

New Methane Charge Under the Inflation Reduction Act to be Effective After January 1, 2024

As you may be aware, the Inflation Reduction Act (“IRA”) was signed into law on August 16, 2022. One of the provisions of the IRA, to be effective after January 1, 2024, imposes a new tax related to methane emissions from certain natural gas and petroleum facilities. These facilities include, among others, onshore natural gas liquid fractionation, onshore natural gas processing, transmission, and compression facilities that meet certain emissions thresholds.

We expect that this methane charge will apply to certain facilities owned by Energy Transfer LP and any of its operating entities (“Energy Transfer”), including interstate pipeline facilities and/or facilities that fractionate natural gas liquids and gather, treat, compress and/or process natural gas delivered by you to these facilities pursuant to one or more of the agreements you have with Energy Transfer to provide these services. We are still evaluating the applicability of this tax to our facilities and the manner in which this tax is covered under applicable regulations or agreements.

We value our customers and intend to work to minimize any impact to you from this new tax. We will post updated information as soon as it becomes available.