA	$ 377	$ 284	$ 93	$ 814	$ 628	$ 186

Volumes. For the three and six months ended June 30, 2026 compared to the same periods last year, transported volumes of gas on our Texas intrastate pipelines decreased primarily due to lower third-party utilization of firm capacity. Transported volumes reported above exclude volumes attributable to purchases and sales of gas for our pipelines' own accounts and the optimization of any unused capacity.

Segment Margin. The components of our intrastate transportation and storage segment margin were as follows:

	Three Months Ended June 30,				Six Months Ended June 30,							
	2026		2025		Change		2026		2025		Change	
Transportation fees	$	222	$	217	$	5	$	452	$	441	$	11
Natural gas sales and other (excluding unrealized gains and losses)		215		102		113		398		233		165
Retained fuel (excluding unrealized gains and losses)		8		7		1		23		18		5
Storage margin (excluding unrealized gains and losses and fair value inventory adjustments)		13		23		(10)		94		63		31
Unrealized losses on commodity risk management activities and fair value inventory adjustments		6		21		(15)		(57)		(55)		(2)
Total segment margin	$	464	$	370	$	94	$	910	$	700	$	210

Segment Adjusted EBITDA. For the three months ended June 30, 2026 compared to the same period last year, Segment Adjusted EBITDA related to our intrastate transportation and storage segment increased due to the net impact of the following:

- an increase of $113 million in realized natural gas sales and other primarily due to wider basis differentials, as well as a $21 million increase from early volumes during the commissioning of the Hugh Brinson Pipeline; and
- an increase of $5 million in transportation fees due to higher reservation revenues on long-term third-party contracts; partially offset by
- a decrease of $10 million in storage margin due to unfavorable storage optimization;
- an increase of $14 million in operating expenses primarily due to a $4 million increase in maintenance and project related expenses, a $4 million increase from one-time expenses, a $4 million increase from the commissioning of the Hugh Brinson pipeline, and increases totaling $2 million from various other operating expenses; and
- an increase of $5 million in selling, general and administrative expenses primarily due to higher legal fees.

For the six months ended June 30, 2026 compared to the same period last year, Segment Adjusted EBITDA related to our intrastate transportation and storage segment increased due to the net impact of the following:

- an increase of $165 million in realized natural gas sales and other primarily due to wider basis differentials, as well as a $21 million increase from early volumes during the commissioning of the Hugh Brinson Pipeline;
- an increase of $31 million in storage margin due to favorable impacts from increased price volatility;
- an increase of $11 million in transportation fees primarily due to higher reservation revenues on long-term third-party contracts; and
- an increase of $5 million in retained fuel margin due to favorable gas pricing; partially offset by
- an increase of $22 million in operating expenses primarily due to an $8 million increase from the commissioning of the Huge Brinson pipeline, a $7 million increase in maintenance and project related expenses, a $3 million increase in employee costs, and increases totaling $5 million from various other operating expenses; and
- an increase of $4 million in selling, general and administrative expenses primarily due to legal fees.

Interstate Transportation and Storage

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
Natural gas transported (BBtu/d)	17,988	18,153	(165)	18,053	18,178	(125)
Natural gas sold (BBtu/d)	19	30	(11)	34	32	2
Revenues	$ 609	$ 590	$ 19	$ 1,243	$ 1,211	$ 32
Cost of products sold	4	3	1	7	5	2
Segment margin	605	587	18	1,236	1,206	30
Operating expenses, excluding non-cash compensation, amortization and accretion expenses	(230)	(221)	(9)	(445)	(410)	(35)
Selling, general and administrative expenses, excluding non-cash compensation, amortization and accretion expenses	(34)	(26)	(8)	(64)	(63)	(1)
Adjusted EBITDA related to unconsolidated affiliates	130	130	—	263	249	14
Other	10	—	10	10	—	10
Segment Adjusted EBITDA	$ 481	$ 470	$ 11	$ 1,000	$ 982	$ 18

Volumes. For the three and six months ended June 30, 2026 compared to the same periods last year, transported volumes decreased primarily due to lower utilization on our Trunkline, Gulf Run and Mississippi River systems due to lower demand.

Segment Adjusted EBITDA. For the three months ended June 30, 2026 compared to the same period last year, Segment Adjusted EBITDA related to our interstate transportation and storage segment increased due to the net impact of the following:

- an increase of $18 million in segment margin primarily due to a $12 million increase in parking, storage and liquids revenue and a $10 million increase in transportation revenue from several of our interstate pipeline systems due to higher contracted volumes and higher utilization, partially offset by a $4 million decrease in operational gas sales; and
- an increase of $10 million in other income primarily due to the realization of proceeds from a shipper bankruptcy settlement; partially offset by
- an increase of $9 million in operating expenses primarily due to a $4 million increase in maintenance projects, a $3 million increase in employee costs and a $1 million increase in new or renegotiated leases; and
- an increase of $8 million in selling, general and administrative expenses primarily due to higher allocated costs, excise taxes and insurance expense.

For the six months ended June 30, 2026 compared to the same period last year, Segment Adjusted EBITDA related to our interstate transportation and storage segment increased due to the net impact of the following:

- an increase of $30 million in segment margin primarily due to a $33 million increase in transportation revenue from several of our interstate pipeline systems due to higher contracted volumes and higher utilization, and a $5 million increase in storage and liquids revenue, partially offset by a $7 million decrease in operational gas sales;
- an increase of $14 million in Adjusted EBITDA related to unconsolidated affiliates primarily due to a $7 million increase from MEP due to higher revenue and lower operating expenses, a $6 million increase from Citrus due to higher revenue and lower operating expenses, and a $2 million increase from SESH due to higher revenue; and
- an increase of $10 million in other income primarily due to the realization of proceeds from a shipper bankruptcy settlement; partially offset by
- an increase of $35 million in operating expenses primarily due to a $9 million increase in employee costs, an $8 million increase in intercompany transportation expenses, an aggregate $6 million increase in maintenance projects, a $6 million increase from one-time expenses and allocated costs, and a $6 million increase in other direct costs.

Midstream

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Change	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Change
Gathered volumes (BBtu/d)	22,142	21,329	813	21,912	20,872	1,040
NGLs produced (MBbls/d)	1,243	1,181	62	1,201	1,135	66
Equity NGLs (MBbls/d)	72	64	8	68	62	6
Revenues	$ 2,821	$ 3,135	$ (314)	$ 5,865	$ 6,791	$ (926)
Cost of products sold	1,392	1,911	(519)	3,066	4,171	(1,105)
Segment margin	1,429	1,224	205	2,799	2,620	179
Operating expenses, excluding non-cash compensation expense	(513)	(416)	(97)	(959)	(837)	(122)
Selling, general and administrative expenses, excluding non-cash compensation expense	(52)	(47)	(5)	(106)	(103)	(3)
Adjusted EBITDA related to unconsolidated affiliates	5	6	(1)	10	11	(1)
Other	15	1	14	27	2	25
Segment Adjusted EBITDA	$ 884	$ 768	$ 116	$ 1,771	$ 1,693	$ 78

Volumes. For the three and six months ended June 30, 2026 compared to the same periods last year, volumes increased from dry gas gathering in the Northeast and Ark-La-Tex regions as well as increased processing volumes from new and upgraded plants in the Permian region. NGL production increased primarily due to increased Permian plant utilization from new and existing plants.

Segment Adjusted EBITDA. For the three months ended June 30, 2026 compared to the same period last year, Segment Adjusted EBITDA related to our midstream segment increased due to the net impact of the following:

- an increase of $205 million in segment margin primarily due to higher NGL prices of $88 million, a positive impact of $11 million from natural gas prices, and an $83 million increase due to higher gathered and processed volumes from increased processing capacity and operational efficiencies; and
- an increase of $14 million in other income due to the realization of proceeds from a shipper bankruptcy settlement; partially offset by
- an increase of $97 million in operating expenses primarily due to a $46 million increase related to environmental reserves, a $39 million increase related to the adjustment of certain estimates in the prior period and a $15 million increase in employee costs; and
- an increase of $5 million in selling, general, and administrative expenses primarily due to higher corporate allocations.

For the six months ended June 30, 2026 compared to the same period last year, Segment Adjusted EBITDA related to our midstream segment increased due to the net impact of the following:

- an increase of $179 million in segment margin primarily due to a $168 million increase due to higher gathered and processed volumes from increased processing capacity and operational efficiencies, higher NGL prices of $66 million, a positive impact of $8 million from natural gas prices, a $39 million increase due to an intercompany imbalance that is completely offset within our NGL and refined products transportation and services segment, and a $14 million increase due to reduced third-party NGL transportation and fractionation costs from our Oklahoma processing facilities, partially offset by a $160 million decrease attributable to the non-recurring recognition of certain amounts associated with Winter Storm Uri in the prior period; and
- an increase of $25 million in other income due to $15 million in proceeds from a shipper bankruptcy settlement and $11 million from the recognition of proceeds from a business interruption claim; partially offset by
- an increase of $122 million in operating expenses due to a $44 million increase in environmental reserves, a $39 million increase related to the adjustment of certain estimates in the prior period, a $34 million increase in employee costs, and a $6 million increase related to assets placed in service; and
- an increase of $3 million in selling, general, and administrative expenses primarily due to higher legal fees and insurance premiums.

NGL and Refined Products Transportation and Services

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
NGL transportation volumes (MBbls/d)	2,641	2,331	310	2,534	2,254	280
Refined products transportation volumes (MBbls/d)	574	599	(25)	581	587	(6)
NGL and refined products terminal volumes (MBbls/d)	1,864	1,553	311	1,795	1,503	292
NGL fractionation volumes (MBbls/d)	1,188	1,150	38	1,197	1,120	77
Revenues	$ 7,719	$ 5,941	$ 1,778	$ 14,392	$ 12,850	$ 1,542
Cost of products sold	5,927	4,635	1,292	11,411	10,276	1,135
Segment margin	1,792	1,306	486	2,981	2,574	407
Unrealized (gains) losses on commodity risk management activities	(185)	(34)	(151)	103	(60)	163
Operating expenses, excluding non-cash compensation expense	(284)	(230)	(54)	(582)	(477)	(105)
Selling, general and administrative expenses, excluding non-cash compensation expense	(48)	(41)	(7)	(96)	(89)	(7)
Adjusted EBITDA related to unconsolidated affiliates	31	32	(1)	62	63	(1)
Other	2	—	2	3	—	3
Segment Adjusted EBITDA	$ 1,308	$ 1,033	$ 275	$ 2,471	$ 2,011	$ 460

Volumes. For the three and six months ended June 30, 2026 compared to the same periods last year, NGL transportation, fractionation, and terminal throughput volumes increased due to higher volumes from the Permian region, as well as increased NGL exports.

Segment Margin. The components of our NGL and refined products transportation and services segment margin were as follows:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
Transportation margin	$ 724	$ 696	$ 28	$ 1,345	$ 1,318	$ 27
Fractionators and refinery services margin	256	244	12	534	462	72
Terminal services margin	322	251	71	582	484	98
Storage margin	87	75	12	176	156	20
Marketing margin	218	6	212	447	94	353
Unrealized gains (losses) on commodity risk management activities	185	34	151	(103)	60	(163)
Total segment margin	$ 1,792	$ 1,306	$ 486	$ 2,981	$ 2,574	$ 407

Segment Adjusted EBITDA. For the three months ended June 30, 2026 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 $212 million in marketing margin (excluding unrealized gains and losses on commodity risk management activities) primarily due to $140 million from higher premiums from the sale of NGLs for export and for domestic supply and a $70 million increase in refined product margins as a result of higher spreads and prices;
- an increase of $71 million in terminal services margin primarily due to a $63 million increase in fees from loading increased volumes at higher rates for export at our Nederland and Marcus Hook terminals, and an $8 million increase from higher throughput and storage at our refined product terminals;

- an increase of $28 million in transportation margin due to a $40 million increase related to higher y-grade and NGL throughput, partially offset by a $4 million decrease due to lower refined product transportation volumes due to third-party refinery issues;
- an increase of $12 million in storage margin primarily due to an increase in fees generated from export volumes, as well as increases related to blending activity due to a more favorable pricing environment; and
- an increase of $12 million in fractionators and refinery services margin primarily due to higher throughput; partially offset by
- an increase of $54 million in operating expenses primarily due to a $28 million increase from certain one-time credits recognized in the prior period, a $14 million increase in utilities costs driven by higher volumes across our system, a $6 million increase in employee costs, and increases totaling $5 million from various other operating expenses; and
- an increase of $7 million in selling, general and administrative expenses primarily due to higher overhead costs and legal fees.

For the six months ended June 30, 2026 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 impact of the following:

- an increase of $353 million in marketing margin (excluding unrealized gains and losses on commodity risk management activities) primarily due to $212 million from higher premiums from the sale of NGLs for export and for domestic supply, $65 million in hedge-related gains during the first quarter of 2026 which offset physical losses realized during the fourth quarter of 2025, and a $77 million increase in refined product margins as result of higher spreads and prices;
- an increase of $98 million in terminal services margin primarily due to a $79 million increase in fees from loading higher volumes for export at our Nederland and Marcus Hook terminals and a $17 million increase from higher throughput and storage at our refined product terminals;
- an increase of $72 million in fractionators and refinery services margin primarily due to higher throughput;
- an increase of $27 million in transportation margin due to an $81 million increase related to higher y-grade throughput, partially offset by a $39 million intercompany imbalance that is completely offset within our midstream segment, a $12 million decrease from lower NGL throughput on our Mariner East system due to a weather related demand decrease, and a $3 million decrease due to lower refined product transport volumes due to third party refinery issues; and
- an increase of $20 million in storage margin primarily due to an increase in fees generated from export volumes, as well as increases related to blending activity due to a more favorable pricing environment; partially offset by
- an increase of $105 million in operating expenses primarily due to a $42 million increase in costs driven by higher volumes across our system, a $28 million increase from certain one-time credits recognized in the prior period, a $15 million increase in outside services, a $14 million increase in employee costs, and increases totaling $6 million from various other operating expenses; and
- an increase of $7 million in selling, general and administrative expenses primarily due to higher legal fees.

Crude Oil Transportation and Services

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
Crude oil transportation volumes (MBbls/d)	7,336	7,049	287	7,312	6,885	427
Crude oil terminal volumes (MBbls/d)	4,911	4,633	278	4,719	4,596	123
Revenues	$ 11,051	$ 5,748	$ 5,303	$ 18,809	$ 11,956	$ 6,853
Cost of products sold	9,766	4,725	5,041	16,558	9,939	6,619
Segment margin	1,285	1,023	262	2,251	2,017	234
Unrealized gains on commodity risk management activities	(181)	(25)	(156)	(63)	(25)	(38)
Operating expenses, excluding non-cash compensation expense	(231)	(237)	6	(454)	(450)	(4)
Selling, general and administrative expenses, excluding non-cash compensation expense	(45)	(38)	(7)	(46)	(82)	36
Adjusted EBITDA related to unconsolidated affiliates	6	8	(2)	15	14	1
Other	—	1	(1)	—	—	—
Segment Adjusted EBITDA	$ 834	$ 732	$ 102	$ 1,703	$ 1,474	$ 229

Volumes. For the three and six months ended June 30, 2026 compared to the same periods last year, crude oil transportation volumes were higher due to higher volumes on our Texas pipeline system, our Permian and Bakken gathering systems, partially offset by lower volume on our Mid-continent pipelines. Crude oil terminal volumes were higher due to higher customer throughput related to strategic petroleum reserve releases and crude export demand at our Gulf Coast terminals. Beginning in the current period, the Partnership has updated its approach for calculating crude oil terminal volumes to be consistent across all terminals; volumes reported for prior periods have been revised accordingly.

Segment Adjusted EBITDA. For the three months ended June 30, 2026 compared to the same period last year, Segment Adjusted EBITDA related to our crude oil transportation and services segment increased due to the net impact of the following:

- an increase of $106 million in segment margin (excluding unrealized gains and losses on commodity risk management activities) primarily due to a $62 million increase in optimization gains from more favorable market conditions and higher refined product margins, a $19 million increase in crude gathering revenues, a $17 million increase in transportation revenue, and a $6 million increase from higher crude oil terminal volumes; and
- a decrease of $6 million in operating expenses primarily due to lower maintenance project related expenses; partially offset by
- an increase of $7 million in selling, general and administrative expenses due primarily to higher expenses associated with a litigation related contingency.

For the six months ended June 30, 2026 compared to the same period last year, Segment Adjusted EBITDA related to our crude oil transportation and services segment increased due to the net impact of the following:

- an increase of $196 million in segment margin (excluding unrealized gains and losses on commodity risk management activities) due to a $133 million increase in optimization gains from more favorable market conditions and higher refined product margins, a $14 million increase in transportation revenue, and a $52 million increase in gathering revenues;
- a decrease of $36 million in selling, general and administrative expenses primarily due to an adjustment to the accrual for a litigation contingency; and
- an increase of $1 million in Adjusted EBITDA related to unconsolidated affiliates due to higher volumes and crude prices; partly offset by
- an increase of $4 million in operating expenses primarily due to an $11 million increase in employee-related expenses and a $9 million increase in volume-driven expenses, partially offset by an $8 million decrease in outside service expenses and a $7 million decrease from maintenance project related expenses.

Investment in Sunoco LP

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Change	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Change
Revenues	$ 14,259	$ 5,390	$ 8,869	$ 24,949	$ 10,569	$ 14,380
Cost of products sold	12,795	4,821	7,974	21,796	9,347	12,449
Segment margin	1,464	569	895	3,153	1,222	1,931
Unrealized (gains) losses on commodity risk management activities	(6)	(7)	1	50	(8)	58
Operating expenses, excluding non-cash compensation expense	(434)	(162)	(272)	(815)	(320)	(495)
Selling, general and administrative expenses, excluding non-cash compensation expense	(155)	(47)	(108)	(306)	(83)	(223)
Adjusted EBITDA related to unconsolidated affiliates	75	51	24	144	101	43
Inventory valuation adjustments	18	40	(22)	(426)	(21)	(405)
Other	20	10	10	40	21	19
Segment Adjusted EBITDA	$ 982	$ 454	$ 528	$ 1,840	$ 912	$ 928

The investment in Sunoco LP segment reflects the consolidated results of Sunoco LP.

Segment Adjusted EBITDA. For the three months ended June 30, 2026 compared to the same period last year, Segment Adjusted EBITDA related to our investment in Sunoco LP segment increased due to the net impact of the following:

- an increase of $874 million in segment margin (excluding unrealized gains and losses on commodity risk management activities and inventory valuation adjustments) primarily due to recent acquisitions; and
- an increase of $24 million in Adjusted EBITDA related to unconsolidated affiliates primarily due to the Parkland acquisition and ET-S Permian joint venture; partially offset by
- an increase of $272 million in operating expenses primarily due to increased costs resulting from recently acquired businesses; and
- an increase of $108 million in selling, general and administrative expenses primarily due to increased costs resulting from recently acquired businesses, along with one-time transaction-related expenses associated with those acquisitions.

For the six months ended June 30, 2026 compared to the same period last year, Segment Adjusted EBITDA related to our investment in Sunoco LP segment increased due to the net impact of the following:

- an increase of $1.58 billion in segment margin (excluding unrealized gains and losses on commodity risk management activities and inventory valuation adjustments) primarily due to recent acquisitions, as well as a $102 million favorable impact from a one-time gain on sale of inventory in the current period; and
- an increase of $43 million in Adjusted EBITDA related to unconsolidated affiliates primarily due to the Parkland acquisition and ET-S Permian joint venture; partially offset by
- an increase of $495 million in operating expenses primarily due to increased costs resulting from recently acquired businesses; and
- an increase of $223 million in selling, general and administrative expenses primarily due to increased costs resulting from recently acquired businesses, along with one-time transaction-related expenses associated with those acquisitions.

Investment in USAC

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
Revenues	$ 342	$ 250	$ 92	$ 673	$ 495	$ 178
Cost of products sold	33	40	(7)	62	78	(16)
Segment margin	309	210	99	611	417	194
Operating expenses, excluding non-cash compensation expense	(91)	(47)	(44)	(180)	(90)	(90)
Selling, general and administrative expenses, excluding non-cash compensation expense	(27)	(14)	(13)	(60)	(28)	(32)
Other	3	—	3	11	—	11
Segment Adjusted EBITDA	$ 194	$ 149	$ 45	$ 382	$ 299	$ 83

The investment in USAC segment reflects the consolidated results of USAC.

Segment Adjusted EBITDA. For the three months ended June 30, 2026 compared to the same period last year, Segment Adjusted EBITDA related to our investment in USAC segment increased due to the net impact of the following:

- an increase of $99 million in segment margin primarily due to the J-W Power Acquisition and increases in USAC's legacy business; partially offset by
- an increase of $57 million in operating expense and selling, general and administrative expense primarily related to the J-W Power Acquisition, as well as increased expenses in outside services and professional fees.

For the six months ended June 30, 2026 compared to the same period last year, Segment Adjusted EBITDA related to our investment in USAC segment increased due to the net impact of the following:

- an increase of $194 million in segment margin primarily due to the J-W Power Acquisition and increases in USAC's legacy business; partially offset by
- an increase of $122 million in operating expense and selling, general and administrative expense primarily related to the J-W Power Acquisition, as well as increased expenses in outside services and professional fees.

All Other

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
Revenues	$ 565	$ 936	$ (371)	$ 1,619	$ 1,931	$ (312)
Cost of products sold	502	909	(407)	1,496	1,904	(408)
Segment margin	63	27	36	123	27	96
Unrealized (gains) losses on commodity risk management activities	(18)	(14)	(4)	(7)	6	(13)
Operating expenses, excluding non-cash compensation expense	(6)	—	(6)	(13)	(1)	(12)
Selling, general and administrative expenses, excluding non-cash compensation expense	(13)	(13)	—	(17)	(26)	9
Adjusted EBITDA related to unconsolidated affiliates	2	2	—	3	2	1
Other and eliminations	(22)	(26)	4	(67)	(43)	(24)
Segment Adjusted EBITDA	$ 6	$ (24)	$ 30	$ 22	$ (35)	$ 57

Amounts reflected in our all other segment primarily include:

- our natural gas marketing operations;
- our wholly owned natural gas compression operations; and

- our natural resources business.

Segment Adjusted EBITDA. For the three months ended June 30, 2026 compared to the same period last year, Segment Adjusted EBITDA related to our all other segment increased due to the net impact of the following:

- an increase of $49 million in our natural gas marketing business driven by favorable spreads and gains on residue gas sales; partially offset by
- a decrease of $11 million due to an increase in the intersegment elimination of Sunoco LP's 32.5% share of ET-S Permian, which is consolidated in our crude oil transportation and services segment and also reflected as an unconsolidated affiliate in our investment in Sunoco LP segment; and
- a decrease of $13 million in our dual drive compression business.

For the six months ended June 30, 2026 compared to the same period last year, Segment Adjusted EBITDA related to our all other segment increased due to the net impact of the following:

- an increase of $84 million in our natural gas marketing business driven by favorable spreads and gains on residue gas sales; partially offset by
- a decrease of $18 million due to an increase in the intersegment elimination of Sunoco LP's 32.5% share of ET-S Permian, which is consolidated in our crude oil transportation and services segment and also reflected as an unconsolidated affiliate in our investment in Sunoco LP segment.

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 believe that we have sufficient liquidity and sources of funding to meet our cash requirements over the near term and for the longer term.

We currently expect capital expenditures in 2026 to be approximately as follows (including capitalized interest and overhead and only our proportionate share for joint ventures, but excluding capital expenditures related to our investments in Sunoco LP and USAC):

	Growth	Maintenance
Intrastate transportation and storage	$ 1,475	$ 80
Interstate transportation and storage	850	265
Midstream	1,500	385
NGL and refined products transportation and services	1,250	165
Crude oil transportation and services	425	170
All other (including eliminations)	250	85
Total capital expenditures	$ 5,750	$ 1,150

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, including as a result of the recent governmental action on tariffs, and other factors beyond our control. However, we have included these factors in our anticipated growth capital expenditures for each year.

We generally fund capital expenditures and distributions with cash flows from operating activities.

Sunoco LP currently expects to spend between $400 million and $450 million in maintenance capital expenditures and at least $600 million in growth capital for the full year 2026.

USAC currently plans to invest between $60 million and $70 million in maintenance capital expenditures and between $230 million and $250 million in expansion capital expenditures for the full year 2026.

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 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"), 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.

Six months ended June 30, 2026 compared to six months ended June 30, 2025. Cash provided by operating activities during 2026 was $7.65 billion compared to $5.68 billion for 2025, and net income was $4.51 billion for 2026 and $3.18 billion for 2025. The difference between net income and net cash provided by operating activities for the six months ended June 30, 2026 primarily consisted of net changes in operating assets and liabilities (net of effects of acquisitions) of $228 million and other items totaling $2.82 billion, which includes non-cash items and items related to investing and financing activities that are included in net income.

The non-cash activity in 2026 and 2025 consisted primarily of depreciation, depletion and amortization of $3.16 billion and $2.75 billion, respectively, deferred income tax expense of $167 million and $7 million, respectively, favorable inventory valuation adjustments of $426 million and $21 million, respectively, and non-cash compensation expense of $88 million and $70 million, respectively. For 2026 and 2025, net income also included equity in earnings of unconsolidated affiliates of $218 million and $197 million, respectively, losses on extinguishments of debt of $7 million and $19 million, respectively, and in 2025, impairment losses of $7 million.

Cash provided by operating activities includes cash distributions received from unconsolidated affiliates that are deemed to be paid from cumulative earnings, which distributions were $125 million in 2026 and $165 million in 2025.

Cash paid for interest, net of interest capitalized, was $1.74 billion and $1.56 billion for the six months ended June 30, 2026 and 2025, respectively. Interest capitalized was $120 million and $55 million for the six months ended June 30, 2026 and 2025, 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.

Six months ended June 30, 2026 compared to six months ended June 30, 2025. Cash used in investing activities during 2026 was $4.13 billion compared to $2.90 billion for 2025. Total capital expenditures (excluding the allowance for equity funds used during construction and net of contributions in aid of construction costs) for 2026 were $3.45 billion compared to $2.86 billion for 2025. Additional detail related to our capital expenditures is provided in the table below.

In 2026, USAC paid $445 million, net of cash acquired, for the acquisition of J-W Energy Company and Sunoco LP paid $194 million, net of cash acquired, for the TanQuid acquisition and $75 million, net of cash acquired, for the Delta acquisition. Additionally, in 2026, Sunoco LP paid $72 million in cash for other acquisitions and in 2025, Sunoco LP paid $104 million in cash for acquisitions of fuel equipment, motor fuel inventory and supply agreements.

In 2026 and 2025, we received cash distributions from unconsolidated affiliates in excess of cumulative earnings of $79 million and $56 million, respectively, and we paid cash contributions to unconsolidated affiliates of $30 million and $4 million, respectively.

The following is a summary of capital expenditures (including only our proportionate share for joint ventures, net of contributions in aid of construction costs) on an accrual basis for the six months ended June 30, 2026:

	Capital Expenditures Recorded During Period		
	Growth	Maintenance	Total
Intrastate transportation and storage	$ 880	$ 32	$ 912
Interstate transportation and storage	342	111	453
Midstream	632	153	785
NGL and refined products transportation and services	544	65	609
Crude oil transportation and services	146	68	214
Investment in Sunoco LP	231	170	401
Investment in USAC	73	26	99
All other (including eliminations)	79	53	132
Total capital expenditures	$ 2,927	$ 678	$ 3,605

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.

Six months ended June 30, 2026 compared to six months ended June 30, 2025. Cash used in financing activities during 2026 was $3.77 billion compared to $2.85 billion for 2025. During 2026, we had a net decrease in our debt level of $231 million compared to a net increase of $1.02 billion for 2025. In 2026 and 2025, we paid debt issuance costs of $49 million and $53 million, respectively. In 2025, we paid $500 million in cash for the redemption of our Series F Preferred Units.

In 2026 and 2025, we paid distributions of $2.41 billion and $2.35 billion, respectively, to our partners, we paid distributions of $1.07 billion and $934 million, respectively, to noncontrolling interests, and we paid distributions of $17 million and $34 million, respectively, to redeemable noncontrolling interests.

In 2026 and 2025, we received capital contributions of $1 million and $5 million, respectively, in cash from noncontrolling interests. In 2026, we received capital contributions of $6 million in cash from redeemable noncontrolling interests.

Description of Indebtedness

Our outstanding consolidated indebtedness was as follows:

	June 30, 2026	December 31, 2025
Energy Transfer indebtedness:		
Notes and debentures[1] [2]	$ 50,270	$ 48,870
Five-Year Credit Facility[2]	1,212	2,856
Subsidiary indebtedness:		
Transwestern senior notes	75	75
Bakken Project senior notes	850	850
Sunoco LP senior notes, bonds and lease-related obligations[1][2]	13,400	13,470
USAC senior notes	1,750	1,750
Sunoco LP credit facility	—	—
USAC credit facility	1,211	795
Other long-term debt	17	19
Net unamortized premiums, discounts and fair value adjustments	18	32
Deferred debt issuance costs	(398)	(384)
Total debt	68,405	68,333
Less: current maturities of long-term debt	12	25
Long-term debt, less current maturities	$ 68,393	$ 68,308

(1) As of June 30, 2026, these balances included approximately $4.40 billion aggregate principal amount due on or before June 30, 2027, which were classified as long-term as management has the intent and ability to refinance the borrowings on a long-term basis.

(2) See additional information below under "Recent Transactions."

Recent Transactions

Energy Transfer Notes Issuances and Redemptions

In January 2026, the Partnership issued $1.00 billion aggregate principal amount of 4.55% senior notes due 2031, $1.00 billion aggregate principal amount of 5.35% senior notes due 2036 and $1.00 billion aggregate principal amount of 6.30% senior notes due 2056. The Partnership used the net proceeds to refinance existing indebtedness, including to repay commercial paper and borrowings under its Five-Year Credit Facility.

In January 2026, the Partnership redeemed its $1.00 billion aggregate principal amount of 4.75% senior notes due January 2026 using cash on hand and commercial paper borrowings.

In February 2026, the Partnership redeemed its $600 million aggregate principal amount of 5.625% senior notes due May 2027 using cash on hand and commercial paper borrowings.

In July 2026, the Partnership issued $650 million aggregate principal amount of its Series 2026A Junior Subordinated Notes due 2057 (the "Series 2026A notes") and $1.10 billion aggregate principal amount of its Series 2026B Junior Subordinated Notes due 2057 (the "Series 2026B notes"). Initially, the Series 2026A notes will bear interest at an annual rate of 6.550% and the Series 2026B notes will bear interest at an annual rate of 6.700%. The Partnership intends to use the net proceeds to redeem the Series H Preferred Units, to repay borrowings under its Five-Year Credit Facility and for general partnership purposes.

Sunoco LP Senior Notes Issuances and Redemption

In March 2026, Sunoco LP issued $600 million aggregate principal amount of 5.375% senior notes due 2031 and $600 million aggregate principal amount of 5.625% senior notes due 2034. These notes will mature on July 15, 2031 and July 15, 2034, respectively, and interest is payable semi-annually on January 15 and July 15 of each year, commencing on July 15, 2026. Sunoco LP used a portion of the net proceeds from this private offering to redeem in full its $500 million aggregate principal amount of 6.000% senior notes due 2026 and its $600 million aggregate principal amount of 6.000% senior notes due 2027.

In March 2026, Sunoco LP redeemed Parkland's remaining senior notes.

In June 2026, Sunoco LP redeemed all of its outstanding 3.875% CAD senior notes due 2026.

Credit Facilities and Commercial Paper

Five-Year Credit Facility

As of June 30, 2026, the Five-Year Credit Facility had $1.21 billion of outstanding borrowings, $1.12 billion of which consisted of commercial paper. The amount available for future borrowings was $3.76 billion, after accounting for outstanding letters of credit in the amount of $24 million. The weighted average interest rate on the total amount outstanding as of June 30, 2026 was 4.00%.

Sunoco LP Credit Facility

As of June 30, 2026, Sunoco LP's credit facility, which matures in June 2030, had no outstanding borrowings and $183 million in standby letters of credit. The unused availability on Sunoco LP's revolving credit facility as of June 30, 2026 was $2.32 billion. The weighted average interest rate on the total amount outstanding as of June 30, 2026 was 5.46%.

Sunoco LP Receivables Financing Agreement

Upon the closing of Sunoco LP's acquisition of NuStar, the commitments under NuStar's receivables financing agreement were reduced to zero during a suspension period, for which the period end has not been determined. As of June 30, 2026, this facility had no outstanding borrowings.

USAC Credit Facility

As of June 30, 2026, USAC's credit facility, which matures in August 2030, had $1.21 billion of outstanding borrowings and $2 million outstanding letters of credit. As of June 30, 2026, USAC's credit facility had $537 million of remaining unused availability. The weighted average interest rate on the total amount outstanding as of June 30, 2026 was 5.59%.

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 June 30, 2026.

CASH DISTRIBUTIONS

Cash Distributions Paid by Energy Transfer

Under its Partnership Agreement, Energy Transfer 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 to provide for future cash requirements.

Cash Distributions on Energy Transfer Common Units

Distributions declared and/or paid with respect to Energy Transfer common units subsequent to December 31, 2025 were as follows:

Quarter Ended	Record Date	Payment Date	Rate
December 31, 2025	February 6, 2026	February 19, 2026	$ 0.3350
March 31, 2026	May 8, 2026	May 20, 2026	0.3375
June 30, 2026	August 7, 2026	August 19, 2026	0.3400

Cash Distributions on Energy Transfer Preferred Units

Distributions declared on the Energy Transfer Preferred Units were as follows:

Period Ended	Record Date	Payment Date	Series B [2]	Series G [2]	Series H [2]	Series I [1]
December 31, 2025	February 1, 2026	February 15, 2026	$ 33.125	$ —	$ —	$ 0.2111
March 31, 2026	May 1, 2026	May 15, 2026	—	35.630	32.500	0.2111
June 30, 2026	August 3, 2026	August 17, 2026	33.125	—	16.611	0.2111

(1) The record date and payment date shown above apply to all Energy Transfer Preferred Units, except for the Series I Preferred Units. For the period ended December 31, 2025, the cash distribution on Series I Preferred Units was paid on February 17, 2026 to unitholders of record as of the close of business on February 4, 2026. For the period ended March 31, 2026, the cash distribution on Series I Preferred Units was paid on May 15, 2026 to unitholders of record as of the close of business on May 4, 2026. For the period ended June 30, 2026, the cash distribution on Series I Preferred Units will be paid on August 14, 2026 to unitholders of record as of the close of business on August 4, 2026.

(2) Series B, Series G and Series H distributions are currently paid on a semi-annual basis. Distributions on the Series B Preferred Units will begin to be paid quarterly on February 15, 2028. The final distributions on Series H Preferred Units will be paid in conjunction with the Series H Preferred Unit redemption on August 17, 2026.

Description of Energy Transfer Preferred Units

A summary of the distribution and redemption rights associated with the Energy Transfer Preferred Units is included in Note 9 in “Item 1. Financial Statements.”

Cash Distributions Paid by Subsidiaries

The Partnership’s consolidated financial statements include SunocoCorp, Sunoco LP and USAC, as well as other non-wholly owned consolidated joint ventures. The following sections describe cash distributions made by our publicly traded subsidiaries, SunocoCorp, Sunoco LP and USAC, all of which are required 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 SunocoCorp

Distributions on SunocoCorp’s common units declared and/or paid by SunocoCorp subsequent to December 31, 2025 were as follows:

Quarter Ended	Payment Date	Rate	
December 31, 2025	February 19, 2026	$	0.9317
March 31, 2026	May 20, 2026		0.9899
June 30, 2026	August 19, 2026		1.0023

Cash Distributions Paid by Sunoco LP

Distributions on Sunoco LP’s common units and Class D Units declared and/or paid by Sunoco LP subsequent to December 31, 2025 were as follows:

Quarter Ended	Payment Date	Rate	
December 31, 2025	February 19, 2026	$	0.9317
March 31, 2026	May 20, 2026		0.9899
June 30, 2026	August 19, 2026		1.0023

Distributions on Sunoco LP’s Series A Preferred Units, which are paid semi-annually, were as follows:

Record Date	Payment Date	Rate	
March 2, 2026	March 18, 2026	$	39.38

Cash Distributions Paid by USAC

Distributions on USAC’s common units declared and/or paid by USAC subsequent to December 31, 2025 were as follows:

Quarter Ended	Payment Date	Rate	
December 31, 2025	February 6, 2026	$	0.525
March 31, 2026	May 8, 2026		0.525
June 30, 2026	August 7, 2026		0.525

CRITICAL ACCOUNTING ESTIMATES

The Partnership’s critical accounting estimates are described in its Annual Report on Form 10-K filed with the SEC on February 19, 2026. We have not made any changes to the accounting policies involving critical accounting estimates subsequent to the Form 10-K filing. Changes to any of the related estimate amounts are discussed in the notes to consolidated financial statements included in “Item 1. Financial Statements” in this quarterly report on Form 10-Q.

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 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;
- the possibility of cyber and malware attacks;
- 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, taxation and tariffs;
- 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;

- risks related to the development of new infrastructure projects or other growth projects, including failure to make sufficient progress to justify continued development, delays in obtaining customers, increased costs of financing and raw materials and regulatory, environmental, political and legal uncertainties that may affect the timing and cost of these projects;
- risks associated with the construction of new pipelines, treating and processing facilities or other facilities, or additions to our subsidiaries' existing pipelines and their 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 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;
- the costs and effects of legal and administrative proceedings; and
- risks associated with a potential failure to successfully combine our business with those of companies we have acquired or may acquire in the future.

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" of our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on February 19, 2026 and in "Part II - Item 1A. Risk Factors" of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2026 filed with the SEC on May 7, 2026. 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 - Quantitative and Qualitative Disclosures About Market Risk" included in the Partnership's Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on February 19, 2026, 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, 2025. Since December 31, 2025, there have been no material changes to our primary market risk exposures or how those exposures are managed.

Commodity Price Risk

The following table 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.

	June 30, 2026			December 31, 2025		
	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						
Natural Gas (BBtu)	(129,145)	$ 7	$ 7	(233,645)	$ 32	$ 9
Power (Megawatt)	(2,115,904)	12	11	(461,896)	2	4
Crude, NGL and refined products (MBbls)	(23,166)	116	122	(59,247)	106	131
Other	various	(75)	10	various	3	7
Fair Value Hedging Derivatives						
Natural Gas (BBtu)	(56,635)	6	11	(100,346)	22	20

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 June 30, 2026, we and our subsidiaries had $3.02 billion of floating rate debt outstanding. A hypothetical change of 100 basis points would result in a maximum potential change to interest expense of $30 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):

Term	Type[1]	Notional Amount Outstanding June 30, 2026
Sunoco LP:		
December 2030 [2]	Pay an average fixed rate of 2.5095% and receive a floating rate	$ 126

[1] Floating rates are based on EURIBOR.

[2] The December 2030 interest rate swap was acquired in conjunction with Sunoco LP's TanQuid acquisition in 2026, with a notional amount of €111 million ($126 million).

Foreign Currency Translation Risk

We generate revenues, incur expenses, and maintain investments and subsidiaries in currencies other than the U.S. dollar. As a result, our reported earnings, cash flows, and AOCI are exposed to fluctuations in foreign currency exchange rates. Changes in exchange rates can affect the U.S. dollar value of our foreign-currency-denominated assets and liabilities, as well as the translation of the operating results and financial position of our international subsidiaries. We may utilize derivative instruments, including foreign currency forward contracts and other hedging strategies, to mitigate the effects of foreign currency-denominated cash flow and earnings exposures. As of June 30, 2026, the Partnership did not have any material outstanding foreign currency derivatives.

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 Officers) 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 Co-Principal Executive Officers and the Principal Financial Officer of our General Partner concluded that our disclosure controls and procedures were effective as of June 30, 2026 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 Co-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 13a-15(f) or Rule 15d-15(f) of the Exchange Act) during the three months ended June 30, 2026 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, 2026 and Note 10 in “Item 1. Financial Statements” in this Quarterly Report on Form 10-Q for the quarter ended June 30, 2026.

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 following environmental proceedings 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 reasonably could result in monetary sanctions in excess of $1 million (previously $0.3 million).

In late 2016, FERC Enforcement Staff began a non-public investigation related to Rover’s purchase and removal of a potentially historic home (known as the Stoneman House) while Rover’s application for permission to construct the new 711-mile interstate natural gas pipeline and related facilities was pending. On March 18, 2021, FERC issued an Order to Show Cause and Notice of Proposed Penalty (Docket No. IN19-4-000), ordering Rover to explain why it should not pay a $20 million civil penalty for alleged violations of FERC regulations requiring certificate holders to be forthright in their submissions of information to the FERC. Rover filed its answer and denial to the order on June 21, 2021 and a surreply on September 15, 2021. FERC issued an order on January 20, 2022 setting the matter for hearing before an administrative law judge. On January 25, 2022, the chief judge assigned an administrative law judge and set a timeline for a prehearing conference.

On February 1, 2022, Energy Transfer and Rover filed a Complaint for Declaratory Relief in the United States District Court for the Northern District of Texas (“USDC”) seeking an order declaring that FERC must bring its enforcement action in federal district court (instead of before an administrative law judge). Also on February 1, 2022, Energy Transfer and Rover filed an expedited request to stay the proceedings before the FERC administrative law judge pending the outcome of the USDC case. On May 24, 2022, the USDC ordered a stay of the FERC’s enforcement case and the USDC case pending the resolution of two cases pending before the United States Supreme Court. Arguments were heard in those cases on November 7, 2022. On April 14, 2023, the United States Supreme Court held against the government in both cases, finding that the USDC had jurisdiction to hear those suits and to resolve the parties’ constitutional challenges. The cases were remanded to the USDC for further proceedings.

On September 13, 2023 the USDC ordered that the USDC case would be stayed pending the resolution of another case pending before the United States Supreme Court and that the FERC enforcement case would remain stayed. On November 13, 2023, the FERC appealed the USDC order to the United States Court of Appeals for the Fifth Circuit (the “Fifth Circuit”). On December 11, 2023, FERC filed a motion to withdraw that appeal, which the Fifth Circuit granted on December 12, 2023. The FERC and USDC proceedings were previously stayed pending resolution of the case pending before the United States Supreme Court. The Supreme Court issued a decision in that case on June 27, 2024. The FERC and USDC proceedings remain stayed at this time. The USDC set a scheduling conference for December 16, 2025. The parties have filed several motions to continue the status conference. On July 22, 2026, the USDC held this matter in abeyance, pending the outcome of settlement discussions between the parties. Notwithstanding the foregoing, Energy Transfer and Rover intend to vigorously defend this claim.

Sunoco LP and certain of its subsidiaries are defendants in lawsuits alleging liability for climate change impacts from greenhouse gas emissions in Hawaii, Maine and Vermont. Plaintiffs in these cases allege deceptive marketing and concealment of information about these effects, violations of state consumer protection and unfair trade practices laws, and seek certain equitable relief, statutory and civil penalties, punitive damages, disgorgement of profits and attorney’s fees. We are unable to estimate the possible loss or range of loss in excess of amounts accrued. Sunoco LP intends to vigorously defend the subject claims.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors described in “Part I – Item 1A. Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on February 19, 2026, as updated by “Part II – Item 1A. Risk Factors” of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2026 filed with the SEC on May 7, 2026 and by Exhibit 99.1 to our current report on Form 8-K filed on July 6, 2026.

ITEM 6. EXHIBITS

The exhibits listed on the following exhibit index are filed or furnished, as indicated, as part of this report:

Exhibit Number	Description
2.1	Plan of Conversion of Energy Transfer LP, dated as of July 2, 2026 (incorporated by reference to Exhibit 2.1 of Form 8-K (File No. 1-32740) filed July 6, 2026)
3.1	Certificate of Formation of Energy Transfer LP, dated as of July 6, 2026 (incorporated by reference to Exhibit 3.1 of Form 8-K (File No. 1-32740) filed July 6, 2026)
3.2	Agreement of Limited Partnership of Energy Transfer LP, dated as of July 6, 2026 (incorporated by reference to Exhibit 3.2 of Form 8-K (File No. 1-32740) filed July 6, 2026)
10.1*	Form of Commercial Paper Dealer Agreement between Energy Transfer LP, as Issuer, and the Dealer party thereto
22.1	Issuers and Guarantors of Registered Securities (incorporated by reference to Exhibit 22.1 of Form 10-Q (File No. 1-32740) filed August 5, 2021)
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; (ii) our Consolidated Statements of Operations; (iii) our Consolidated Statements of Comprehensive Income; (iv) our Consolidated Statements of Equity; (v) our Consolidated Statements of Cash Flows; 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: August 6, 2026

By: /s/ A. Troy Sturrock
A. Troy Sturrock
Group Senior Vice President, Controller and Principal Accounting Officer

Commercial Paper Dealer Agreement 4(a)(2) Program

Between:

ENERGY TRANSFER LP, as Issuer and

[DEALER]., as Dealer

Concerning Notes to be issued pursuant to an Issuing and Paying Agent Agreement dated as of August 19, 2016 between the Issuer and U.S. Bank Trust Company, N.A., as Issuing and Paying Agent, as amended, supplemented or otherwise modified from time to time

Dated as of August 19, 2016

Commercial Paper Dealer Agreement 4(a)(2) Program

This agreement (the "Agreement") sets forth the understandings between the Issuer and the Dealer, each named on the cover page hereof, in connection with the issuance and sale by the Issuer of its short-term promissory notes (the "Notes") through the Dealer.

Certain terms used in this Agreement are defined in Section 6 hereof.

The Addendum to this Agreement, and any Annexes or Exhibits described in this Agreement or such Addendum, are hereby incorporated into this Agreement and made fully a part hereof.

1. Offers, Sales and Resales of Notes.

1.1 While (i) the Issuer has and shall have no obligation to sell the Notes to the Dealer or to permit the Dealer to arrange any sale of the Notes for the account of the Issuer, and (ii) the Dealer has and shall have no obligation to purchase the Notes from the Issuer or to arrange any sale of the Notes for the account of the Issuer, the parties hereto agree that in any case where the Dealer purchases Notes from the Issuer, or arranges for the sale of Notes by the Issuer, such Notes will be purchased or sold by the Dealer in reliance on the representations, warranties, covenants and agreements of the Issuer contained herein or made pursuant hereto and on the terms and conditions and in the manner provided herein.

1.2 So long as this Agreement shall remain in effect, and in addition to the limitations contained in Section 1.7 hereof, the Issuer shall not, without the consent of the Dealer, offer, solicit or accept offers to purchase, or sell, any Notes except (a) in transactions with one or more dealers which may from time to time after the date hereof become dealers with respect to the Notes by executing with the Issuer one or more agreements which contain provisions substantially identical to those contained in Section 1 of this Agreement, of which the Issuer hereby undertakes to provide the Dealer prompt notice or
(b) in transactions with the other dealers listed on the Addendum hereto, which are executing agreements with the Issuer which contain provisions substantially identical to Section 1 of this Agreement contemporaneously herewith. In no event shall the Issuer offer, solicit or accept offers to purchase, or sell, any Notes directly on its own behalf in transactions with persons other than broker-dealers as specifically permitted in this Section 1.2.

1.3 The Notes shall be in a minimum denomination of $250,000 or integral multiples of
$1,000 in excess thereof, will bear such interest rates, if interest bearing, or will be sold at such discount from their face amounts, as shall be agreed upon by the Dealer and the Issuer, shall have a maturity not exceeding 397 days from the date of issuance and may have such terms as are specified in Exhibit C hereto, the Private Placement Memorandum, a pricing supplement, or as otherwise agreed upon by the applicable purchaser and the Issuer. The Notes shall not contain any provision for extension, renewal or automatic "rollover."

1.4 The authentication and issuance of, and payment for, the Notes shall be effected in accordance with the Issuing and Paying Agent Agreement, and the Notes shall be either individual physical certificates or book-entry notes evidenced by one or more master notes (each, a "Master Note") registered in the name of The Depository Trust Company ("DTC") or its nominee, in the form or forms attached hereto as Exhibit D.

1.5 If the Issuer and the Dealer shall agree on the terms of the purchase of any Note by the Dealer or the sale of any Note arranged by the Dealer (including, but not limited to, agreement with respect to the date of issue, purchase price, principal amount, maturity and interest rate or interest rate index and margin (in the case of interest-bearing Notes) or discount thereof (in the case of Notes issued on a discount basis), and appropriate compensation for the Dealer's services hereunder) pursuant to this Agreement, the Issuer shall cause such Note to be issued and delivered in accordance with the terms of the Issuing and Paying Agent Agreement and payment for such Note shall be made by the purchaser thereof, either directly or through the Dealer, to the Issuing and Paying Agent, for the account of the Issuer. Except as otherwise agreed, in the event that the Dealer is acting as an agent and a purchaser shall either fail to accept delivery of or make payment for a Note on the date fixed for settlement, the Dealer shall promptly notify the Issuer, and if the Dealer has theretofore paid the Issuer for the Note, the Issuer will promptly return such funds to the Dealer against its return of the Note to the Issuer, in the case of a certificated Note, and upon notice of such failure in the case of a book-entry Note. If such failure occurred for any reason other than default by the Dealer, the Issuer shall reimburse the Dealer on an equitable basis for the Dealer's loss of the use of such funds for the period such funds were credited to the Issuer's account.

1.6 The Dealer and the Issuer hereby establish and agree to observe the following procedures in connection with offers, sales and subsequent resales or other transfers of the Notes:

(a) Offers and sales of the Notes by or through the Dealer shall be made only to: (i) investors reasonably believed by the Dealer to be Qualified Institutional Buyers or Institutional Accredited Investors and (ii) non-bank fiduciaries or agents that will be purchasing Notes for one or more accounts, each of which is reasonably believed by the Dealer to be an Institutional Accredited Investor.

(b) Resales and other transfers of the Notes by the holders thereof shall be made only in accordance with the restrictions in the legend described in clause (e) below.

(c) No general solicitation or general advertising shall be used in connection with the offering of the Notes. Without limiting the generality of the foregoing, without the prior written approval of the Dealer, the Issuer shall not issue any press release, make any other statement to any member of the press making reference to the Notes, the offer or sale of the Notes or this Agreement or place or publish any "tombstone" or other advertisement relating to the Notes or the offer or sale thereof. To the extent permitted by applicable securities laws, the Issuer shall (i) omit the name of the Dealer from any publicly available filing by the Issuer that makes reference to the Notes, the offer or sale of the Notes or this Agreement and (ii) redact the Dealer's name and any contact or other information that could identify the Dealer from any agreement (including this Agreement) or other information included in such filing (or as an exhibit thereto). For the avoidance of doubt, the Issuer shall not post the Private Placement Memorandum on a website without the consent of the Dealer and each other dealer or placement agent, if any, for the Notes.

(d) No sale of Notes to any one purchaser shall be for less than $250,000 principal or face amount, and no Note shall be issued in a smaller principal or face amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom such purchaser is acting must purchase at least $250,000 principal or face amount of Notes.

(e) Offers and sales of the Notes shall be subject to the restrictions described in the legend appearing on Exhibit A hereto. A legend substantially to the effect of such Exhibit A shall appear as part of the Private Placement Memorandum used in connection with offers and sales of Notes hereunder, as well as on each individual certificate representing a Note and each Master Note representing book-entry Notes offered and sold pursuant to this Agreement.

(f) The Dealer shall furnish or shall have furnished to each purchaser of Notes for which it has acted as the dealer a copy of the then-current Private Placement Memorandum unless such purchaser has previously received a copy of the Private Placement Memorandum as then in effect. The Private Placement Memorandum shall expressly state that any person to whom Notes are offered shall have an opportunity to ask questions of, and receive information from, the Issuer and the Dealer and shall provide the names, addresses and telephone numbers of the persons from whom information regarding the Issuer may be obtained.

(g) The Issuer agrees, for the benefit of the Dealer and each of the holders and prospective purchasers from time to time of the Notes that, if at any time the Issuer shall not be subject to Section 13 or 15(d) of the Exchange Act, the Issuer will furnish, upon request and at its expense, to the Dealer and to holders and prospective purchasers of Notes information required by Rule 144A(d)(4)(i) in compliance with Rule 144A(d).

(h) In the event that any Note offered or to be offered by the Dealer would be ineligible for resale under Rule 144A, the Issuer shall immediately notify the Dealer (by telephone, confirmed in writing) of such fact and shall promptly prepare and deliver to the Dealer an amendment or supplement to the Private Placement Memorandum describing the Notes that are ineligible, the reason for such ineligibility and any other relevant information relating thereto.

(i) The Issuer represents that, on the date hereof, it is not currently issuing commercial paper in the United States market in reliance upon the exemption provided by Section 3(a)(3) of the Securities Act. The Issuer agrees that, if it shall issue commercial paper after the date hereof in reliance upon such exemption (a) the proceeds from the sale of the Notes will be segregated from the proceeds of the sale of any such commercial paper by being placed in a separate account; (b) the Issuer will institute appropriate corporate procedures to ensure that the offers and sales of notes issued by the Issuer pursuant to the Section 3(a)(3) exemption are not integrated with offerings and sales of Notes hereunder; and (c) the Issuer will comply with each of the requirements of Section 3(a)(3) of the Securities Act in selling commercial paper or other short-term debt securities other than the Notes in the United States.

1.7 The Issuer hereby represents and warrants to the Dealer, in connection with offers, sales and resales of Notes, as follows:

(a) The Issuer hereby confirms to the Dealer that (except as permitted by Section 1.6(i)) within the preceding six months neither the Issuer nor any person other than the Dealer or the other dealers referred to in Section 1.2 hereof acting on behalf of the

Issuer has offered or sold any Notes, or any substantially similar security of the Issuer (including, without limitation, medium-term notes issued by the Issuer), to, or solicited offers to buy any such security from, any person other than the Dealer or the other dealers referred to in Section 1.2 hereof. The Issuer also agrees that (except as permitted by Section 1.6(i)), as long as the Notes are being offered for sale by the Dealer and the other dealers referred to in Section 1.2 hereof as contemplated hereby and until at least six months after the offer of Notes hereunder has been terminated, neither the Issuer nor any person other than the Dealer or the other dealers referred to in Section 1.2 hereof (except as contemplated by Section 1.2 hereof) will offer the Notes or any substantially similar security of the Issuer for sale to, or solicit offers to buy any such security from, any person other than the Dealer or the other dealers referred to in Section 1.2 hereof, it being understood that such agreement is made with a view to bringing the offer and sale of the Notes within the exemption provided by Section 4(a)(2) of the Securities Act and shall survive any termination of this Agreement. The Issuer hereby represents and warrants that it has not taken or omitted to take, and will not take or omit to take, any action that would cause the offering and sale of Notes hereunder to be integrated with any other offering of securities, whether such offering is made by the Issuer or some other party or parties.

(b) The Issuer represents and agrees that the proceeds of the sale of the Notes are not currently contemplated to be used for the purpose of buying, carrying or trading securities within the meaning of Regulation T and the interpretations thereunder by the Board of Governors of the Federal Reserve System. In the event that the Issuer determines to use such proceeds for the purpose of buying, carrying or trading securities, whether in connection with an acquisition of another company or otherwise, the Issuer shall give the Dealer at least five business days' prior written notice to that effect. The Issuer shall also give the Dealer prompt notice of the actual date that it commences to purchase securities with the proceeds of the Notes. Thereafter, in the event that the Dealer purchases Notes as principal and does not resell such Notes on the day of such purchase, to the extent necessary to comply with Regulation T and the interpretations thereunder, the Dealer will sell such Notes either (i) only to offerees it reasonably believes to be Qualified Institutional Buyers or to Qualified Institutional Buyers it reasonably believes are acting for other Qualified Institutional Buyers, in each case in accordance with Rule 144A or (ii) in a manner which would not cause a violation of Regulation T and the interpretations thereunder.

2. Representations and Warranties of Issuer.

The Issuer represents and warrants that:

2.1 The Issuer is duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization, having all powers and authority to execute, deliver and perform its obligations under the Notes, this Agreement and the Issuing and Paying Agent Agreement.

2.2 This Agreement and the Issuing and Paying Agent Agreement have been duly authorized, executed and delivered by the Issuer and constitute legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), and except as rights under this Agreement to indemnity and contribution may be limited by federal or state laws.

2.3 The Notes have been duly authorized, and when issued as provided in the Issuing and Paying Agent Agreement, will be duly and validly issued and will constitute legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms, in each case, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

2.4 The offer and sale of the Notes in the manner contemplated hereby do not require registration of the Notes under the Securities Act, pursuant to the exemption from registration contained in Section 4(a)(2) thereof, and no indenture in respect of the Notes is required to be qualified under the Trust Indenture Act of 1939, as amended.

2.5 The Notes will rank at least pari passu in right of payment with all other unsecured and unsubordinated indebtedness of the Issuer.

2.6 No consent or action of, or filing or registration with, any governmental or public regulatory body or authority, including the SEC, is required to authorize, or is otherwise required in connection with the execution, delivery or performance of, this Agreement, the Notes or the Issuing and Paying Agent Agreement, except as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Notes and except for the filing of any Current Report on Form 8-K with the SEC as may be required under the Exchange Act regarding any of the foregoing.

2.7 Neither the execution and delivery of this Agreement and the Issuing and Paying Agent Agreement, nor the issuance of the Notes in accordance with the Issuing and Paying Agent Agreement, nor the fulfillment of or compliance with the terms and provisions hereof or thereof by the Issuer, will (i) result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Issuer, or (ii) violate or result in a breach or a default under any of the terms of the Issuer's organizational documents, any contract or instrument to which the Issuer is a party or by which it or its property is bound, or any law or regulation, or any order, writ, injunction or decree of any court or government instrumentality, to which the Issuer is subject or by which it or its property is bound, which breach or default could reasonably be expected to have a material adverse effect on the condition (financial or otherwise) or operations of the Issuer or the ability of the Issuer to perform its obligations under this Agreement, the Notes or the Issuing and Paying Agent Agreement.

2.8 There is no litigation or governmental proceeding pending, or to the knowledge of the Issuer threatened, against or affecting the Issuer or any of its subsidiaries which could reasonably be expected to have a material adverse effect on the condition (financial or otherwise) or operations of the Issuer or the ability of the Issuer to perform its obligations under this Agreement, the Notes or the Issuing and Paying Agent Agreement.

2.9 The Issuer is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

2.10 Neither the Private Placement Memorandum (excluding the Dealer Information) nor the Company Information contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

2.11 Since August 19, 2011, neither the Issuer nor any of its subsidiaries, directors or officers, nor, to the knowledge of the Issuer, any agent, employee, representative or affiliate or other person acting on behalf of the Issuer or any of its subsidiaries or affiliates (i) has used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) has made any direct or indirect unlawful contribution or payment to any official or employee of, or candidate for, any federal, state or foreign government office from corporate funds; (iii) has made any bribe, unlawful rebate, payoff, influence payment, kickback or other unlawful payment; or (iv) has taken any action, directly or indirectly, in violation of the U.S. Foreign Corrupt Practices Act of 1977 or the U.K. Bribery Act 2010, each as may be amended, or the rules or regulations thereunder, or any applicable similar anti-corruption law, rule or regulation of any other relevant jurisdiction (collectively, "Anti-Corruption Laws"); to the actual knowledge of the Issuer after due inquiry, the Issuer, its subsidiaries and affiliates have each conducted their businesses in compliance with Anti-Corruption Laws and have instituted and maintain policies and procedures designed to ensure, and which are expected to continue to ensure, continued compliance therewith; and no part of the proceeds of the Notes will be used, directly or indirectly, in violation of any Anti-Corruption Law.

2.12 The operations of the Issuer and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements, including, without limitation, those of the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 and the Currency and Foreign Transactions Reporting Act of 1970, as amended, and the applicable money laundering statutes of jurisdictions where the Issuer and its subsidiaries conduct business, and the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "Money Laundering Laws") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Issuer or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the actual knowledge of the Issuer, threatened.

2.13 Neither the Issuer nor any of its subsidiaries nor any director or officer, nor, to the knowledge of the Issuer, any agent, employee, representative or affiliate of the Issuer or any of its subsidiaries (i) is, or is controlled or 50% or more owned in the aggregate by or is acting on behalf of, one or more individuals or entities that are currently the subject of any sanctions administered or enforced by the United States (including any administered or enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State or the Bureau of Industry and Security of the U.S. Department of Commerce), the United Nations Security Council, the European Union, a member state of the European Union (including sanctions administered or enforced by Her Majesty's Treasury of the United Kingdom) or other relevant sanctions authority (collectively, "Sanctions" and such persons, "Sanctioned Persons" and each such person, a "Sanctioned Person"); (ii) is located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions (collectively, "Sanctioned Countries" and each, a "Sanctioned Country"); or (iii) will, directly or indirectly, use the proceeds of the Notes, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other individual or entity (x) to fund or facilitate any activities or business of or with any Sanctioned Person or vessel that is the subject of Sanctions or in any Sanctioned Country, at the time of such funding or facilitation, or (y) in any manner that would result in a violation of any Sanctions by, or could result in the imposition of Sanctions against, any individual or entity (including any individual or entity participating in the offering of Notes, whether as dealer, advisor, investor or otherwise).

2.14 Neither the Issuer nor any of its subsidiaries or affiliates has engaged in any dealings or transactions with or for the benefit of a Sanctioned Person, or with or in a Sanctioned Country, since August 19, 2013, nor does the Issuer or any of its subsidiaries or affiliates have any plans to increase its dealings or transactions, or commence any dealing or transaction, with or for the benefit of a Sanctioned Person, or with or in a Sanctioned Country.

2.15 Each (a) issuance of Notes by the Issuer hereunder and (b) amendment or supplement of the Private Placement Memorandum shall be deemed a representation and warranty by the Issuer to the Dealer, as of the date thereof, that, both before and after giving effect to such issuance and after giving effect to such amendment or supplement, (i) the representations and warranties given by the Issuer set forth in this Section 2 remain true and correct on and as of such date as if made on and as of such date, (ii) in the case of an issuance of Notes, the Notes being issued on such date have been duly and validly issued and constitute legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and (iii) in the case of an issuance of Notes, since the date of the most recent Private Placement Memorandum, there has been no material adverse change in the condition (financial or otherwise) or operations of the Issuer which has not been disclosed to the Dealer in writing.

3. Covenants and Agreements of Issuer.

The Issuer covenants and agrees that:

3.1 The Issuer will give the Dealer prompt notice (but in any event prior to any subsequent issuance of Notes hereunder) of any amendment to, modification of or waiver with respect to, the Notes or the Issuing and Paying Agent Agreement, including a complete copy of any such amendment, modification or waiver.

3.2 Unless the Issuer has notified the Dealer in writing that it has suspended all offers and sales of the Notes, the Issuer shall, whenever there shall occur any change in the Issuer's condition (financial or otherwise) or operations or any development or occurrence in relation to the Issuer that would be material and adverse to the interests of holders of the Notes or potential holders of the Notes (including any downgrading or receipt of any notice of intended or potential downgrading or any notice of placement on credit watch for possible downgrading in the rating accorded any of the Issuer's securities by any nationally recognized statistical rating organization that has been engaged by the Issuer to rate the

Notes and has published a rating of the Notes), promptly, and in any event, prior to any subsequent issuance of Notes hereunder, notify the Dealer that such a change, development or occurrence exists. For the avoidance of doubt, such notification is required only to disclose the existence of any such change, development or occurrence, and is not required to disclose the details of or any further information of any kind relating to any such change, development or occurrence.

3.3 The Issuer shall from time to time furnish to the Dealer any press release or other non- confidential information as the Dealer may reasonably request regarding (i) the Issuer's operations and financial condition, (ii) the due authorization and execution of the Notes and (iii) the Issuer's ability to pay the Notes as they mature; *provided* that the Issuer shall have no obligation to furnish any material non-public information or information it is required to keep confidential.

3.4 The Issuer will take all such action as the Dealer may reasonably request to ensure that each offer and each sale of the Notes will comply with any applicable state Blue Sky laws; provided, however, that the Issuer shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation in any jurisdiction in which it is not so qualified or subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

3.5 The Issuer will not be in default of any of its obligations under the Notes at any time that any of the Notes are outstanding.

3.6 The Issuer shall not issue Notes hereunder until the Dealer shall have received (a) an opinion of counsel to the Issuer, addressed to the Dealer, reasonably satisfactory in form and substance to the Dealer, (b) a copy of the executed Issuing and Paying Agent Agreement as then in effect, (c) a copy of resolutions adopted by the Board of Directors of the Issuer, reasonably satisfactory in form and substance to the Dealer and certified by the Secretary or similar officer of the Issuer, authorizing execution and delivery by the Issuer of this Agreement, the Issuing and Paying Agent Agreement and the Notes and consummation by the Issuer of the transactions contemplated hereby and thereby, (d) a certificate of the secretary, assistant secretary or other designated officer of the Issuer certifying as to (i) the Issuer's organizational documents, and attaching true, correct and complete copies thereof, (ii) the Issuer's representations and warranties being true and correct in all material respects, and (iii) the incumbency of the officers of the Issuer authorized to execute and deliver this Agreement, the Issuing and Paying Agency Agreement and the Notes, and take other action on behalf of the Issuer in connection with the transactions contemplated thereby, (e) prior to the issuance of any book-entry Notes represented by a master note registered in the name of DTC or its nominee, a copy of the executed Letter of Representations among the Issuer, the Issuing and Paying Agent and DTC and of the executed master note, (f) prior to the issuance of any Notes in physical form, a copy of such form (unless attached to this Agreement or the Issuing and Paying Agent Agreement), (g) confirmation of the then current rating assigned to the Notes by each nationally recognized statistical rating organization that has been engaged by the Issuer to rate the Notes and is then rating the Notes, and (h) such other certificates, opinions, letters and documents as the Dealer shall have reasonably requested.

3.7 The Issuer shall reimburse the Dealer for all of the Dealer's reasonable out-of-pocket expenses related to this Agreement, including reasonable expenses incurred in connection with its preparation and negotiation, and the transactions contemplated hereby (including, but not limited to, the printing and distribution of the Private Placement Memorandum), and for the reasonable fees and out-of-pocket expenses of the Dealer's counsel.

3.8 The Issuer shall not file a Form D (as referenced in Rule 503 under the Securities Act) at any time in respect of the offer or sale of the Notes.

3.9 Without limiting any obligation of the Issuer pursuant to this Agreement to provide the Dealer with credit and financial information, the Issuer hereby acknowledges and agrees that the Dealer may share the Company Information (other than any Company Information to the extent that it consists of information that the Issuer has designated in writing to the Dealer as confidential) and any other non-confidential information or matters relating to the Issuer or the transactions contemplated hereby with affiliates of the Dealer, including, but not limited to, ________________and that such affiliates may likewise share information relating to the Issuer or such transactions with the Dealer.

4. Disclosure.

4.1 The Private Placement Memorandum and its contents (other than the Dealer Information) shall be the sole responsibility of the Issuer. The Private Placement Memorandum shall contain a statement expressly offering an opportunity for each prospective purchaser to ask questions of, and receive answers from, the Issuer concerning the offering of Notes and to obtain relevant additional information which the Issuer possesses or can acquire without unreasonable effort or expense.

4.2 The Issuer agrees to promptly furnish the Dealer the Company Information as it becomes available.

4.3 (a) The Issuer further agrees to notify the Dealer promptly upon the occurrence of any event relating to or affecting the Issuer that would cause the Company Information then in existence to include an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they are made, not misleading.

(a) In the event that the Issuer gives the Dealer notice pursuant to Section 4.3(a) and (i) the Issuer is selling Notes in accordance with Section 1 or (ii) the Dealer notifies the Issuer that it then has Notes it is holding in inventory, the Issuer agrees promptly to supplement or amend the Private Placement Memorandum so that the Private Placement Memorandum, as amended or supplemented (and including the information incorporated by reference therein), shall not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and the Issuer shall make such supplement or amendment available to the Dealer.

(b) In the event that (i) the Issuer gives the Dealer notice pursuant to Section 4.3(a), (ii) (A) the Issuer is not selling Notes in accordance with Section 1 and (B) the Dealer does not notify the Issuer that it is then holding Notes in inventory and (iii) the Issuer chooses not to promptly amend or supplement the Private Placement Memorandum in the manner described in clause (b) above, then all solicitations and sales of Notes shall be suspended applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), and except as rights under this Agreement to indemnity and contribution may be limited by federal or state laws.

4.4 The Notes have been duly authorized, and when issued as provided in the Issuing and Paying Agent Agreement, will be duly and validly issued and will constitute legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms, in each case, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

4.5 The offer and sale of the Notes in the manner contemplated hereby do not require registration of the Notes under the Securities Act, pursuant to the exemption from registration contained in Section 4(a)(2) thereof, and no indenture in respect of the Notes is required to be qualified under the Trust Indenture Act of 1939, as amended.

4.6 The Notes will rank at least pari passu in right of payment with all other unsecured and unsubordinated indebtedness of the Issuer.

4.7 No consent or action of, or filing or registration with, any governmental or public regulatory body or authority, including the SEC, is required to authorize, or is otherwise required in connection with the execution, delivery or performance of, this Agreement, the Notes or the Issuing and Paying Agent Agreement, except as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Notes and except for the filing of any Current Report on Form 8-K with the SEC as may be required under the Exchange Act regarding any of the foregoing.

4.8 Neither the execution and delivery of this Agreement and the Issuing and Paying Agent Agreement, nor the issuance of the Notes in accordance with the Issuing and Paying Agent Agreement, nor the fulfillment of or compliance with the terms and provisions hereof or thereof by the Issuer, will (i) result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Issuer, or (ii) violate or result in a breach or a default under any of the terms of the Issuer's organizational documents, any contract or instrument to which the Issuer is a party or by which it or its property is bound, or any law or regulation, or any order, writ, injunction or decree of any court or government instrumentality, to which the Issuer is subject or by which it or its property is bound, which breach or default could reasonably be expected to have a material adverse effect on the condition (financial or otherwise) or operations of the Issuer or the ability of the Issuer to perform its obligations under this Agreement, the Notes or the Issuing and Paying Agent Agreement.

4.9 There is no litigation or governmental proceeding pending, or to the knowledge of the Issuer threatened, against or affecting the Issuer or any of its subsidiaries which could reasonably be expected to have a material adverse effect on the condition (financial or otherwise) or operations of the Issuer or the ability of the Issuer to perform its obligations under this Agreement, the Notes or the Issuing and Paying Agent Agreement.

4.10 The Issuer is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

4.11 Neither the Private Placement Memorandum (excluding the Dealer Information) nor the Company Information contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

4.12 Since August 19, 2011, neither the Issuer nor any of its subsidiaries, directors or officers, nor, to the knowledge of the Issuer, any agent, employee, representative or affiliate or other person acting on behalf of the Issuer or any of its subsidiaries or affiliates (i) has used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) has made any direct or indirect unlawful contribution or payment to any official or employee of, or candidate for, any federal, state or foreign government office from corporate funds; (iii) has made any bribe, unlawful rebate, payoff, influence payment, kickback or other unlawful payment; or (iv) has taken any action, directly or indirectly, in violation of the U.S. Foreign Corrupt Practices Act of 1977 or the U.K. Bribery Act 2010, each as may be amended, or the rules or regulations thereunder, or any applicable similar anti-corruption law, rule or regulation of any other relevant jurisdiction (collectively, "Anti-Corruption Laws"); to the actual knowledge of the Issuer after due inquiry, the Issuer, its subsidiaries and affiliates have each conducted their businesses in compliance with Anti-Corruption Laws and have instituted and maintain policies and procedures designed to ensure, and which are expected to continue to ensure, continued compliance therewith; and no part of the proceeds of the Notes will be used, directly or indirectly, in violation of any Anti-Corruption Law.

4.13 The operations of the Issuer and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements, including, without limitation, those of the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 and the Currency and Foreign Transactions Reporting Act of 1970, as amended, and the applicable money laundering statutes of jurisdictions where the Issuer and its subsidiaries conduct business, and the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "Money Laundering Laws") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Issuer or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the actual knowledge of the Issuer, threatened.

4.14 Neither the Issuer nor any of its subsidiaries nor any director or officer, nor, to the knowledge of the Issuer, any agent, employee, representative or affiliate of the Issuer or any of its subsidiaries (i) is, or is controlled or 50% or more owned in the aggregate by or is acting on behalf of, one or more individuals or entities that are currently the subject of any sanctions administered or enforced by the United States (including any administered or enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State or the Bureau of Industry and Security of the U.S. Department of Commerce), the United Nations Security Council, the European Union, a member state of the European Union (including sanctions administered or enforced by Her Majesty's Treasury of the United Kingdom) or other relevant sanctions authority (collectively, "Sanctions" and such persons, "Sanctioned Persons" and each such person, a "Sanctioned Person"); (ii) is located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions (collectively, "Sanctioned Countries" and each, a "Sanctioned Country"); or (iii) will, directly or indirectly, use the proceeds of the Notes, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other individual or entity (x) to fund or facilitate any activities or business of or with any Sanctioned Person or vessel that is the subject of Sanctions or in any Sanctioned Country, at the time of such funding or facilitation, or (y) in any manner that would result in a violation of any Sanctions by, or could result in the imposition of Sanctions against, any individual or entity (including any individual or entity participating in the offering of Notes, whether as dealer, advisor, investor or otherwise).

4.15 Neither the Issuer nor any of its subsidiaries or affiliates has engaged in any dealings or transactions with or for the benefit of a Sanctioned Person, or with or in a Sanctioned Country, since August 19, 2013, nor does the Issuer or any of its subsidiaries or affiliates have any plans to increase its dealings or transactions, or commence any dealing or transaction, with or for the benefit of a Sanctioned Person, or with or in a Sanctioned Country.

4.16 Each (a) issuance of Notes by the Issuer hereunder and (b) amendment or supplement of the Private Placement Memorandum shall be deemed a representation and warranty by the Issuer to the Dealer, as of the date thereof, that, both before and after giving effect to such issuance and after giving effect to such amendment or supplement, (i) the representations and warranties given by the Issuer set forth in this Section 2 remain true and correct on and as of such date as if made on and as of such date, (ii) in the case of an issuance of Notes, the Notes being issued on such date have been duly and validly issued and constitute legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and (iii) in the case of an issuance of Notes, since the date of the most recent Private Placement Memorandum, there has been no material adverse change in the condition (financial or otherwise) or operations of the Issuer which has not been disclosed to the Dealer in writing.

5. Covenants and Agreements of Issuer.

The Issuer covenants and agrees that:

5.1 The Issuer will give the Dealer prompt notice (but in any event prior to any subsequent issuance of Notes hereunder) of any amendment to, modification of or waiver with respect to, the Notes or the Issuing and Paying Agent Agreement, including a complete copy of any such amendment, modification or waiver.

5.2 Unless the Issuer has notified the Dealer in writing that it has suspended all offers and sales of the Notes, the Issuer shall, whenever there shall occur any change in the Issuer's condition (financial or otherwise) or operations or any development or occurrence in relation to the Issuer that would be material and adverse to the interests of holders of the Notes or potential holders of the Notes (including any downgrading or receipt of any notice of intended or potential downgrading or any notice of placement on credit watch for possible downgrading in the rating accorded any of the Issuer's securities by any nationally recognized statistical rating organization that has been engaged by the Issuer to rate the

Notes and has published a rating of the Notes), promptly, and in any event, prior to any subsequent issuance of Notes hereunder, notify the Dealer that such a change, development or occurrence exists. For the avoidance of doubt, such notification is required only to disclose the existence of any such change, development or occurrence, and is not required to disclose the details of or any further information of any kind relating to any such change, development or occurrence.

5.3 The Issuer shall from time to time furnish to the Dealer any press release or other non- confidential information as the Dealer may reasonably request regarding (i) the Issuer's operations and financial condition, (ii) the due authorization and execution of the Notes and (iii) the Issuer's ability to pay the Notes as they mature; *provided* that the Issuer shall have no obligation to furnish any material non-public information or information it is required to keep confidential.

5.4 The Issuer will take all such action as the Dealer may reasonably request to ensure that each offer and each sale of the Notes will comply with any applicable state Blue Sky laws; provided, however, that the Issuer shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation in any jurisdiction in which it is not so qualified or subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

5.5 The Issuer will not be in default of any of its obligations under the Notes at any time that any of the Notes are outstanding.

5.6 The Issuer shall not issue Notes hereunder until the Dealer shall have received (a) an opinion of counsel to the Issuer, addressed to the Dealer, reasonably satisfactory in form and substance to the Dealer, (b) a copy of the executed Issuing and Paying Agent Agreement as then in effect, (c) a copy of resolutions adopted by the Board of Directors of the Issuer, reasonably satisfactory in form and substance to the Dealer and certified by the Secretary or similar officer of the Issuer, authorizing execution and delivery by the Issuer of this Agreement, the Issuing and Paying Agent Agreement and the Notes and consummation by the Issuer of the transactions contemplated hereby and thereby, (d) a certificate of the secretary, assistant secretary or other designated officer of the Issuer certifying as to (i) the Issuer's organizational documents, and attaching true, correct and complete copies thereof, (ii) the Issuer's representations and warranties being true and correct in all material respects, and (iii) the incumbency of the officers of the Issuer authorized to execute and deliver this Agreement, the Issuing and Paying Agency Agreement and the Notes, and take other action on behalf of the Issuer in connection with the transactions contemplated thereby, (e) prior to the issuance of any book-entry Notes represented by a master note registered in the name of DTC or its nominee, a copy of the executed Letter of Representations among the Issuer, the Issuing and Paying Agent and DTC and of the executed master note, (f) prior to the issuance of any Notes in physical form, a copy of such form (unless attached to this Agreement or the Issuing and Paying Agent Agreement), (g) confirmation of the then current rating assigned to the Notes by each nationally recognized statistical rating organization that has been engaged by the Issuer to rate the Notes and is then rating the Notes, and (h) such other certificates, opinions, letters and documents as the Dealer shall have reasonably requested.

5.7 The Issuer shall reimburse the Dealer for all of the Dealer's reasonable out-of-pocket expenses related to this Agreement, including reasonable expenses incurred in connection with its preparation and negotiation, and the transactions contemplated hereby (including, but not limited to, the printing and distribution of the Private Placement Memorandum), and for the reasonable fees and out-of-pocket expenses of the Dealer's counsel.

5.8 The Issuer shall not file a Form D (as referenced in Rule 503 under the Securities Act) at any time in respect of the offer or sale of the Notes.

5.9 Without limiting any obligation of the Issuer pursuant to this Agreement to provide the Dealer with credit and financial information, the Issuer hereby acknowledges and agrees that the Dealer may share the Company Information (other than any Company Information to the extent that it consists of information that the Issuer has designated in writing to the Dealer as confidential) and any other non-confidential information or matters relating to the Issuer or the transactions contemplated hereby with affiliates of the Dealer, including, but not limited to, ________________and that such affiliates may likewise share information relating to the Issuer or such transactions with the Dealer.

6. Disclosure.

6.1 The Private Placement Memorandum and its contents (other than the Dealer Information) shall be the sole responsibility of the Issuer. The Private Placement Memorandum shall contain a statement expressly offering an opportunity for each prospective purchaser to ask questions of, and receive answers from, the Issuer concerning the offering of Notes and to obtain relevant additional information which the Issuer possesses or can acquire without unreasonable effort or expense.

6.2 The Issuer agrees to promptly furnish the Dealer the Company Information as it becomes available.

6.3 (a) The Issuer further agrees to notify the Dealer promptly upon the occurrence of any event relating to or affecting the Issuer that would cause the Company Information then in existence to include an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they are made, not misleading.

(a) In the event that the Issuer gives the Dealer notice pursuant to Section 4.3(a) and (i) the Issuer is selling Notes in accordance with Section 1 or (ii) the Dealer notifies the Issuer that it then has Notes it is holding in inventory, the Issuer agrees promptly to supplement or amend the Private Placement Memorandum so that the Private Placement Memorandum, as amended or supplemented (and including the information incorporated by reference therein), shall not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and the Issuer shall make such supplement or amendment available to the Dealer.

(b) In the event that (i) the Issuer gives the Dealer notice pursuant to Section 4.3(a), (ii) (A) the Issuer is not selling Notes in accordance with Section 1 and (B) the Dealer does not notify the Issuer that it is then holding Notes in inventory and (iii) the Issuer chooses not to promptly amend or supplement the Private Placement Memorandum in the manner described in clause (b) above, then all solicitations and sales of Notes shall be suspended until such time as the Issuer has so amended or supplemented the Private Placement Memorandum, and made such amendment or supplement available to the Dealer.

(c) Without limiting the generality of Section 4.3(a), to the extent that the Private Placement Memorandum sets forth financial information of the Issuer (other than financial information included in a report described in clause (i) of the definition of "Company Information" that (i) is incorporated by reference in the Private Placement Memorandum or
(ii) the Private Placement Memorandum expressly states is being made available to holders and prospective purchasers of the Notes but is not otherwise set forth therein), the Issuer shall review, amend and supplement the Private Placement Memorandum on a periodic basis, but no less than at least once annually, to incorporate current financial information of the Issuer to the extent necessary to ensure that the information provided or incorporated by reference in the Private Placement Memorandum is accurate and complete; *provided* that such obligation shall be suspended to the extent, and for the period, that the Issuer has suspended all solicitations and sales of the Notes as contemplated by Section 4.3(c).

6.4 Notwithstanding anything herein to the contrary, for so long as the Issuer is required to file copies of the information, documents and other reports required hereunder (or copies of such portions of any of the foregoing as the SEC may by rules and regulations prescribe) with the SEC pursuant to Section 13 or 15(d) of the Exchange Act, such information, documents and other reports shall be deemed to be delivered in compliance with the terms hereof upon such filing thereof; *provided* that such filing will not be deemed to satisfy the Issuer's obligations under Section 3.2.

7. Indemnification and Contribution.

7.1 The Issuer will indemnify and hold harmless the Dealer, each individual, corporation, partnership, trust, association or other entity controlling the Dealer, any affiliate of the Dealer or any such controlling entity and their respective directors, officers and employees, (hereinafter the "Indemnitees") against any and all liabilities, penalties, suits, causes of action, losses, damages, claims, costs and expenses (including, without limitation, reasonable fees and disbursements of counsel) or judgments of whatever kind or nature (each a "Claim"), imposed upon, incurred by or asserted against the Indemnitees arising out of or based upon (i) any allegation that the Private Placement Memorandum, the Company Information or any information provided by the Issuer to the Dealer included (as of any relevant time) or includes an untrue statement of a material fact or omitted (as of any relevant time) or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or (ii) the breach by the Issuer of any agreement, covenant or representation made in or pursuant to this Agreement. This indemnification shall not apply to the extent that the Claim arises out of or is based upon Dealer Information.

7.2 Provisions relating to claims made for indemnification under this Section 5 are set forth on Exhibit B to this Agreement.

7.3 In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Section 5 is held to be unavailable or insufficient to hold harmless the Indemnitees, although applicable in accordance with the terms of this Section 5 and Exhibit B, the Issuer shall contribute to the aggregate costs incurred by the Dealer in connection with any Claim in the proportion of the respective economic interests of the Issuer and the Dealer; provided, however, that such contribution by the Issuer shall be in an amount such that the aggregate costs incurred by the Dealer do not exceed the aggregate of the commissions and fees earned by the Dealer hereunder with respect to the issue or issues of Notes to which such Claim relates. The respective economic interests shall be calculated by reference to the aggregate proceeds to the Issuer of the Notes issued hereunder and the aggregate commissions and fees earned by the Dealer hereunder.

8. Definitions.

8.1 "Anti-Corruption Law" shall have the meaning set forth in Section 2.11.

8.2 "Claim" shall have the meaning set forth in Section 5.1.

8.3 "Company Information" at any given time shall mean the Private Placement Memorandum together with, to the extent applicable, (i) the Issuer's most recent report on Form 10-K filed with the SEC and each report on Form 10-Q or 8-K filed by the Issuer with the SEC since the most recent Form 10-K, (ii) the Issuer's most recent annual audited financial statements and each interim financial statement or report prepared subsequent thereto, if not included in item (i) above, (iii) the Issuer's and its affiliates' other publicly available recent reports, including, but not limited to, any publicly available filings or reports provided to their respective shareholders, (iv) any other information or disclosure prepared pursuant to Section 4.3 hereof and (v) any information prepared or approved by the Issuer for dissemination to investors or potential investors in the Notes.

8.4 "Current Issuing and Paying Agent" shall have the meaning set forth in Section 7.9(i).

8.5 "Dealer Information" shall mean material concerning the Dealer (including, without limitation, the information contained in the Private Placement Memorandum under the heading entitled "THE PLACEMENT AGENT") provided by the Dealer in writing expressly for inclusion in the Private Placement Memorandum.

8.6 "Exchange Act" shall mean the U.S. Securities Exchange Act of 1934, as amended.

8.7 "Indemnitee" shall have the meaning set forth in Section 5.1.

8.8 "Institutional Accredited Investor" shall mean an accredited investor within the meaning of Rule 501 under the Securities Act that is not a natural person and that has such knowledge and experience in financial and business matters that it is capable of evaluating and bearing the economic risk of an investment in the Notes, including, but not limited to, a bank, as defined in Section 3(a)(2) of the Securities Act, or a savings and loan association or other institution, as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity.

8.9 "Issuing and Paying Agent Agreement" shall mean the issuing and paying agent agreement described on the cover page of this Agreement, or any replacement thereof, as such agreement may be amended or supplemented from time to time.

8.10 "Issuing and Paying Agent" shall mean the party designated as such on the cover page of this Agreement, as issuing and paying agent under the Issuing and Paying Agent Agreement, or any successor or replacement thereto in accordance with the Issuing and Paying Agent Agreement.

8.11 "Money Laundering Laws" shall have the meaning set forth in Section 2.12

8.12 “Non-bank fiduciary or agent” shall mean a fiduciary or agent other than (a) a bank, as defined in Section 3(a)(2) of the Securities Act, or (b) a savings and loan association, as defined in Section 3(a)(5)(A) of the Securities Act.

8.13 “Outstanding Notes” shall have the meaning set forth in Section 7.9(ii).

8.14 “Private Placement Memorandum” shall mean offering materials prepared in accordance with Section 4 (including materials referred to therein or incorporated by reference therein, if any) provided to purchasers and prospective purchasers of the Notes, and shall include amendments and supplements thereto which may be prepared from time to time in accordance with this Agreement and not superseded by a later amendment or supplement.

8.15 “Qualified Institutional Buyer” shall have the meaning assigned to that term in Rule 144A under the Securities Act.

8.16 “Replacement” shall have the meaning set forth in Section 7.9(i).

8.17 “Replacement Issuing and Paying Agent” shall have the meaning set forth in Section 7.9(i).

8.18 “Replacement Issuing and Paying Agent Agreement” shall have the meaning set forth in Section 7.9(i).

8.19 “Rule 144A” shall mean Rule 144A under the Securities Act.

8.20 “Sanctioned Countries” and “Sanctioned Country” shall have the meanings set forth in Section 2.13.

8.21 “Sanctioned Persons” and “Sanctioned Person” shall have the meanings set forth in Section 2.13.

8.22 “Sanctions” shall have the meaning set forth in Section 2.13.

8.23 “SEC” shall mean the U.S. Securities and Exchange Commission.

8.24 “Securities Act” shall mean the U.S. Securities Act of 1933, as amended.

9. **General**

9.1 Unless otherwise expressly provided herein, all notices under this Agreement to parties hereto shall be in writing and shall be effective when received at the address of the respective party set forth in the Addendum to this Agreement.

9.2 This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to its conflict of law provisions (other than Sections 5- 1401 and 5-1402 of the General Obligations Law).

9.3 Each of the Dealer and the Issuer agrees that any suit, action or proceeding brought by such party in connection with or arising out of this Agreement or the Notes or the offer and sale of the Notes shall be brought solely in the United States federal courts located in the Borough of Manhattan or the courts of the State of New York located in the Borough of Manhattan, and each of the Dealer and the Issuer hereby irrevocably accepts and submits to the jurisdiction of each of such courts with respect to any suit, action or proceeding in connection with or arising out of this Agreement or the Notes or the offer and sale of the Notes. EACH OF THE DEALER AND THE ISSUER WAIVES ITS RIGHT TO TRIAL

BY JURY IN ANY SUIT, ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

9.4 This Agreement may be terminated, at any time, by the Issuer, upon one business day's prior notice to such effect to the Dealer, or by the Dealer upon one business day's prior notice to such effect to the Issuer. Any such termination, however, shall not affect the obligations of the Issuer under Sections 3.7, 5 and 7.3 hereof or the respective representations, warranties, agreements, covenants, rights or responsibilities of the parties made or arising prior to the termination of this Agreement.

9.5 This Agreement is not assignable by either party hereto without the written consent of the other party; provided, however, that the Dealer may assign its rights and obligations under this Agreement to any affiliate of the Dealer.

9.6 This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

9.7 Except as provided in Section 5 with respect to non-party Indemnitees, this Agreement is for the exclusive benefit of the parties hereto, and their respective permitted successors and assigns hereunder, and shall not be deemed to give any legal or equitable right, remedy or claim to any other person whatsoever; provided, however, that the Issuer's submission to jurisdiction contained in Section 7.3 is hereby specifically and expressly acknowledged to also be for the benefit of the holders from time to time of the Notes, as third-party beneficiaries.

9.8 The Issuer acknowledges and agrees that (i) purchases and sales, or placements, of the Notes pursuant to this Agreement, including the determination of any price for the Notes and Dealer compensation, are arm's-length commercial transactions between the Issuer and the Dealer, (ii) in connection therewith and with the process leading to such transactions, the Dealer is acting solely as a principal and not the agent (except to the extent explicitly set forth herein) or fiduciary of the Issuer or any of its affiliates, (iii) the Dealer has not assumed an advisory or fiduciary responsibility in favor of the Issuer or any of its affiliates with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether the Dealer has advised or is currently advising the Issuer or any of its affiliates on other matters) or any other obligation to the Issuer or any of its affiliates except the obligations expressly set forth in this Agreement, (iv) the Issuer is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated by this Agreement, (v) the Dealer and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Issuer and that the Dealer has no obligation to disclose any of those interests by virtue of any advisory or fiduciary relationship, (vi) the Dealer has not provided any legal, accounting, regulatory or tax advice with respect to the transactions contemplated hereby, and (vii) the Issuer has consulted its own legal and financial advisors to the extent it deemed appropriate. The Issuer agrees that it will not claim that the Dealer has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Issuer in connection with such transactions or the process leading thereto. Any review by the Dealer of the Issuer, the transactions contemplated hereby or other matters relating to such transactions shall be performed solely for the benefit of the Dealer and shall not be on behalf of the Issuer. This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Issuer and the Dealer with respect to the subject matter hereof. The Issuer hereby waives and releases, to the fullest extent permitted by law, any claims the Issuer may have against the Dealer with respect to any breach or alleged breach of fiduciary duty.

9.9 (i) The parties hereto agree that the Issuer may, in accordance with the terms of this Section 7.9, from time to time replace the party which is then acting as Issuing and Paying Agent (the "Current Issuing and Paying Agent") with another party (such other party, the "Replacement Issuing and Paying Agent"), and enter into an agreement with the Replacement Issuing and Paying Agent covering the provision of issuing and paying agency functions in respect of the Notes by the Replacement Issuing and Paying Agent (the "Replacement Issuing and Paying Agent Agreement") (any such replacement, a "Replacement").

(ii) From and after the effective date of any Replacement, (A) to the extent that the Issuing and Paying Agent Agreement provides that the Current Issuing and Paying Agent will continue to act in respect of Notes outstanding as of the effective date of such Replacement (the "Outstanding Notes"), then (i) the "Issuing and Paying Agent" for the Notes shall be deemed to be the Current Issuing and Paying Agent, in respect of the Outstanding Notes, and the Replacement Issuing and Paying Agent, in respect of Notes issued on or after the Replacement, (ii) all references to the "Issuing and Paying Agent" hereunder shall be deemed to refer to the Current Issuing and Paying Agent in respect of the Outstanding Notes, and the Replacement Issuing and Paying Agent in respect of Notes issued on or after the Replacement, and (iii) all references to the "Issuing and Paying Agent Agreement" hereunder shall be deemed to refer to the existing Issuing and Paying Agent Agreement, in respect of the Outstanding Notes, and the Replacement Issuing and Paying Agent Agreement, in respect of Notes issued on or after the Replacement; and (B) to the extent that the Issuing and Paying Agent Agreement does not provide that the Current Issuing and Paying Agent will continue to act in respect of the Outstanding Notes, then (i) the "Issuing and Paying Agent" for the Notes shall be deemed to be the Replacement Issuing and Paying Agent, (ii) all references to the "Issuing and Paying Agent" hereunder shall be deemed to refer to the Replacement Issuing and Paying Agent, and (iii) all references to the "Issuing and Paying Agent Agreement" hereunder shall be deemed to refer to the Replacement Issuing and Paying Agent Agreement.

(iii) From and after the effective date of any Replacement, the Issuer shall not issue any Notes hereunder unless and until the Dealer shall have received: (a) a copy of the executed Replacement Issuing and Paying Agent Agreement, (b) a copy of the executed Letter of Representations among the Issuer, the Replacement Issuing and Paying Agent and DTC, (c) a copy of the executed Master Note authenticated by the Replacement Issuing and Paying Agent and registered in the name of DTC or its nominee, (d) an amendment or supplement to the Private Placement Memorandum describing the Replacement Issuing and Paying Agent as the Issuing and Paying Agent for the Notes, and reflecting any other changes thereto necessary in light of the Replacement so that the Private Placement Memorandum, as amended or supplemented, satisfies the requirements of this Agreement, and (e) a legal opinion of counsel to the Issuer, addressed to the Dealer, in form and substance reasonably satisfactory to the Dealer, as to (x) the due authorization, delivery,

validity and enforceability of Notes issued pursuant to the Replacement Issuing and Paying Agent Agreement, and (y) such other matters as the Dealer may reasonably request.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

ENERGY TRANSFER LP, as Issuer
By: LE GP, LLC, its general partner

By: ____________________________________

Name:___________________________________

Title:___________________________________

[DEALER]**, as Dealer**

By: ____________________________________

Name:___________________________________

Title:___________________________________

Addendum

The following additional clauses shall apply to the Agreement and be deemed a part thereof.

1. The other dealers referred to in clause (b) of Section 1.2 of the Agreement are ________________________________.

2. The addresses of the respective parties for purposes of notices under Section 7.1 are as follows:

For the Issuer:
Address:____
Attention:____
Telephone number:____
Fax number:____

For the Dealer:
Address:____
Attention:____
Telephone number:____
Fax number:____

Exhibit A

Form of Legend for Private Placement Memorandum and Notes

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR ANY OTHER APPLICABLE SECURITIES LAW, AND OFFERS AND SALES THEREOF MAY BE MADE ONLY IN COMPLIANCE WITH AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. BY ITS ACCEPTANCE OF A NOTE, THE PURCHASER WILL BE DEEMED TO REPRESENT THAT (I) IT HAS BEEN AFFORDED AN OPPORTUNITY TO INVESTIGATE MATTERS RELATING TO ENERGY TRANSFER LP (THE “ISSUER”) AND THE NOTES, (II) IT IS NOT ACQUIRING SUCH NOTE WITH A VIEW TO ANY DISTRIBUTION THEREOF AND (III) IT IS EITHER (A)(1) AN INSTITUTIONAL INVESTOR THAT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501(a) UNDER THE ACT (AN “INSTITUTIONAL ACCREDITED INVESTOR”) AND (2)(i) PURCHASING NOTES FOR ITS OWN ACCOUNT, (ii) A BANK (AS DEFINED IN SECTION 3(a)(2) OF THE ACT) OR A SAVINGS AND LOAN ASSOCIATION OR OTHER INSTITUTION (AS DEFINED IN SECTION 3(a)(5)(A) OF THE ACT) ACTING IN ITS INDIVIDUAL OR FIDUCIARY CAPACITY OR (iii) A FIDUCIARY OR AGENT (OTHER THAN A U.S. BANK OR SAVINGS AND LOAN ASSOCIATION OR OTHER SUCH INSTITUTION) PURCHASING NOTES FOR ONE OR MORE ACCOUNTS EACH OF WHICH ACCOUNTS IS SUCH AN INSTITUTIONAL ACCREDITED INVESTOR; OR (B) A QUALIFIED INSTITUTIONAL BUYER (“QIB”) WITHIN THE MEANING OF RULE 144A UNDER THE ACT THAT IS ACQUIRING NOTES FOR ITS OWN ACCOUNT OR FOR ONE OR MORE ACCOUNTS, EACH OF WHICH ACCOUNTS IS A QIB; AND THE PURCHASER ACKNOWLEDGES THAT IT IS AWARE THAT THE SELLER MAY RELY UPON THE EXEMPTION FROM THE REGISTRATION PROVISIONS OF SECTION 5 OF THE ACT PROVIDED BY RULE 144A. BY ITS ACCEPTANCE OF A NOTE, THE PURCHASER THEREOF SHALL ALSO BE DEEMED TO AGREE THAT ANY RESALE OR OTHER TRANSFER THEREOF WILL BE MADE ONLY (A) IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE ACT, EITHER (1) TO THE ISSUER OR TO A PLACEMENT AGENT DESIGNATED BY THE ISSUER AS A PLACEMENT AGENT FOR THE NOTES (COLLECTIVELY, THE “PLACEMENT AGENTS”), NONE OF WHICH SHALL HAVE ANY OBLIGATION TO ACQUIRE SUCH NOTE, (2) THROUGH A PLACEMENT AGENT TO AN INSTITUTIONAL ACCREDITED INVESTOR OR A QIB, OR (3) TO A QIB IN A TRANSACTION THAT MEETS THE REQUIREMENTS OF RULE 144A AND (B) IN MINIMUM AMOUNTS OF $250,000.

Exhibit B

Further Provisions Relating to Indemnification

(a) The Issuer agrees to reimburse each Indemnitee for all reasonable expenses (including reasonable fees and disbursements of internal and external counsel) as they are incurred by it in connection with investigating or defending any loss, claim, damage, liability or action in respect of which indemnification may be sought under Section 5 of the Agreement (whether or not it is a party to any such proceedings).

(b) Promptly after receipt by an Indemnitee of notice of the existence of a Claim, such Indemnitee will, if a claim in respect thereof is to be made against the Issuer, notify the Issuer in writing of the existence thereof; provided that (i) the omission to so notify the Issuer will not relieve the Issuer from any liability which the Issuer may have hereunder unless and except to the extent it did not otherwise learn of such Claim and such failure results in the forfeiture by the Issuer of substantial rights and defenses, and (ii) the omission to so notify the Issuer will not relieve it from liability which it may have to an Indemnitee otherwise than on account of this Agreement. In case any such Claim is made against any Indemnitee and it notifies the Issuer of the existence thereof, the Issuer will be entitled to participate therein, and to the extent that it may elect by written notice delivered to the Indemnitee, to assume the defense thereof, with counsel reasonably satisfactory to such Indemnitee; provided that if the defendants in any such Claim include both the Indemnitee and the Issuer, and the Indemnitee shall have concluded that there may be legal defenses available to it which are different from or additional to those available to the Issuer, the Issuer shall not have the right to direct the defense of such Claim on behalf of such Indemnitee, and the Indemnitee shall have the right to select separate counsel to assert such legal defenses on behalf of such Indemnitee. Upon receipt of notice from the Issuer to such Indemnitee of the Issuer’s election to so assume the defense of such Claim and approval by the Indemnitee of counsel, the Issuer will not be liable to such Indemnitee for expenses incurred thereafter by the Indemnitee in connection with the defense thereof (other than reasonable costs of investigation) unless (i) the Indemnitee shall have employed separate counsel in connection with the assertion of legal defenses in accordance with the proviso to the next preceding sentence (it being understood, however, that the Issuer shall not be liable for the expenses of more than one separate counsel (in addition to any local counsel in the jurisdiction in which any Claim is brought), approved by the Dealer, representing all Indemnitees who are party to such Claim), (ii) the Issuer shall not have employed counsel reasonably satisfactory to the Indemnitee to represent the Indemnitee within a reasonable time after notice of existence of the Claim or (iii) the Issuer has authorized in writing the employment of counsel for the Indemnitee. The indemnity, reimbursement and contribution obligations of the Issuer hereunder shall be in addition to any other liability the Issuer may otherwise have to an Indemnitee and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Issuer and any Indemnitee. The Issuer agrees that without the Dealer’s prior written consent, it will not settle, compromise or consent to the entry of any judgment in any Claim in respect of which indemnification may be sought under the indemnification provision of the Agreement (whether or not the Dealer or any other Indemnitee is an actual or potential party to such Claim), unless such settlement, compromise or consent (i) includes an unconditional release of each Indemnitee from all liability arising out of such Claim and (ii) does not include a statement as to or an admission of fault, culpability or failure to act, by or on behalf of any Indemnitee.

Exhibit C

Statement of Terms for Interest – Bearing Commercial Paper Notes of Energy Transfer LP

THE PROVISIONS SET FORTH BELOW ARE QUALIFIED TO THE EXTENT APPLICABLE BY THE TRANSACTION SPECIFIC PRIVATE PLACEMENT MEMORANDUM SUPPLEMENT (THE "SUPPLEMENT") (IF ANY) SENT TO EACH PURCHASER AT THE TIME OF THE TRANSACTION.

1. General. (a) The obligations of the Issuer to which these terms apply (each a "Note") are represented by one or more Master Notes (each, a "Master Note") issued in the name of (or of a nominee for) The Depository Trust Company ("DTC"), which Master Note includes the terms and provisions for the Issuer's Interest-Bearing Commercial Paper Notes that are set forth in this Statement of Terms, since this Statement of Terms constitutes an integral part of the Underlying Records as defined and referred to in the Master Note.

(b) "Business Day" means any day other than a Saturday or Sunday that is neither a legal holiday nor a day on which banking institutions are authorized or required by law, executive order or regulation to be closed in New York City and, with respect to LIBOR Notes (as defined below) is also a London Business Day. "London Business Day" means, a day, other than a Saturday or Sunday, on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

2. Interest. (a) Each Note will bear interest at a fixed rate (a "Fixed Rate Note") or at a floating rate (a "Floating Rate Note").

(b) The Supplement sent to each holder of such Note will describe the following terms: (i) whether such Note is a Fixed Rate Note or a Floating Rate Note and whether such Note is an Original Issue Discount Note (as defined below); (ii) the date on which such Note will be issued (the "Issue Date"); (iii) the Stated Maturity Date (as defined below); (iv) if such Note is a Fixed Rate Note, the rate per annum at which such Note will bear interest, if any, and the Interest Payment Dates; (v) if such Note is a Floating Rate Note, the Base Rate, the Index Maturity, the Interest Reset Dates, the Interest Payment Dates and the Spread and/or Spread Multiplier, if any (all as defined below), and any other terms relating to the particular method of calculating the interest rate for such Note; and (vi) any other terms applicable specifically to such Note. "Original Issue Discount Note" means a Note which has a stated redemption price at the Stated Maturity Date that exceeds its Issue Price by more than a specified de minimis amount and which the Supplement indicates will be an "Original Issue Discount Note".

(c) Each Fixed Rate Note will bear interest from its Issue Date at the rate per annum specified in the Supplement until the principal amount thereof is paid or made available for payment.
Interest on each Fixed Rate Note will be payable on the dates specified in the Supplement (each an "Interest Payment Date" for a Fixed Rate Note) and on the Maturity Date (as defined below). Interest on Fixed Rate Notes will be computed on the basis of a 360-day year of twelve 30-day months.

If any Interest Payment Date or the Maturity Date of a Fixed Rate Note falls on a day that is not a Business Day, the required payment of principal, premium, if any, and/or interest will be payable on the next succeeding Business Day, and no additional interest will accrue in respect of the payment made on that next succeeding Business Day.

(d) The interest rate on each Floating Rate Note for each Interest Reset Period (as defined below) will be determined by reference to an interest rate basis (a "Base Rate") plus or minus a number of basis points (one basis point equals one-hundredth of a percentage point) (the "Spread"), if any, and/or multiplied by a certain percentage (the "Spread Multiplier"), if any, until the principal thereof is paid or made available for payment. The Supplement will designate which of the following Base Rates is applicable to the related Floating Rate Note: (a) the CD Rate (a "CD Rate Note"), (b) the Commercial Paper Rate (a "Commercial Paper Rate Note"), (c) the Federal Funds Rate (a "Federal Funds Rate Note"), (d) LIBOR (a "LIBOR Note"), (e) the Prime Rate (a "Prime Rate Note"), (f) the Treasury Rate (a "Treasury Rate Note") or (g) such other Base Rate as may be specified in such Supplement.

The rate of interest on each Floating Rate Note will be reset daily, weekly, monthly, quarterly or semi-annually (the "Interest Reset Period"). The date or dates on which interest will be reset (each an "Interest Reset Date") will be, unless otherwise specified in the Supplement, in the case of Floating Rate Notes which reset daily, each Business Day, in the case of Floating Rate Notes (other than Treasury Rate Notes) that reset weekly, the Wednesday of each week; in the case of Treasury Rate Notes that reset weekly, the Tuesday of each week; in the case of Floating Rate Notes that reset monthly, the third Wednesday of each month; in the case of Floating Rate Notes that reset quarterly, the third Wednesday of March, June, September and December; and in the case of Floating Rate Notes that reset semiannually, the third Wednesday of the two months specified in the Supplement. If any Interest Reset Date for any Floating Rate Note is not a Business Day, such Interest Reset Date will be postponed to the next day that is a Business Day, except that in the case of a LIBOR Note, if such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the immediately preceding Business Day. Interest on each Floating Rate Note will be payable monthly, quarterly or semiannually (the "Interest Payment Period") and on the Maturity Date. Unless otherwise specified in the Supplement, and except as provided below, the date or dates on which interest will be payable (each an "Interest Payment Date" for a Floating Rate Note) will be, in the case of Floating Rate Notes with a monthly Interest Payment Period, on the third Wednesday of each month; in the case of Floating Rate Notes with a quarterly Interest Payment Period, on the third Wednesday of March, June, September and December; and in the case of Floating Rate Notes with a semiannual Interest Payment Period, on the third Wednesday of the two months specified in the Supplement. In addition, the Maturity Date will also be an Interest Payment Date.

If any Interest Payment Date for any Floating Rate Note (other than an Interest Payment Date occurring on the Maturity Date) would otherwise be a day that is not a Business Day, such Interest Payment Date shall be postponed to the next day that is a Business Day, except that in the case of a LIBOR Note, if such Business Day is in the next succeeding calendar month, such Interest Payment Date shall be the immediately preceding Business Day. If the Maturity Date of a Floating Rate Note falls on a day that is not a Business Day, the payment of principal and interest will be made on the next succeeding Business Day, and no interest on such payment shall accrue for the period from and after such maturity.

Interest payments on each Interest Payment Date for Floating Rate Notes will include accrued interest from and including the Issue Date or from and including the last date in respect of which interest has been paid, as the case may be, to, but excluding, such Interest Payment Date. On the

Maturity Date, the interest payable on a Floating Rate Note will include interest accrued to, but excluding, the Maturity Date. Accrued interest will be calculated by multiplying the principal amount of a Floating Rate Note by an accrued interest factor. This accrued interest factor will be computed by adding the interest factors calculated for each day in the period for which accrued interest is being calculated. The interest factor (expressed as a decimal) for each such day will be computed by dividing the interest rate applicable to such day by 360, in the cases where the Base Rate is the CD Rate, Commercial Paper Rate, Federal Funds Rate, LIBOR or Prime Rate, or by the actual number of days in the year, in the case where the Base Rate is the Treasury Rate. The interest rate in effect on each day will be (i) if such day is an Interest Reset Date, the interest rate with respect to the Interest Determination Date (as defined below) pertaining to such Interest Reset Date, or (ii) if such day is not an Interest Reset Date, the interest rate with respect to the Interest Determination Date pertaining to the next preceding Interest Reset Date, subject in either case to any adjustment by a Spread and/or a Spread Multiplier.

The “Interest Determination Date” where the Base Rate is the CD Rate or the Commercial Paper Rate will be the second Business Day next preceding an Interest Reset Date. The Interest Determination Date where the Base Rate is the Federal Funds Rate or the Prime Rate will be the Business Day next preceding an Interest Reset Date. The Interest Determination Date where the Base Rate is LIBOR will be the second London Business Day next preceding an Interest Reset Date. The Interest Determination Date where the Base Rate is the Treasury Rate will be the day of the week in which such Interest Reset Date falls when Treasury Bills are normally auctioned. Treasury Bills are normally sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is held on the following Tuesday or the preceding Friday. If an auction is so held on the preceding Friday, such Friday will be the Interest Determination Date pertaining to the Interest Reset Date occurring in the next succeeding week.

The “Index Maturity” is the period to maturity of the instrument or obligation from which the applicable Base Rate is calculated.

The “Calculation Date,” where applicable, shall be the earlier of (i) the tenth calendar day following the applicable Interest Determination Date or (ii) the Business Day preceding the applicable Interest Payment Date or Maturity Date.

All times referred to herein reflect New York City time, unless otherwise specified.

The Issuer shall specify in writing to the Issuing and Paying Agent which party will be the calculation agent (the “Calculation Agent”) with respect to the Floating Rate Notes. The Calculation Agent will provide the interest rate then in effect and, if determined, the interest rate which will become effective on the next Interest Reset Date with respect to such Floating Rate Note to the Issuing and Paying Agent as soon as the interest rate with respect to such Floating Rate Note has been determined and as soon as practicable after any change in such interest rate.

All percentages resulting from any calculation on Floating Rate Notes will be rounded to the nearest one hundred-thousandth of a percentage point, with five-one millionths of a percentage point rounded upwards. For example, 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655). All dollar amounts used in or resulting from any calculation on Floating Rate Notes will be rounded, in the case of U.S. dollars, to the nearest cent or, in the case of a foreign currency, to the nearest unit (with one-half cent or unit being rounded upwards).

CD Rate Notes

"CD Rate" means the rate on any Interest Determination Date for negotiable U.S. dollar certificates of deposit having the Index Maturity as published in the source specified in the Supplement.

If the above rate is not published by 3:00 p.m., New York City time, on the Calculation Date, the CD Rate will be the rate on such Interest Determination Date published under the caption specified in the Supplement in another recognized electronic source used for the purpose of displaying the applicable rate.

If such rate is not published in either the source specified on the Supplement or another recognized electronic source by 3:00 p.m., New York City time, on the Calculation Date, the Calculation Agent will determine the CD Rate to be the arithmetic mean of the secondary market offered rates as of 10:00 a.m., New York City time, on such Interest
Determination Date of three leading nonbank dealers[1] in negotiable U.S. dollar certificates of deposit in New York City selected by the Calculation Agent for negotiable U.S. dollar certificates of deposit of major United States money center banks of the highest credit standing in the market for negotiable certificates of deposit with a remaining maturity closest to the Index Maturity in the denomination of $5,000,000.

If fewer than the three dealers selected by the Calculation Agent are quoting as set forth above, the CD Rate will remain the CD Rate then in effect on such Interest Determination Date.

Commercial Paper Rate Notes

"Commercial Paper Rate" means the Money Market Yield (calculated as described below) of the rate on any Interest Determination Date for commercial paper having the Index Maturity, as published by the Board of Governors of the Federal Reserve System ("FRB") in "Statistical Release H.15(519), Selected Interest Rates" or any successor publication of the FRB ("H.15(519)") under the heading "Commercial Paper- [Financial][Nonfinancial]".

If the above rate is not published in H.15(519) by 3:00 p.m., New York City time, on the Calculation Date, then the Commercial Paper Rate will be the Money Market Yield of the rate on such Interest Determination Date for commercial paper of the Index Maturity published in the daily update of H.15(519), available through the world wide website of the FRB at http://www.federalreserve.gov/releases/h15/Update, or any successor site or publication or other recognized electronic source used for the purpose of displaying the applicable rate ("H.15 Daily Update") under the heading "Commercial Paper-[Financial][Nonfinancial]".

If by 3:00 p.m. on such Calculation Date such rate is not published in either H.15(519) or H.15 Daily Update, then the Calculation Agent will determine the Commercial Paper Rate to be the Money Market Yield of the arithmetic mean of the offered rates as of 11:00 a.m. on such Interest Determination Date of three leading dealers of U.S. dollar commercial paper in New York City

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[1] Such nonbank dealers referred to in this Statement of Terms may include affiliates of the Dealer.

selected by the Calculation Agent for commercial paper of the Index Maturity placed for an industrial issuer whose bond rating is "AA," or the equivalent, from a nationally recognized statistical rating organization.

If the dealers selected by the Calculation Agent are not quoting as mentioned above, the Commercial Paper Rate with respect to such Interest Determination Date will remain the Commercial Paper Rate then in effect on such Interest Determination Date.

"Money Market Yield" will be a yield calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal and "M" refers to the actual number of days in the interest period for which interest is being calculated.

Federal Funds Rate Notes

"Federal Funds Rate" means the rate on any Interest Determination Date for federal funds as published in H.15(519) under the heading "Federal Funds (Effective)" and displayed on Reuters Page (as defined below) FEDFUNDS1 (or any other page as may replace the specified page on that service) ("Reuters Page FEDFUNDS1") under the heading EFFECT.

If the above rate does not appear on Reuters Page FEDFUNDS1or is not so published by 3:00 p.m. on the Calculation Date, the Federal Funds Rate will be the rate on such Interest Determination Date as published in H.15 Daily Update under the heading "Federal Funds/(Effective)".

If such rate is not published as described above by 3:00 p.m. on the Calculation Date, the Calculation Agent will determine the Federal Funds Rate to be the arithmetic mean of the rates for the last transaction in overnight U.S. dollar federal funds arranged by each of three leading brokers of Federal Funds transactions in New York City selected by the Calculation Agent prior to 9:00 a.m. on such Interest Determination Date.

If the brokers selected by the Calculation Agent are not quoting as mentioned above, the Federal Funds Rate will remain the Federal Funds Rate then in effect on such Interest Determination Date.

"Reuters Page" means the display on the Reuters 3000 Xtra Service, or any successor service, on the page or pages specified in this Statement of Terms or the Supplement, or any replacement page on that service.

LIBOR Notes

The London Interbank offered rate ("LIBOR") means, with respect to any Interest Determination Date, the rate for deposits in U.S. dollars having the Index Maturity that appears on the Designated LIBOR Page as of 11:00 a.m., London time, on such Interest Determination Date.

If no rate appears, LIBOR will be determined on the basis of the rates at approximately 11:00 a.m., London time, on such Interest Determination Date at which deposits in U.S. dollars are offered to prime banks in the London interbank market by four major banks in such market selected by the Calculation Agent for a term equal to the Index Maturity and in principal amount equal to an amount that in the Calculation Agent's judgment is representative for a single transaction in U.S. dollars in such market at such time (a "Representative Amount"). The Calculation Agent will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, LIBOR will be the arithmetic mean of such quotations. If fewer than two quotations are provided, LIBOR for such interest period will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., in New York City, on such Interest Determination Date by three major banks in New York City, selected by the Calculation Agent, for loans in U.S. dollars to leading European banks, for a term equal to the Index Maturity and in a Representative Amount; provided, however, that if fewer than three banks so selected by the Calculation Agent are providing such quotations, the then existing LIBOR rate will remain in effect for such Interest Payment Period.

"Designated LIBOR Page" means the display on the Reuters 3000 Xtra Service (or any successor service) on the "LIBOR01" page (or any other page as may replace such page on such service) for the purpose of displaying the London interbank rates of major banks.

Prime Rate Notes

"Prime Rate" means the rate on any Interest Determination Date as published in H.15(519) under the heading "Bank Prime Loan".

If the above rate is not published in H.15(519) prior to 3:00 p.m. on the Calculation Date, then the Prime Rate will be the rate on such Interest Determination Date as published in H.15 Daily Update opposite the caption "Bank Prime Loan".

If the rate is not published prior to 3:00 p.m. on the Calculation Date in either H.15(519) or H.15 Daily Update, then the Calculation Agent will determine the Prime Rate to be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen US PRIME1 Page (as defined below) as such bank's prime rate or base lending rate as of 11:00 a.m., on that Interest Determination Date.

If fewer than four such rates referred to above are so published by 3:00 p.m. on the Calculation Date, the Calculation Agent will determine the Prime Rate to be the arithmetic mean of the prime rates or base lending rates quoted on the basis of the actual number of days in the year divided by 360 as of the close of business on such Interest Determination Date by three major banks in New York City selected by the Calculation Agent.

If the banks selected are not quoting as mentioned above, the Prime Rate will remain the Prime Rate in effect on such Interest Determination Date.

"Reuters Screen US PRIME1 Page" means the display designated as page "US PRIME1" on the Reuters Monitor Money Rates Service (or such other page as may replace the US PRIME1 page on that service for the purpose of displaying prime rates or base lending rates of major United States banks).

Treasury Rate Notes

"Treasury Rate" means:

(1) the rate from the auction held on the Interest Determination Date (the "Auction") of direct obligations of the United States ("Treasury Bills") having the Index Maturity specified in the Supplement under the caption "INVEST RATE" on the display on the Reuters Page designated as USAUCTION10 (or any other page as may replace that page on that service) or the Reuters Page designated as USAUCTION11 (or any other page as may replace that page on that service), or

(2) if the rate referred to in clause (1) is not so published by 3:00 p.m. on the related Calculation Date, the Bond Equivalent Yield (as defined below) of the rate for the applicable Treasury Bills as published in H.15 Daily Update, under the caption "U.S. Government Securities/Treasury Bills/Auction High", or

(3) if the rate referred to in clause (2) is not so published by 3:00 p.m. on the related Calculation Date, the Bond Equivalent Yield of the auction rate of the applicable Treasury Bills as announced by the United States Department of the Treasury, or

(4) if the rate referred to in clause (3) is not so announced by the United States Department of the Treasury, or if the Auction is not held, the Bond Equivalent Yield of the rate on the particular Interest Determination Date of the applicable Treasury Bills as published in H.15(519) under the caption "U.S. Government Securities/Treasury Bills/Secondary Market", or

(5) if the rate referred to in clause (4) not so published by 3:00 p.m. on the related Calculation Date, the rate on the particular Interest Determination Date of the applicable Treasury Bills as published in H.15 Daily Update, under the caption "U.S. Government Securities/Treasury Bills/Secondary Market", or

(6) if the rate referred to in clause (5) is not so published by 3:00 p.m. on the related Calculation Date, the rate on the particular Interest Determination Date calculated by the Calculation Agent as the Bond Equivalent Yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 p.m. on that Interest Determination Date, of three primary United States government securities dealers selected by the Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity specified in the Supplement, or

(7) if the dealers so selected by the Calculation Agent are not quoting as mentioned in clause (6), the Treasury Rate in effect on the particular Interest Determination Date.

"Bond Equivalent Yield" means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Bond Equivalent Yield} = \frac{D \times N}{360 - (D \times M)} \quad 100$$

where "D" refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis and expressed as a decimal, "N" refers to 365 or 366, as the case may be, and "M" refers to the actual number of days in the applicable Interest Reset Period.

3. Final Maturity. The Stated Maturity Date for any Note will be the date so specified in the Supplement, which shall be no later than 397 days from the date of issuance. On its Stated Maturity Date, or any date prior to the Stated Maturity Date on which the particular Note becomes due and payable by the declaration of acceleration, each such date being referred to as a Maturity Date, the principal amount of such Note, together with accrued and unpaid interest thereon, will be immediately due and payable.

4. Events of Default. The occurrence of any of the following shall constitute an “Event of Default” with respect to a Note: (i) default in any payment of principal of or interest on such Note (including on a redemption thereof); (ii) the Issuer makes any compromise arrangement with its creditors generally including the entering into any form of moratorium with its creditors generally; (iii) a court having jurisdiction shall enter a decree or order for relief in respect of the Issuer in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or there shall be appointed a receiver, administrator, liquidator, custodian, trustee or sequestrator (or similar officer) with respect to the whole or substantially the whole of the assets of the Issuer and any such decree, order or appointment is not removed, discharged or withdrawn within 60 days thereafter; or (iv) the Issuer shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment of or taking possession by a receiver, administrator, liquidator, assignee, custodian, trustee or sequestrator (or similar official), with respect to the whole or substantially the whole of the assets of the Issuer or make any general assignment for the benefit of creditors. Upon the occurrence of an Event of Default, the principal of such Note (together with interest accrued and unpaid thereon) shall become, without any notice or demand, immediately due and payable.[2]

5. Obligation Absolute. No provision of the Issuing and Paying Agent Agreement under which the Notes are issued shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on each Note at the times, place and rate, and in the coin or currency, herein prescribed.

6. Supplement. Any term contained in the Supplement shall supercede any conflicting term contained herein.

[2] Unlike single payment notes, where a default arises only at the stated maturity, interest-bearing notes with multiple payment dates should contain a default provision permitting acceleration of the maturity if the Issuer defaults on an interest payment.

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 officers 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 officers 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: August 6, 2026

/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 officers 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 officers 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: August 6, 2026

/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, Dylan A. Bramhall, 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 officers 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 officers 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: August 6, 2026

/s/ Dylan A. Bramhall
Dylan A. Bramhall
Executive Vice President and Group 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 June 30, 2026, 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: August 6, 2026

/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 June 30, 2026, 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: August 6, 2026

/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 June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Dylan A. Bramhall, 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: August 6, 2026

/s/ Dylan A. Bramhall
Dylan A. Bramhall
Executive Vice President and Group 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.