

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, 2022

**OR**

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

For the transition period from \_\_\_ to \_\_\_.

Commission file number: 1-14323

**ENTERPRISE PRODUCTS PARTNERS L.P.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

(State or Other Jurisdiction of Incorporation or Organization)

**76-0568219**

(I.R.S. Employer Identification No.)

**1100 Louisiana Street, 10th Floor  
Houston, Texas 77002**

(Address of Principal Executive Offices, including Zip Code)

**(713) 381-6500**

(Registrant's Telephone Number, including Area Code)

**Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:**

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange On Which Registered</u>
<b>Common Units</b>	<b>EPD</b>	<b>New York Stock Exchange</b>

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See 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

Non-accelerated filer

Emerging growth company

Accelerated filer

Smaller reporting 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

There were 2,179,249,380 common units of Enterprise Products Partners L.P. outstanding at the close of business on July 29, 2022.

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
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**PART I. FINANCIAL INFORMATION.**

**ITEM 1. FINANCIAL STATEMENTS.**

**ENTERPRISE PRODUCTS PARTNERS L.P.  
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS  
(Dollars in millions)**

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 231	\$ 2,820
Restricted cash	166	145
Accounts receivable – trade, net of allowance for credit losses of \$54 at June 30, 2022 and \$53 at December 31, 2021	8,421	6,967
Accounts receivable – related parties	29	21
Inventories (see Note 3)	3,234	2,681
Derivative assets (see Note 14)	332	237
Prepaid and other current assets	548	399
Total current assets	<u>12,961</u>	<u>13,270</u>
<b>Property, plant and equipment, net</b> (see Note 4)	44,129	42,088
<b>Investments in unconsolidated affiliates</b> (see Note 5)	2,374	2,428
<b>Intangible assets, net</b> (see Note 6)	4,056	3,151
<b>Goodwill</b> (see Note 6)	5,608	5,449
<b>Other assets</b>	1,222	1,140
Total assets	<u>\$ 70,350</u>	<u>\$ 67,526</u>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Current maturities of debt (see Note 7)	\$ 1,889	\$ 1,400
Accounts payable – trade	803	632
Accounts payable – related parties	132	167
Accrued product payables	10,815	8,093
Accrued interest	435	453
Derivative liabilities (see Note 14)	345	254
Other current liabilities	559	626
Total current liabilities	<u>14,978</u>	<u>11,625</u>
<b>Long-term debt</b> (see Note 7)	26,892	28,135
<b>Deferred tax liabilities</b> (see Note 16)	556	518
<b>Other long-term liabilities</b>	898	760
<b>Commitments and contingent liabilities</b> (see Note 17)		
<b>Redeemable preferred limited partner interests:</b> (see Note 8)		
Series A cumulative convertible preferred units (“preferred units”) (50,412 units outstanding at June 30, 2022 and December 31, 2021)	49	49
<b>Equity:</b> (see Note 8)		
Partners’ equity:		
Common limited partner interests (2,179,249,380 units issued and outstanding at June 30, 2022, 2,176,379,587 units issued and outstanding at December 31, 2021)	27,003	26,340
Treasury units, at cost	(1,297)	(1,297)
Accumulated other comprehensive income	177	286
Total partners’ equity	<u>25,883</u>	<u>25,329</u>
Noncontrolling interests in consolidated subsidiaries	1,094	1,110
Total equity	<u>26,977</u>	<u>26,439</u>
Total liabilities, preferred units, and equity	<u>\$ 70,350</u>	<u>\$ 67,526</u>

See Notes to Unaudited Condensed Consolidated Financial Statements.

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**UNAUDITED CONDENSED STATEMENTS OF CONSOLIDATED OPERATIONS**  
(Dollars in millions, except per unit amounts)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
<b>Revenues:</b>				
Third parties	\$ 16,041	\$ 9,441	\$ 29,033	\$ 18,582
Related parties	19	9	35	23
Total revenues (see Note 9)	<u>16,060</u>	<u>9,450</u>	<u>29,068</u>	<u>18,605</u>
<b>Costs and expenses:</b>				
Operating costs and expenses:				
Third party and other costs	14,004	7,767	25,086	14,996
Related parties	337	300	652	624
Total operating costs and expenses	<u>14,341</u>	<u>8,067</u>	<u>25,738</u>	<u>15,620</u>
General and administrative costs:				
Third party and other costs	24	19	49	40
Related parties	38	33	75	68
Total general and administrative costs	<u>62</u>	<u>52</u>	<u>124</u>	<u>108</u>
Total costs and expenses (see Note 10)	<u>14,403</u>	<u>8,119</u>	<u>25,862</u>	<u>15,728</u>
<b>Equity in income of unconsolidated affiliates</b>	<u>107</u>	<u>161</u>	<u>224</u>	<u>310</u>
<b>Operating income</b>	<u>1,764</u>	<u>1,492</u>	<u>3,430</u>	<u>3,187</u>
<b>Other income (expense):</b>				
Interest expense	(309)	(316)	(628)	(639)
Interest income	2	1	3	2
Other, net	-	-	2	-
Total other expense, net	<u>(307)</u>	<u>(315)</u>	<u>(623)</u>	<u>(637)</u>
<b>Income before income taxes</b>	<u>1,457</u>	<u>1,177</u>	<u>2,807</u>	<u>2,550</u>
Provision for income taxes (see Note 16)	(17)	(31)	(36)	(41)
<b>Net income</b>	<u>1,440</u>	<u>1,146</u>	<u>2,771</u>	<u>2,509</u>
Net income attributable to noncontrolling interests	(28)	(33)	(62)	(54)
Net income attributable to preferred units	(1)	(1)	(2)	(2)
<b>Net income attributable to common unitholders</b>	<u>\$ 1,411</u>	<u>\$ 1,112</u>	<u>\$ 2,707</u>	<u>\$ 2,453</u>
<b>Earnings per unit:</b> (see Note 11)				
Basic and diluted earnings per common unit	<u>\$ 0.64</u>	<u>\$ 0.50</u>	<u>\$ 1.23</u>	<u>\$ 1.11</u>

See Notes to Unaudited Condensed Consolidated Financial Statements.

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**UNAUDITED CONDENSED STATEMENTS OF CONSOLIDATED**  
**COMPREHENSIVE INCOME**  
(Dollars in millions)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
<b>Net income</b>	\$ 1,440	\$ 1,146	\$ 2,771	\$ 2,509
<b>Other comprehensive income (loss):</b>				
Cash flow hedges: (see Note 14)				
Commodity hedging derivative instruments:				
Changes in fair value of cash flow hedges	39	(291)	(60)	(752)
Reclassification of losses (gains) to net income	(108)	(99)	(63)	517
Interest rate hedging derivative instruments:				
Changes in fair value of cash flow hedges	—	—	—	183
Reclassification of losses to net income	6	10	14	18
Total cash flow hedges	(63)	(380)	(109)	(34)
Total other comprehensive loss	(63)	(380)	(109)	(34)
<b>Comprehensive income</b>	1,377	766	2,662	2,475
Comprehensive income attributable to noncontrolling interests	(28)	(33)	(62)	(54)
Comprehensive income attributable to preferred units	(1)	(1)	(2)	(2)
<b>Comprehensive income attributable to common unitholders</b>	<u>\$ 1,348</u>	<u>\$ 732</u>	<u>\$ 2,598</u>	<u>\$ 2,419</u>

See Notes to Unaudited Condensed Consolidated Financial Statements.

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**UNAUDITED CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS**  
**(Dollars in millions)**

	<b>For the Six Months Ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>Operating activities:</b>		
Net income	\$ 2,771	\$ 2,509
<i>Reconciliation of net income to net cash flows provided by operating activities:</i>		
Depreciation and accretion	891	852
Amortization of intangible assets	86	74
Amortization of major maintenance costs for reaction-based plants	25	10
Other amortization expense	115	123
Impairment of assets other than goodwill	19	84
Equity in income of unconsolidated affiliates	(224)	(310)
Distributions received from unconsolidated affiliates attributable to earnings	224	262
Net losses attributable to asset sales and related matters	2	11
Deferred income tax expense	16	24
Change in fair market value of derivative instruments	94	(39)
Non-cash expense related to long-term operating leases (see Note 17)	27	19
Net effect of changes in operating accounts (see Note 18)	218	399
Other operating activities	–	(1)
Net cash flows provided by operating activities	<u>4,264</u>	<u>4,017</u>
<b>Investing activities:</b>		
Capital expenditures	(731)	(1,301)
Cash used for business combinations, net of cash received (See Note 12)	(3,204)	–
Investments in unconsolidated affiliates	–	(1)
Distributions received from unconsolidated affiliates attributable to the return of capital	55	37
Proceeds from asset sales	14	50
Other investing activities	(2)	(14)
Cash used in investing activities	<u>(3,868)</u>	<u>(1,229)</u>
<b>Financing activities:</b>		
Borrowings under debt agreements	42,112	9,797
Repayments of debt	(42,872)	(11,122)
Monetization of interest rate derivative instruments	–	75
Cash distributions paid to common unitholders (see Note 8)	(2,026)	(1,965)
Cash payments made in connection with distribution equivalent rights	(17)	(15)
Cash distributions paid to noncontrolling interests	(82)	(71)
Cash contributions from noncontrolling interests	4	18
Repurchase of common units under 2019 Buyback Program	(35)	(14)
Other financing activities	(48)	(38)
Cash used in financing activities	<u>(2,964)</u>	<u>(3,335)</u>
<b>Net change in cash and cash equivalents, including restricted cash</b>	<u>(2,568)</u>	<u>(547)</u>
<b>Cash and cash equivalents, including restricted cash, at beginning of period</b>	<u>2,965</u>	<u>1,158</u>
<b>Cash and cash equivalents, including restricted cash, at end of period</b>	<u>\$ 397</u>	<u>\$ 611</u>

See Notes to Unaudited Condensed Consolidated Financial Statements.

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**UNAUDITED CONDENSED STATEMENTS OF CONSOLIDATED EQUITY**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022**  
**(Dollars in millions)**

	Partners' Equity				Total
	Common Limited Partner Interests	Treasury Units	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests in Consolidated Subsidiaries	
<b>For the Three Months Ended June 30, 2022:</b>					
<b>Balance, March 31, 2022</b>	\$ 26,610	\$ (1,297)	\$ 240	\$ 1,104	\$ 26,657
Net income	1,411	-	-	28	1,439
Cash distributions paid to common unitholders	(1,014)	-	-	-	(1,014)
Cash payments made in connection with distribution equivalent rights	(9)	-	-	-	(9)
Cash distributions paid to noncontrolling interests	-	-	-	(40)	(40)
Cash contributions from noncontrolling interests	-	-	-	2	2
Amortization of fair value of equity-based awards	41	-	-	-	41
Repurchase and cancellation of common units under 2019 Buyback Program	(35)	-	-	-	(35)
Cash flow hedges	-	-	(63)	-	(63)
Other, net	(1)	-	-	-	(1)
<b>Balance, June 30, 2022</b>	<b>\$ 27,003</b>	<b>\$ (1,297)</b>	<b>\$ 177</b>	<b>\$ 1,094</b>	<b>\$ 26,977</b>

	Partners' Equity				Total
	Common Limited Partner Interests	Treasury Units	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests in Consolidated Subsidiaries	
<b>For the Six Months Ended June 30, 2022:</b>					
<b>Balance, December 31, 2021</b>	\$ 26,340	\$ (1,297)	\$ 286	\$ 1,110	\$ 26,439
Net income	2,707	-	-	62	2,769
Cash distributions paid to common unitholders	(2,026)	-	-	-	(2,026)
Cash payments made in connection with distribution equivalent rights	(17)	-	-	-	(17)
Cash distributions paid to noncontrolling interests	-	-	-	(82)	(82)
Cash contributions from noncontrolling interests	-	-	-	4	4
Amortization of fair value of equity-based awards	79	-	-	-	79
Repurchase and cancellation of common units under 2019 Buyback Program	(35)	-	-	-	(35)
Cash flow hedges	-	-	(109)	-	(109)
Other, net	(45)	-	-	-	(45)
<b>Balance, June 30, 2022</b>	<b>\$ 27,003</b>	<b>\$ (1,297)</b>	<b>\$ 177</b>	<b>\$ 1,094</b>	<b>\$ 26,977</b>

See Notes to Unaudited Condensed Consolidated Financial Statements. For information regarding Unit History and Accumulated Other Comprehensive Income (Loss), see Note 8.

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**UNAUDITED CONDENSED STATEMENTS OF CONSOLIDATED EQUITY**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021**  
**(Dollars in millions)**

	<b>Partners' Equity</b>				<b>Total</b>
	<b>Common Limited Partner Interests</b>	<b>Treasury Units</b>	<b>Accumulated Other Comprehensive Income (Loss)</b>	<b>Noncontrolling Interests in Consolidated Subsidiaries</b>	
<b>For the Three Months Ended June 30, 2021:</b>					
<b>Balance, March 31, 2021</b>	\$ 26,109	\$ (1,297)	\$ 181	\$ 1,078	\$ 26,071
Net income	1,112	-	-	33	1,145
Cash distributions paid to common unitholders	(983)	-	-	-	(983)
Cash payments made in connection with distribution equivalent rights	(8)	-	-	-	(8)
Cash distributions paid to noncontrolling interests	-	-	-	(41)	(41)
Cash contributions from noncontrolling interests	-	-	-	5	5
Amortization of fair value of equity-based awards	41	-	-	-	41
Cash flow hedges	-	-	(380)	-	(380)
Other, net	(2)	-	-	(1)	(3)
<b>Balance, June 30, 2021</b>	<b>\$ 26,269</b>	<b>\$ (1,297)</b>	<b>\$ (199)</b>	<b>\$ 1,074</b>	<b>\$ 25,847</b>

	<b>Partners' Equity</b>				<b>Total</b>
	<b>Common Limited Partner Interests</b>	<b>Treasury Units</b>	<b>Accumulated Other Comprehensive Income (Loss)</b>	<b>Noncontrolling Interests in Consolidated Subsidiaries</b>	
<b>For the Six Months Ended June 30, 2021:</b>					
<b>Balance, December 31, 2020</b>	\$ 25,767	\$ (1,297)	\$ (165)	\$ 1,073	\$ 25,378
Net income	2,453	-	-	54	2,507
Cash distributions paid to common unitholders	(1,965)	-	-	-	(1,965)
Cash payments made in connection with distribution equivalent rights	(15)	-	-	-	(15)
Cash distributions paid to noncontrolling interests	-	-	-	(71)	(71)
Cash contributions from noncontrolling interests	-	-	-	18	18
Amortization of fair value of equity-based awards	79	-	-	-	79
Repurchase and cancellation of common units under 2019 Buyback Program	(14)	-	-	-	(14)
Cash flow hedges	-	-	(34)	-	(34)
Other, net	(36)	-	-	-	(36)
<b>Balance, June 30, 2021</b>	<b>\$ 26,269</b>	<b>\$ (1,297)</b>	<b>\$ (199)</b>	<b>\$ 1,074</b>	<b>\$ 25,847</b>

See Notes to Unaudited Condensed Consolidated Financial Statements. For information regarding Unit History and Accumulated Other Comprehensive Income (Loss), see Note 8.



**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**KEY REFERENCES USED IN THESE**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

Unless the context requires otherwise, references to “we,” “us” or “our” within these Notes to Unaudited Condensed Consolidated Financial Statements are intended to mean the business and operations of Enterprise Products Partners L.P. and its consolidated subsidiaries.

References to the “Partnership” or “Enterprise” mean Enterprise Products Partners L.P. on a standalone basis.

References to “EPO” mean Enterprise Products Operating LLC, which is an indirect wholly owned subsidiary of the Partnership, and its consolidated subsidiaries, through which the Partnership conducts its business. We are managed by our general partner, Enterprise Products Holdings LLC (“Enterprise GP”), which is a wholly owned subsidiary of Dan Duncan LLC, a privately held Texas limited liability company.

The membership interests of Dan Duncan LLC are owned by a voting trust, the current trustees (“DD LLC Trustees”) of which are: (i) Randa Duncan Williams, who is also a director and Chairman of the Board of Directors (the “Board”) of Enterprise GP; (ii) Richard H. Bachmann, who is also a director and Vice Chairman of the Board of Enterprise GP; and (iii) W. Randall Fowler, who is also a director and the Co-Chief Executive Officer and Chief Financial Officer of Enterprise GP. Ms. Duncan Williams and Messrs. Bachmann and Fowler also currently serve as managers of Dan Duncan LLC.

References to “EPCO” mean Enterprise Products Company, a privately held Texas corporation, and its privately held affiliates. The outstanding voting capital stock of EPCO is owned by a voting trust, the current trustees (“EPCO Trustees”) of which are: (i) Ms. Duncan Williams, who serves as Chairman of EPCO; (ii) Mr. Bachmann, who serves as the President and Chief Executive Officer of EPCO; and (iii) Mr. Fowler, who serves as an Executive Vice President and the Chief Financial Officer of EPCO. Ms. Duncan Williams and Messrs. Bachmann and Fowler also currently serve as directors of EPCO.

We, Enterprise GP, EPCO and Dan Duncan LLC are affiliates under the collective common control of the DD LLC Trustees and the EPCO Trustees. EPCO, together with its privately held affiliates, owned approximately 32.2% of the Partnership’s common units outstanding at June 30, 2022.

*With the exception of per unit amounts, or as noted within the context of each disclosure,  
the dollar amounts presented in the tabular data within these disclosures are  
stated in millions of dollars.*

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1. Partnership Organization and Operations**

We are a publicly traded Delaware limited partnership, the common units of which are listed on the New York Stock Exchange (“NYSE”) under the ticker symbol “EPD.” Our preferred units are not publicly traded. We were formed in April 1998 to own and operate certain natural gas liquids (“NGLs”) related businesses of EPCO and are a leading North American provider of midstream energy services to producers and consumers of natural gas, NGLs, crude oil, petrochemicals and refined products. We are owned by our limited partners (preferred and common unitholders) from an economic perspective. Enterprise GP, which owns a non-economic general partner interest in us, manages our Partnership. We conduct substantially all of our business operations through EPO and its consolidated subsidiaries.

Our fully integrated, midstream energy asset network (or “value chain”) links producers of natural gas, NGLs and crude oil from some of the largest supply basins in the United States (“U.S.”), Canada and the Gulf of Mexico with domestic consumers and international markets. Our midstream energy operations include:

- natural gas gathering, treating, processing, transportation and storage;
- NGL transportation, fractionation, storage, and marine terminals (including those used to export liquefied petroleum gases, or “LPG,” and ethane);
- crude oil gathering, transportation, storage, and marine terminals;
- propylene production facilities (including propane dehydrogenation (“PDH”) facilities), butane isomerization, octane enhancement, isobutane dehydrogenation (“iBDH”) and high purity isobutylene (“HPIB”) production facilities;
- petrochemical and refined products transportation, storage, and marine terminals (including those used to export ethylene and polymer grade propylene (“PGP”)); and
- a marine transportation business that operates on key U.S. inland and intracoastal waterway systems.

Like many publicly traded partnerships, we have no employees. All of our management, administrative and operating functions are performed by employees of EPCO pursuant to an administrative services agreement (the “ASA”) or by other service providers. See Note 15 for information regarding related party matters.

Our results of operations for the six months ended June 30, 2022 are not necessarily indicative of results expected for the full year of 2022. In our opinion, the accompanying Unaudited Condensed Consolidated Financial Statements include all adjustments consisting of normal recurring accruals necessary for fair presentation. Although we believe the disclosures in these financial statements are adequate and make the information presented not misleading, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) have been condensed or omitted pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”).

These Unaudited Condensed Consolidated Financial Statements and Notes thereto should be read in conjunction with the Audited Consolidated Financial Statements and Notes thereto included in our annual report on Form 10-K for the year ended December 31, 2021 (the “2021 Form 10-K”) filed with the SEC on February 28, 2022.

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Note 2. Summary of Significant Accounting Policies**

Apart from those matters described in this footnote, there have been no updates to our significant accounting policies since those reported under Note 2 of the 2021 Form 10-K.

***Allowance for Credit Losses***

We estimate our allowance for credit losses at each reporting date using a current expected credit loss model, which requires the measurement of expected credit losses for financial assets (e.g., accounts receivable) based on historical experience with customers, current economic conditions, and reasonable and supportable forecasts. We may also increase the allowance for credit losses in response to the specific identification of customers involved in bankruptcy proceedings and similar financial difficulties.

The following table presents our allowance for credit losses activity since December 31, 2021:

<b>Allowance for credit losses, December 31, 2021</b>	\$	53
Charged to costs and expenses		4
Charged to other accounts		1
Deductions		(4)
<b>Allowance for credit losses, June 30, 2022</b>	<u>\$</u>	<u>54</u>

***Cash, Cash Equivalents and Restricted Cash***

The following table provides a reconciliation of cash and cash equivalents, and restricted cash reported within the Unaudited Condensed Consolidated Balance Sheets that sum to the total of the amounts shown in the Unaudited Condensed Statements of Consolidated Cash Flows.

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Cash and cash equivalents	\$ 231	\$ 2,820
Restricted cash	166	145
Total cash, cash equivalents and restricted cash shown in the Unaudited Condensed Statements of Consolidated Cash Flows	<u>\$ 397</u>	<u>\$ 2,965</u>

Restricted cash primarily represents amounts held in segregated bank accounts by our clearing brokers as margin in support of our commodity derivative instruments portfolio and related physical purchases and sales of natural gas, NGLs, crude oil, refined products and power. Additional cash may be restricted to maintain our commodity derivative instruments portfolio as prices fluctuate or margin requirements change. See Note 14 for information regarding our derivative instruments and hedging activities.

**Note 3. Inventories**

Our inventory amounts by product type were as follows at the dates indicated:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
NGLs	\$ 2,422	\$ 2,027
Petrochemicals and refined products	576	343
Crude oil	211	285
Natural gas	25	26
Total	<u>\$ 3,234</u>	<u>\$ 2,681</u>

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

Due to fluctuating commodity prices, we recognize lower of cost or net realizable value adjustments when the carrying value of our available-for-sale inventories exceeds their net realizable value. The following table presents our total cost of sales amounts and lower of cost or net realizable value adjustments for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Cost of sales (1)	\$ 12,908	\$ 6,840	\$ 23,006	\$ 13,103
Lower of cost or net realizable value adjustments recognized in cost of sales	3	3	7	13

(1) Cost of sales is a component of "Operating costs and expenses" as presented on our Unaudited Condensed Statements of Consolidated Operations. Fluctuations in these amounts are primarily due to changes in energy commodity prices and sales volumes associated with our marketing activities.

**Note 4. Property, Plant and Equipment**

The historical costs of our property, plant and equipment and related balances were as follows at the dates indicated:

	Estimated Useful Life in Years	June 30,		December 31,	
		2022		2021	
Plants, pipelines and facilities (1)	3-45 (5)	\$ 53,912	\$ 51,636		
Underground and other storage facilities (2)	5-40 (6)	4,335	4,327		
Transportation equipment (3)	3-10	218	209		
Marine vessels (4)	15-30	922	918		
Land		387	379		
Construction in progress		2,213	1,616		
Subtotal		61,987	59,085		
Less accumulated depreciation		17,933	17,083		
Subtotal property, plant and equipment, net		44,054	42,002		
Capitalized major maintenance costs for reaction-based plants, net of accumulated amortization (7)		75	86		
Property, plant and equipment, net		\$ 44,129	\$ 42,088		

- (1) Plants, pipelines and facilities include processing plants; NGL, natural gas, crude oil and petrochemical and refined products pipelines; terminal loading and unloading facilities; buildings; office furniture and equipment; laboratory and shop equipment and related assets.
- (2) Underground and other storage facilities include underground product storage caverns; above ground storage tanks; water wells and related assets.
- (3) Transportation equipment includes tractor-trailer tank trucks and other vehicles and similar assets used in our operations.
- (4) Marine vessels include tow boats, barges and related equipment used in our marine transportation business.
- (5) In general, the estimated useful lives of major assets within this category are: processing plants, 20-35 years; pipelines and related equipment, 5-45 years; terminal facilities, 10-35 years; buildings, 20-40 years; office furniture and equipment, 3-20 years; and laboratory and shop equipment, 5-35 years.
- (6) In general, the estimated useful lives of assets within this category are: underground storage facilities, 5-35 years; storage tanks, 10-40 years; and water wells, 5-35 years.
- (7) For reaction-based plants, we use the deferral method when accounting for major maintenance activities. Under the deferral method, major maintenance costs are capitalized and amortized over the period until the next major overhaul project. On a weighted-average basis, the expected amortization period for these costs is 1.8 years.

Property, plant and equipment at June 30, 2022 and December 31, 2021 includes \$114 million and \$81 million, respectively, of asset retirement costs capitalized as an increase in the associated long-lived asset.

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The following table presents information regarding our asset retirement obligations, or AROs, since December 31, 2021:

<b>ARO liability balance, December 31, 2021</b>	\$	176
Liabilities incurred (1)		14
Revisions in estimated cash flows (2)		23
Liabilities settled (3)		(2)
Accretion expense (4)		8
<b>ARO liability balance, June 30, 2022</b>	<b>\$</b>	<b>219</b>

- (1) Represents the initial recognition of estimated ARO liabilities during period.  
(2) Represents subsequent adjustments to estimated ARO liabilities during period.  
(3) Represents cash payments to settle ARO liabilities during period.  
(4) Represents net change in ARO liability balance attributable to the passage of time and other adjustments, including true-up amounts associated with revised closure estimates.

Of the \$219 million total ARO liability recorded at June 30, 2022, \$16 million was reflected as a current liability and \$203 million as a long-term liability.

The following table summarizes our depreciation and accretion expense and capitalized interest amounts for the periods indicated:

	<b>For the Three Months Ended June 30,</b>		<b>For the Six Months Ended June 30,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Depreciation expense (1)	\$ 445	\$ 425	\$ 883	\$ 849
Accretion expense (1)	6	1	8	3
Capitalized interest (2)	21	21	38	41

- (1) Depreciation and accretion expense is a component of "Costs and expenses" as presented on our Unaudited Condensed Statements of Consolidated Operations.  
(2) We capitalize interest costs incurred on funds used to construct property, plant and equipment while the asset is in its construction phase. The capitalized interest is recorded as part of the asset to which it relates and is amortized over the asset's estimated useful life as a component of depreciation expense. When capitalized interest is recorded, it reduces interest expense from what it would be otherwise.

**Note 5. Investments in Unconsolidated Affiliates**

The following table presents our investments in unconsolidated affiliates by business segment at the dates indicated. We account for these investments using the equity method.

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
NGL Pipelines & Services	\$ 650	\$ 656
Crude Oil Pipelines & Services	1,690	1,738
Natural Gas Pipelines & Services	31	31
Petrochemical & Refined Products Services	3	3
Total	<u>\$ 2,374</u>	<u>\$ 2,428</u>

The following table presents our equity in income of unconsolidated affiliates by business segment for the periods indicated:

	<b>For the Three Months Ended June 30,</b>		<b>For the Six Months Ended June 30,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
NGL Pipelines & Services	\$ 36	\$ 29	\$ 70	\$ 57
Crude Oil Pipelines & Services	70	130	151	249
Natural Gas Pipelines & Services	-	2	2	3
Petrochemical & Refined Products Services	1	-	1	1
Total	<u>\$ 107</u>	<u>\$ 161</u>	<u>\$ 224</u>	<u>\$ 310</u>

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Note 6. Intangible Assets and Goodwill**

**Identifiable Intangible Assets**

The following table summarizes our intangible assets by business segment at the dates indicated:

	June 30, 2022			December 31, 2021		
	Gross Value	Accumulated Amortization	Carrying Value	Gross Value	Accumulated Amortization	Carrying Value
<b>NGL Pipelines &amp; Services:</b>						
Customer relationship intangibles	\$ 449	\$ (242)	\$ 207	\$ 449	\$ (236)	\$ 213
Contract-based intangibles	749	(72)	677	165	(61)	104
Segment total	1,198	(314)	884	614	(297)	317
<b>Crude Oil Pipelines &amp; Services:</b>						
Customer relationship intangibles	2,195	(392)	1,803	2,195	(355)	1,840
Contract-based intangibles	283	(267)	16	283	(263)	20
Segment total	2,478	(659)	1,819	2,478	(618)	1,860
<b>Natural Gas Pipelines &amp; Services:</b>						
Customer relationship intangibles	1,350	(569)	781	1,350	(550)	800
Contract-based intangibles	639	(189)	450	232	(183)	49
Segment total	1,989	(758)	1,231	1,582	(733)	849
<b>Petrochemical &amp; Refined Products Services:</b>						
Customer relationship intangibles	181	(78)	103	181	(75)	106
Contract-based intangibles	45	(26)	19	45	(26)	19
Segment total	226	(104)	122	226	(101)	125
Total intangible assets	\$ 5,891	\$ (1,835)	\$ 4,056	\$ 4,900	\$ (1,749)	\$ 3,151

The following table presents the amortization expense of our intangible assets by business segment for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
	NGL Pipelines & Services	\$ 9	\$ 6	\$ 17
Crude Oil Pipelines & Services	21	19	41	37
Natural Gas Pipelines & Services	14	11	25	21
Petrochemical & Refined Products Services	1	2	3	4
Total	\$ 45	\$ 38	\$ 86	\$ 74

The following table presents our forecast of amortization expense associated with existing intangible assets for the periods indicated:

Remainder of 2022	2023	2024	2025	2026
\$ 100	\$ 204	\$ 212	\$ 211	\$ 206

**Goodwill**

Goodwill represents the excess of the purchase price of an acquired business over the amounts assigned to assets acquired and liabilities assumed in the transaction. The following table presents changes in the carrying amount of goodwill for the period presented:

	NGL Pipelines & Services	Crude Oil Pipelines & Services	Natural Gas Pipelines & Services	Petrochemical & Refined Products Services	Consolidated Total
<b>Balance at December 31, 2021</b>	\$ 2,652	\$ 1,841	\$ –	\$ 956	\$ 5,449
Goodwill related to acquisition (1)	159	–	–	–	159
<b>Balance at June 30, 2022</b>	\$ 2,811	\$ 1,841	\$ –	\$ 956	\$ 5,608

(1) This amount represents the goodwill recognized in connection with our acquisition of Navitas Midstream in February 2022. See Note 12 for additional information regarding this acquisition.

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Note 7. Debt Obligations**

The following table presents our consolidated debt obligations (arranged by company and maturity date) at the dates indicated:

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
<b>EPO senior debt obligations:</b>		
Commercial Paper Notes, variable-rates	\$ 640	\$ —
Senior Notes VV, 3.50% fixed-rate, due February 2022	—	750
Senior Notes CC, 4.05% fixed-rate, due February 2022	—	650
September 2021 364-Day Revolving Credit Agreement, variable-rate, due September 2022	—	—
Senior Notes HH, 3.35% fixed-rate, due March 2023	1,250	1,250
Senior Notes JJ, 3.90% fixed-rate, due February 2024	850	850
Senior Notes MM, 3.75% fixed-rate, due February 2025	1,150	1,150
Senior Notes PP, 3.70% fixed-rate, due February 2026	875	875
September 2021 Multi-Year Revolving Credit Agreement, variable-rate, due September 2026	—	—
Senior Notes SS, 3.95% fixed-rate, due February 2027	575	575
Senior Notes WW, 4.15% fixed-rate, due October 2028	1,000	1,000
Senior Notes YY, 3.125% fixed-rate, due July 2029	1,250	1,250
Senior Notes AAA, 2.80% fixed-rate, due January 2030	1,250	1,250
Senior Notes D, 6.875% fixed-rate, due March 2033	500	500
Senior Notes H, 6.65% fixed-rate, due October 2034	350	350
Senior Notes J, 5.75% fixed-rate, due March 2035	250	250
Senior Notes W, 7.55% fixed-rate, due April 2038	400	400
Senior Notes R, 6.125% fixed-rate, due October 2039	600	600
Senior Notes Z, 6.45% fixed-rate, due September 2040	600	600
Senior Notes BB, 5.95% fixed-rate, due February 2041	750	750
Senior Notes DD, 5.70% fixed-rate, due February 2042	600	600
Senior Notes EE, 4.85% fixed-rate, due August 2042	750	750
Senior Notes GG, 4.45% fixed-rate, due February 2043	1,100	1,100
Senior Notes II, 4.85% fixed-rate, due March 2044	1,400	1,400
Senior Notes KK, 5.10% fixed-rate, due February 2045	1,150	1,150
Senior Notes QQ, 4.90% fixed-rate, due May 2046	975	975
Senior Notes UU, 4.25% fixed-rate, due February 2048	1,250	1,250
Senior Notes XX, 4.80% fixed-rate, due February 2049	1,250	1,250
Senior Notes ZZ, 4.20% fixed-rate, due January 2050	1,250	1,250
Senior Notes BBB, 3.70% fixed-rate, due January 2051	1,000	1,000
Senior Notes DDD, 3.20% fixed-rate, due February 2052	1,000	1,000
Senior Notes EEE, 3.30% fixed-rate, due February 2053	1,000	1,000
Senior Notes NN, 4.95% fixed-rate, due October 2054	400	400
Senior Notes CCC, 3.95% fixed rate, due January 2060	1,000	1,000
Total principal amount of senior debt obligations	26,415	27,175
<b>EPO Junior Subordinated Notes C, variable-rate, due June 2067 (1)</b>	232	232
<b>EPO Junior Subordinated Notes D, fixed/variable-rate, due August 2077 (2)</b>	700	700
<b>EPO Junior Subordinated Notes E, fixed/variable-rate, due August 2077 (3)</b>	1,000	1,000
<b>EPO Junior Subordinated Notes F, fixed/variable-rate, due February 2078 (4)</b>	700	700
<b>TEPPCO Junior Subordinated Notes, variable-rate, due June 2067 (1)</b>	14	14
Total principal amount of senior and junior debt obligations	29,061	29,821
<b>Other, non-principal amounts</b>	(280)	(286)
Less current maturities of debt	(1,889)	(1,400)
Total long-term debt	\$ 26,892	\$ 28,135

(1) Variable rate is reset quarterly and based on 3-month London Interbank Offered Rate ("LIBOR"), plus 2.778%.

(2) Fixed rate of 4.875% through August 15, 2022; thereafter, a variable rate reset quarterly and based on 3-month LIBOR plus 2.986%.

(3) Fixed rate of 5.250% through August 15, 2027; thereafter, a variable rate reset quarterly and based on 3-month LIBOR plus 3.033%.

(4) Fixed rate of 5.375% through February 14, 2028; thereafter, a variable rate reset quarterly and based on 3-month LIBOR plus 2.57%.

References to "TEPPCO" mean TEPPCO Partners, L.P. prior to its merger with one of our wholly owned subsidiaries in October 2009.

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

***Variable Interest Rates***

The following table presents the range of interest rates and weighted-average interest rates paid on our consolidated variable-rate debt during the six months ended June 30, 2022:

	<b>Range of Interest Rates Paid</b>	<b>Weighted-Average Interest Rate Paid</b>
Commercial Paper Notes	0.20% to 1.85%	0.72%
EPO Junior Subordinated Notes C and TEPPCO Junior Subordinated Notes	2.95% to 4.36%	3.36%

Amounts borrowed under EPO's September 2021 364-Day Revolving Credit Agreement and September 2021 Multi-Year Revolving Credit Agreement bear interest, at EPO's election, equal to: (i) LIBOR, plus an additional variable spread; or (ii) an alternate base rate, which is the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 0.5%, or (c) LIBOR for an interest period of one month in effect on such day plus 1%, and a variable spread. The applicable spreads are determined based on EPO's debt ratings.

In July 2017, the Financial Conduct Authority in the U.K. announced a desire to phase out LIBOR as a benchmark by the end of June 2023. Financial industry working groups are developing replacement rates and methodologies to transition existing agreements that depend on LIBOR as a reference rate. We currently do not expect the transition from LIBOR to have a material financial impact on us.

***Scheduled Maturities of Debt***

The following table presents the scheduled maturities of principal amounts of EPO's consolidated debt obligations at June 30, 2022 for the next five years, and in total thereafter:

	<b>Scheduled Maturities of Debt</b>						
	<b>Total</b>	<b>Remainder of 2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Thereafter</b>
Commercial Paper Notes	\$ 640	\$ 640	\$ —	\$ —	\$ —	\$ —	\$ —
Senior Notes	25,775	—	1,250	850	1,150	875	21,650
Junior Subordinated Notes	2,646	—	—	—	—	—	2,646
Total	<u>\$ 29,061</u>	<u>\$ 640</u>	<u>\$ 1,250</u>	<u>\$ 850</u>	<u>\$ 1,150</u>	<u>\$ 875</u>	<u>\$ 24,296</u>

In February 2022, EPO repaid all of the \$750 million and \$650 million in principal amount of its Senior Notes VV and CC, respectively, using remaining cash on hand attributable to its September 2021 senior notes offering and proceeds from the issuance of short-term notes under its commercial paper program.

***March 2022 Delayed Draw Term Loan Agreement***

On March 1, 2022, EPO entered into a delayed draw term loan agreement (the "March 2022 Delayed Draw Term Loan Agreement"). Under the terms of the March 2022 Delayed Draw Term Loan Agreement, EPO could have borrowed up to an aggregate of \$500 million by April 30, 2022 at a variable interest rate based on EPO's senior debt credit rating. However, because EPO elected not to borrow under the facility by April 30, 2022, the March 2022 Delayed Draw Term Loan Agreement automatically terminated at that date in accordance with its terms.

***Expected Renewal of September 2021 364-Day Revolving Credit Agreement***

EPO's September 2021 364-Day Revolving Credit Agreement is scheduled to mature in September 2022. As a result, EPO expects to renew this credit agreement during the third quarter of 2022. At June 30, 2022, there were no principal amounts outstanding under the September 2021 364-Day Revolving Credit Agreement.



**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

***Partial Redemption of Junior Subordinated Notes D***

On August 1, 2022, EPO called for redemption \$350 million of the \$700 million outstanding principal amount of its Junior Subordinated Notes D. The redemption date for such notes is August 31, 2022. These notes are redeemable at EPO's election on or after August 16, 2022 at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest thereon to, but not including, the redemption date. The redemption is expected to be made using cash on hand and proceeds from the issuance of short-term notes under EPO's commercial paper program.

***Letters of Credit***

At June 30, 2022, EPO had \$117 million of letters of credit outstanding primarily related to our commodity hedging activities.

***Lender Financial Covenants***

We were in compliance with the financial covenants of our consolidated debt agreements at June 30, 2022.

***Parent-Subsidiary Guarantor Relationships***

The Partnership acts as guarantor of the consolidated debt obligations of EPO, with the exception of the remaining debt obligations of TEPPCO. If EPO were to default on any of its guaranteed debt, the Partnership would be responsible for full and unconditional repayment of such obligations.

**Note 8. Capital Accounts**

***Common Limited Partner Interests***

The following table summarizes changes in the number of our common units outstanding since December 31, 2021:

<b>Common units outstanding at December 31, 2021</b>	2,176,379,587
Common units issued in connection with the vesting of phantom unit awards, net	4,051,207
Other	<u>22,350</u>
<b>Common units outstanding at March 31, 2022</b>	2,180,453,144
Common unit repurchases under 2019 Buyback Program	(1,408,121)
Common units issued in connection with the vesting of phantom unit awards, net	<u>204,357</u>
<b>Common units outstanding at June 30, 2022</b>	<u><u>2,179,249,380</u></u>

**Registration Statements**

We have a universal shelf registration statement on file with the SEC which allows the Partnership and EPO (each on a standalone basis) to issue an unlimited amount of equity and debt securities, respectively.

In addition, the Partnership has a registration statement on file with the SEC covering the issuance of up to \$2.5 billion of its common units in amounts, at prices and on terms based on market conditions and other factors at the time of such offerings (referred to as the Partnership's at-the-market ("ATM") program). The Partnership did not issue any common units under its ATM program during the six months ended June 30, 2022. The Partnership's capacity to issue additional common units under the ATM program remains at \$2.5 billion as of June 30, 2022.

We may issue additional equity and debt securities to assist us in meeting our future liquidity requirements, including those related to capital investments.

**Common Unit Repurchases Under 2019 Buyback Program**

In January 2019, we announced that the Board of Enterprise GP had approved a \$2.0 billion multi-year unit buyback program (the "2019 Buyback Program"), which provides the Partnership with an additional method to return capital to investors. The 2019 Buyback Program authorizes the Partnership to repurchase its common units from time to time, including through open market purchases and negotiated transactions. No time limit has been set for completion of the program, and it may be suspended or discontinued at any time.

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

During the three and six months ended June 30, 2022, the Partnership repurchased 1,408,121 common units under the 2019 Buyback Program through open market purchases. The total cost of these repurchases, including commissions and fees, was \$35 million. During the six months ended June 30, 2021, the Partnership repurchased 709,816 common units under the 2019 Buyback Program through open market purchases. The total cost of these repurchases, including commissions and fees, was \$14 million. Common units repurchased under the 2019 Buyback Program are immediately cancelled upon acquisition. At June 30, 2022, the remaining available capacity under the 2019 Buyback Program was \$1.5 billion.

*Common Units Issued in Connection With the Vesting of Phantom Unit Awards*

After taking into account tax withholding requirements, the Partnership issued 4,255,564 new common units to employees in connection with the vesting of phantom unit awards during the six months ended June 30, 2022. See Note 13 for information regarding our phantom unit awards.

*Common Units Delivered Under DRIP and EUPP*

The Partnership has registration statements on file with the SEC in connection with its distribution reinvestment plan (“DRIP”) and employee unit purchase plan (“EUPP”). In July 2019, the Partnership announced that, beginning with the quarterly distribution payment paid in August 2019, it would use common units purchased on the open market, rather than issuing new common units, to satisfy its delivery obligations under the DRIP and EUPP. This election is subject to change in future quarters depending on the Partnership’s need for equity capital.

During the six months ended June 30, 2022, agents of the Partnership purchased 3,240,990 common units on the open market and delivered them to participants in the DRIP and EUPP. Apart from \$1 million attributable to the plan discount available to all participants in the EUPP, the funds used to effect these purchases were sourced from the DRIP and EUPP participants. No other Partnership funds were used to satisfy these obligations. We plan to use open market purchases to satisfy DRIP and EUPP reinvestments in connection with the distribution expected to be paid on August 12, 2022.

***Preferred Units***

There were 50,412 of our Series A Cumulative Convertible Preferred Units (“preferred units”) outstanding at June 30, 2022.

We present the capital accounts attributable to our preferred unitholders as mezzanine equity on our consolidated balance sheets since the terms of the preferred units allow for cash redemption by such unitholders in the event of a Change of Control (as defined in our partnership agreement), without regard to the likelihood of such an event.

During the six months ended June 30, 2022, the Partnership made quarterly cash distributions to its preferred unitholders of \$2 million.

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

***Accumulated Other Comprehensive Income (Loss)***

The following tables present the components of accumulated other comprehensive income (loss) as reported on our Unaudited Condensed Consolidated Balance Sheets at the dates indicated:

	<b>Cash Flow Hedges</b>			
	<b>Commodity Derivative Instruments</b>	<b>Interest Rate Derivative Instruments</b>	<b>Other</b>	<b>Total</b>
	<b>Accumulated Other Comprehensive Income (Loss), December 31, 2021</b>	\$ 137	\$ 147	\$ 2
Other comprehensive income (loss) for period, before reclassifications	(60)	–	–	(60)
Reclassification of losses (gains) to net income during period	(63)	14	–	(49)
Total other comprehensive income (loss) for period	(123)	14	–	(109)
<b>Accumulated Other Comprehensive Income (Loss), June 30, 2022</b>	<b>\$ 14</b>	<b>\$ 161</b>	<b>\$ 2</b>	<b>\$ 177</b>

	<b>Cash Flow Hedges</b>			
	<b>Commodity Derivative Instruments</b>	<b>Interest Rate Derivative Instruments</b>	<b>Other</b>	<b>Total</b>
	<b>Accumulated Other Comprehensive Income (Loss), December 31, 2020</b>	\$ (93)	\$ (74)	\$ 2
Other comprehensive income (loss) for period, before reclassifications	(752)	183	–	(569)
Reclassification of losses (gains) to net income during period	517	18	–	535
Total other comprehensive income (loss) for period	(235)	201	–	(34)
<b>Accumulated Other Comprehensive Income (Loss), June 30, 2021</b>	<b>\$ (328)</b>	<b>\$ 127</b>	<b>\$ 2</b>	<b>\$ (199)</b>

The following table presents reclassifications of (income) loss out of accumulated other comprehensive income into net income during the periods indicated:

<b>Losses (gains) on cash flow hedges:</b>	<b>Location</b>	<b>For the Three Months Ended June 30,</b>		<b>For the Six Months Ended June 30,</b>	
		<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
		Interest rate derivatives	Interest expense	\$ 6	\$ 10
Commodity derivatives	Revenue	(86)	(99)	(47)	498
Commodity derivatives	Operating costs and expenses	(22)	–	(16)	19
Total		<b>\$ (102)</b>	<b>\$ (89)</b>	<b>\$ (49)</b>	<b>\$ 535</b>

For information regarding our interest rate and commodity derivative instruments, see Note 14.

***Cash Distributions***

On July 7, 2022, we announced that the Board declared a quarterly cash distribution of \$0.4750 per common unit, or \$1.90 per common unit on an annualized basis, to be paid to the Partnership’s common unitholders with respect to the second quarter of 2022. The quarterly distribution is payable on August 12, 2022 to unitholders of record as of the close of business on July 29, 2022. The total amount to be paid is \$1.04 billion, which includes \$9 million for distribution equivalent rights (“DERs”) on phantom unit awards.

The payment of quarterly cash distributions is subject to management’s evaluation of our financial condition, results of operations and cash flows in connection with such payments and Board approval. Management will evaluate any future increases in cash distributions on a quarterly basis.

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Note 9. Revenues**

We classify our revenues into sales of products and midstream services. Product sales relate primarily to our various marketing activities whereas midstream services represent our other integrated businesses (i.e., gathering, processing, transportation, fractionation, storage and terminaling). The following table presents our revenues by business segment, and further by revenue type, for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
<b>NGL Pipelines &amp; Services:</b>				
Sales of NGLs and related products	\$ 5,580	\$ 2,976	\$ 10,620	\$ 5,982
Segment midstream services:				
Natural gas processing and fractionation	463	252	803	435
Transportation	229	235	458	510
Storage and terminals	108	124	253	244
Total segment midstream services	800	611	1,514	1,189
Total NGL Pipelines & Services	6,380	3,587	12,134	7,171
<b>Crude Oil Pipelines &amp; Services:</b>				
Sales of crude oil	5,031	2,139	8,747	3,978
Segment midstream services:				
Transportation	249	250	488	459
Storage and terminals	105	115	222	232
Total segment midstream services	354	365	710	691
Total Crude Oil Pipelines & Services	5,385	2,504	9,457	4,669
<b>Natural Gas Pipelines &amp; Services:</b>				
Sales of natural gas	1,359	476	2,239	1,811
Segment midstream services:				
Transportation	302	233	571	485
Total segment midstream services	302	233	571	485
Total Natural Gas Pipelines & Services	1,661	709	2,810	2,296
<b>Petrochemical &amp; Refined Products Services:</b>				
Sales of petrochemicals and refined products	2,370	2,386	4,124	3,985
Segment midstream services:				
Fractionation and isomerization	47	80	116	133
Transportation, including marine logistics	139	124	277	241
Storage and terminals	78	60	150	110
Total segment midstream services	264	264	543	484
Total Petrochemical & Refined Products Services	2,634	2,650	4,667	4,469
<b>Total consolidated revenues</b>	<b>\$ 16,060</b>	<b>\$ 9,450</b>	<b>\$ 29,068</b>	<b>\$ 18,605</b>

Substantially all of our revenues are derived from contracts with customers as defined within Accounting Standards Codification (“ASC”) 606, *Revenue from Contracts with Customers*.

***Unbilled Revenue and Deferred Revenue***

The following table provides information regarding our contract assets and contract liabilities at June 30, 2022:

Contract Asset	Location	Balance
Unbilled revenue (current amount)	Prepaid and other current assets	\$ 113
Total		<u>\$ 113</u>
Contract Liability	Location	Balance
Deferred revenue (current amount)	Other current liabilities	\$ 172
Deferred revenue (noncurrent)	Other long-term liabilities	273
Total		<u>\$ 445</u>

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The following table presents significant changes in our unbilled revenue and deferred revenue balances for the six months ended June 30, 2022:

	<b>Unbilled Revenue</b>	<b>Deferred Revenue</b>
<b>Balance at December 31, 2021</b>	\$ 15	\$ 446
Amount included in opening balance transferred to other accounts during period (1)	(4)	(151)
Amount recorded during period (2)	120	492
Amounts recorded during period transferred to other accounts (1)	(18)	(337)
Other changes	-	(5)
<b>Balance at June 30, 2022</b>	<b>\$ 113</b>	<b>\$ 445</b>

- (1) Unbilled revenues are transferred to accounts receivable once we have an unconditional right to consideration from the customer. Deferred revenues are recognized as revenue upon satisfaction of our performance obligation to the customer.
- (2) Unbilled revenue represents revenue that has been recognized upon satisfaction of a performance obligation, but cannot be contractually invoiced (or billed) to the customer at the balance sheet date until a future period. Deferred revenue is recorded when payment is received from a customer prior to our satisfaction of the associated performance obligation.

***Remaining Performance Obligations***

The following table presents estimated fixed future consideration from revenue contracts that contain minimum volume commitments, deficiency and similar fees and the term of the contracts exceeds one year. These amounts represent the revenues we expect to recognize in future periods from these contracts as of June 30, 2022.

<b>Period</b>	<b>Fixed Consideration</b>
Six Months Ended December 31, 2022	\$ 1,850
One Year Ended December 31, 2023	3,317
One Year Ended December 31, 2024	3,072
One Year Ended December 31, 2025	2,677
One Year Ended December 31, 2026	2,491
Thereafter	10,151
Total	<b>\$ 23,558</b>

**Note 10. Business Segments and Related Information**

Our operations are reported under four business segments: (i) NGL Pipelines & Services, (ii) Crude Oil Pipelines & Services, (iii) Natural Gas Pipelines & Services and (iv) Petrochemical & Refined Products Services. Our business segments are generally organized and managed according to the types of services rendered (or technologies employed) and products produced and/or sold.

Financial information regarding these segments is evaluated regularly by our co-chief operating decision makers in deciding how to allocate resources and in assessing our operating and financial performance. The co-principal executive officers of our general partner have been identified as our co-chief operating decision makers. While these two officers evaluate results in a number of different ways, the business segment structure is the primary basis for which the allocation of resources and financial results are assessed.

The following information summarizes the assets and operations of each business segment:

- Our NGL Pipelines & Services business segment includes our natural gas processing and related NGL marketing activities, NGL pipelines, NGL fractionation facilities, NGL and related product storage facilities, and NGL marine terminals.
- Our Crude Oil Pipelines & Services business segment includes our crude oil pipelines, crude oil storage and marine terminals, and related crude oil marketing activities.

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- Our Natural Gas Pipelines & Services business segment includes our natural gas pipeline systems that provide for the gathering, treating and transportation of natural gas. This segment also includes our natural gas marketing activities.
- Our Petrochemical & Refined Products Services business segment includes our (i) propylene production facilities, which include propylene fractionation units and a PDH facility, and related pipelines and marketing activities, (ii) butane isomerization complex and related deisobutanizer operations, (iii) octane enhancement, iBDH and HPIB production facilities, (iv) refined products pipelines, terminals and related marketing activities, (v) ethylene export terminal and related operations; and (vi) marine transportation business.

**Segment Gross Operating Margin**

We evaluate segment performance based on our financial measure of gross operating margin. Gross operating margin is an important performance measure of the core profitability of our operations and forms the basis of our internal financial reporting. We believe that investors benefit from having access to the same financial measures that our management uses in evaluating segment results. Gross operating margin is exclusive of other income and expense transactions, income taxes, the cumulative effect of changes in accounting principles and extraordinary charges. Gross operating margin is presented on a 100% basis before any allocation of earnings to noncontrolling interests. Our calculation of gross operating margin may or may not be comparable to similarly titled measures used by other companies.

The following table presents our measurement of total segment gross operating margin for the periods presented. The GAAP financial measure most directly comparable to total segment gross operating margin is operating income.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
<b>Operating income</b>	\$ 1,764	\$ 1,492	\$ 3,430	\$ 3,187
<i>Adjustments to reconcile operating income to total segment gross operating margin (addition or subtraction indicated by sign):</i>				
Depreciation, amortization and accretion expense in operating costs and expenses (1)	531	500	1,045	995
Asset impairment charges in operating costs and expenses	5	18	19	84
Net losses attributable to asset sales and related matters in operating costs and expenses	-	-	2	11
General and administrative costs	62	52	124	108
Non-refundable payments received from shippers attributable to make-up rights (2)	39	22	73	41
Subsequent recognition of revenues attributable to make-up rights (3)	(17)	(39)	(45)	(78)
<b>Total segment gross operating margin</b>	<b>\$ 2,384</b>	<b>\$ 2,045</b>	<b>\$ 4,648</b>	<b>\$ 4,348</b>

- (1) Excludes amortization of major maintenance costs for reaction-based plants, which are a component of gross operating margin.
- (2) Since make-up rights entail a future performance obligation by the pipeline to the shipper, these receipts are recorded as deferred revenue for GAAP purposes; however, these receipts are included in gross operating margin in the period of receipt since they are nonrefundable to the shipper.
- (3) As deferred revenues attributable to make-up rights are subsequently recognized as revenue under GAAP, gross operating margin must be adjusted to remove such amounts to prevent duplication since the associated non-refundable payments were previously included in gross operating margin.

Gross operating margin by segment is calculated by subtracting segment operating costs and expenses from segment revenues, with both segment totals reflecting the adjustments noted in the preceding table, as applicable, and before the elimination of intercompany transactions. The following table presents gross operating margin by segment for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
<b>Gross operating margin by segment:</b>				
NGL Pipelines & Services	\$ 1,327	\$ 1,098	\$ 2,552	\$ 2,184
Crude Oil Pipelines & Services	407	419	822	819
Natural Gas Pipelines & Services	229	202	449	737
Petrochemical & Refined Products Services	421	326	825	608
<b>Total segment gross operating margin</b>	<b>\$ 2,384</b>	<b>\$ 2,045</b>	<b>\$ 4,648</b>	<b>\$ 4,348</b>

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***Summarized Segment Financial Information***

Information by business segment, together with reconciliations to amounts presented on, or included in, our Unaudited Condensed Statements of Consolidated Operations, is presented in the following table:

	Reportable Business Segments					Consolidated Total
	NGL Pipelines & Services	Crude Oil Pipelines & Services	Natural Gas Pipelines & Services	Petrochemical & Refined Products Services	Adjustments and Eliminations	
<b>Revenues from third parties:</b>						
Three months ended June 30, 2022	\$ 6,374	\$ 5,380	\$ 1,653	\$ 2,634	\$ –	\$ 16,041
Three months ended June 30, 2021	3,584	2,501	706	2,650	–	9,441
Six months ended June 30, 2022	12,126	9,443	2,797	4,667	–	29,033
Six months ended June 30, 2021	7,165	4,658	2,290	4,469	–	18,582
<b>Revenues from related parties:</b>						
Three months ended June 30, 2022	6	5	8	–	–	19
Three months ended June 30, 2021	3	3	3	–	–	9
Six months ended June 30, 2022	8	14	13	–	–	35
Six months ended June 30, 2021	6	11	6	–	–	23
<b>Intersegment and intrasegment revenues:</b>						
Three months ended June 30, 2022	19,098	11,957	218	5,290	(36,563)	–
Three months ended June 30, 2021	10,298	7,876	149	6,596	(24,919)	–
Six months ended June 30, 2022	37,413	21,871	421	8,512	(68,217)	–
Six months ended June 30, 2021	23,387	15,296	295	12,830	(51,808)	–
<b>Total revenues:</b>						
Three months ended June 30, 2022	25,478	17,342	1,879	7,924	(36,563)	16,060
Three months ended June 30, 2021	13,885	10,380	858	9,246	(24,919)	9,450
Six months ended June 30, 2022	49,547	31,328	3,231	13,179	(68,217)	29,068
Six months ended June 30, 2021	30,558	19,965	2,591	17,299	(51,808)	18,605
<b>Equity in income loss of unconsolidated affiliates:</b>						
Three months ended June 30, 2022	36	70	–	1	–	107
Three months ended June 30, 2021	29	130	2	–	–	161
Six months ended June 30, 2022	70	151	2	1	–	224
Six months ended June 30, 2021	57	249	3	1	–	310

Segment revenues include intersegment and intrasegment transactions, which are generally based on transactions made at market-based rates. Our consolidated revenues reflect the elimination of intercompany transactions. Substantially all of our consolidated revenues are earned in the U.S. and derived from a wide customer base.

Information by business segment, together with reconciliations to our Unaudited Condensed Consolidated Balance Sheet totals, is presented in the following table:

	Reportable Business Segments					Consolidated Total
	NGL Pipelines & Services	Crude Oil Pipelines & Services	Natural Gas Pipelines & Services	Petrochemical & Refined Products Services	Adjustments and Eliminations	
<b>Property, plant and equipment, net:</b> (see Note 4)						
At June 30, 2022	\$ 17,452	\$ 6,862	\$ 9,916	\$ 7,686	\$ 2,213	\$ 44,129
At December 31, 2021	17,202	6,974	8,560	7,736	1,616	42,088
<b>Investments in unconsolidated affiliates:</b> (see Note 5)						
At June 30, 2022	650	1,690	31	3	–	2,374
At December 31, 2021	656	1,738	31	3	–	2,428
<b>Intangible assets, net:</b> (see Note 6)						
At June 30, 2022	884	1,819	1,231	122	–	4,056
At December 31, 2021	317	1,860	849	125	–	3,151
<b>Goodwill:</b> (see Note 6)						
At June 30, 2022	2,811	1,841	–	956	–	5,608
At December 31, 2021	2,652	1,841	–	956	–	5,449
<b>Segment assets:</b>						
At June 30, 2022	21,797	12,212	11,178	8,767	2,213	56,167
At December 31, 2021	20,827	12,413	9,440	8,820	1,616	53,116

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***Supplemental Revenue and Expense Information***

The following table presents additional information regarding our consolidated revenues and costs and expenses for the periods indicated:

	<b>For the Three Months Ended June 30,</b>		<b>For the Six Months Ended June 30,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Consolidated revenues:</b>				
NGL Pipelines & Services	\$ 6,380	\$ 3,587	\$ 12,134	\$ 7,171
Crude Oil Pipelines & Services	5,385	2,504	9,457	4,669
Natural Gas Pipelines & Services	1,661	709	2,810	2,296
Petrochemical & Refined Products Services	2,634	2,650	4,667	4,469
<b>Total consolidated revenues</b>	<b>\$ 16,060</b>	<b>\$ 9,450</b>	<b>\$ 29,068</b>	<b>\$ 18,605</b>
<b>Consolidated costs and expenses</b>				
Operating costs and expenses:				
Cost of sales	\$ 12,908	\$ 6,840	\$ 23,006	\$ 13,103
Other operating costs and expenses (1)	884	702	1,641	1,417
Depreciation, amortization and accretion	544	507	1,070	1,005
Asset impairment charges	5	18	19	84
Net losses attributable to asset sales and related matters	—	—	2	11
General and administrative costs	62	52	124	108
<b>Total consolidated costs and expenses</b>	<b>\$ 14,403</b>	<b>\$ 8,119</b>	<b>\$ 25,862</b>	<b>\$ 15,728</b>

(1) Represents the cost of operating our plants, pipelines and other fixed assets excluding: depreciation, amortization and accretion charges; asset impairment charges; and net losses attributable to asset sales and related matters.

Fluctuations in our product sales revenues and cost of sales amounts are explained in large part by changes in energy commodity prices. In general, higher energy commodity prices result in an increase in our revenues attributable to product sales; however, these higher commodity prices would also be expected to increase the associated cost of sales as purchase costs are higher. The same type of relationship would be true in the case of lower energy commodity sales prices and purchase costs.



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**Note 11. Earnings Per Unit**

The following table presents our calculation of basic and diluted earnings per common unit for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
<b>BASIC EARNINGS PER COMMON UNIT</b>				
Net income attributable to common unitholders	\$ 1,411	\$ 1,112	\$ 2,707	\$ 2,453
Earnings allocated to phantom unit awards (1)	(12)	(9)	(23)	(20)
Net income allocated to common unitholders	<u>\$ 1,399</u>	<u>\$ 1,103</u>	<u>\$ 2,684</u>	<u>\$ 2,433</u>
Basic weighted-average number of common units outstanding	<u>2,180</u>	<u>2,185</u>	<u>2,179</u>	<u>2,184</u>
Basic earnings per common unit	<u>\$ 0.64</u>	<u>\$ 0.50</u>	<u>\$ 1.23</u>	<u>\$ 1.11</u>
<b>DILUTED EARNINGS PER COMMON UNIT</b>				
Net income attributable to common unitholders	\$ 1,411	\$ 1,112	\$ 2,707	\$ 2,453
Net income attributable to preferred units	1	1	2	2
Net income attributable to limited partners	<u>\$ 1,412</u>	<u>\$ 1,113</u>	<u>\$ 2,709</u>	<u>\$ 2,455</u>
Diluted weighted-average number of units outstanding:				
Distribution-bearing common units	2,180	2,185	2,179	2,184
Phantom units (2)	19	18	19	18
Preferred units (2)	2	2	2	2
Total	<u>2,201</u>	<u>2,205</u>	<u>2,200</u>	<u>2,204</u>
Diluted earnings per common unit	<u>\$ 0.64</u>	<u>\$ 0.50</u>	<u>\$ 1.23</u>	<u>\$ 1.11</u>

(1) Phantom units are considered participating securities for purposes of computing basic earnings per unit. See Note 13 for information regarding the phantom units.

(2) We use the “if-converted method” to determine the potential dilutive effect of the vesting of phantom unit awards and the conversion of preferred units outstanding. See Note 13 for information regarding phantom unit awards. See Note 8 for information regarding preferred units.

**Note 12. Business Combinations**

On February 17, 2022, an affiliate of Enterprise acquired all of the member interests in Navitas Midstream Partners, LLC (“Navitas Midstream”) for \$3.2 billion in cash. We funded the cash consideration using proceeds from the issuance of short-term notes under our commercial paper program and cash on hand.

Navitas Midstream’s assets (the “Midland Basin System”) include approximately 1,750 miles of pipelines and over 1.0 Bcf/d of cryogenic natural gas processing capacity. The acquired business expands our natural gas processing and NGL businesses to the Midland Basin in West Texas.

The acquisition of Navitas Midstream was accounted for under the acquisition method in accordance with ASC 805, *Business Combinations*. The preliminary allocation of purchase consideration was based upon the estimated fair value of the tangible and identifiable intangible assets acquired and liabilities assumed in the acquisition. The preliminary allocation was made to major categories of assets and liabilities based on management’s best estimates and supported by an independent third-party analysis.

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The following table presents the preliminary fair value allocation of assets acquired and liabilities assumed in the acquisition at February 17, 2022 (the effective date of the acquisition). The allocation is provisional and subject to ongoing efforts to clarify the values assigned to tangible and identifiable intangible assets.

<b>Purchase price for 100% interest in Navitas Midstream</b>	\$ 3,231
<b>Recognized amounts of identifiable assets acquired and liabilities assumed:</b>	
Cash and cash equivalents	\$ 27
Property, plant and equipment	2,080
Contract-based intangible asset	989
Assumed liabilities, net of acquired other assets (1)	(24)
<b>Total identifiable net assets</b>	<b>\$ 3,072</b>
<b>Goodwill</b>	<b>\$ 159</b>

(1) Assumed liabilities primarily include accounts payable, other current liabilities, lease liabilities and asset retirement obligations. Acquired other assets primarily include accounts receivable, other current assets and right-of-use (“ROU”) assets. None of these amounts were considered individually significant.

The estimated fair value of the acquired property, plant and equipment was determined using the cost approach. The fair value of property, plant and equipment primarily consisted of personal property of \$1.6 billion, real property of \$250 million and construction in progress of \$175 million. See Note 4 for additional information regarding our property, plant and equipment.

The contract-based intangible asset represents the estimated value we assigned to the acquired long-term contracts with customers that dedicate future lease production to our system. The estimated fair value of the acquired contract-based intangible assets was determined using an income approach, specifically a discounted cash flow analysis. The fair value estimate incorporates Level 3 inputs including: (i) management’s long-term forecast of cash flows generated by the Midland Basin System based on the estimated economic life of the hydrocarbon resource basin served and resource depletion rates; and (ii) a discount rate of 15.5%, which is based on a benchmarking analysis with reference to the implied rate of return on the Navitas Midstream acquisition and a market participant weighted average cost of capital. We will amortize the value assigned to this intangible asset using a units-of-production method. The estimated useful life of the acquired contract-based intangible asset is 30 years.

We recorded \$159 million of goodwill in connection with this transaction. In general, we attribute this goodwill to our ability to leverage the acquired business with our existing NGL asset base to create future business opportunities.

The financial results for the processing activities of the acquired business will continue to be reported under the NGL Pipelines & Services business segment and the gathering activities will continue to be reported under the Natural Gas Pipelines & Services business segment.

The contribution of this newly acquired business to our consolidated revenues and net income was not material during the three and six months ended June 30, 2022. Additionally, acquisition related costs were not material during the three and six months ended June 30, 2022.

On a historical pro forma basis, our revenues, costs and expenses, operating income, net income attributable to common unitholders and earnings per unit for the three and six months ended June 30, 2022 and 2021 would not have differed materially from those we actually reported had the acquisition been completed on January 1, 2021 rather than February 17, 2022.

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**Note 13. Equity-Based Awards**

An allocated portion of the fair value of EPCO's equity-based awards is charged to us under the ASA. The following table summarizes compensation expense we recognized in connection with equity-based awards for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
<b>Equity-classified awards:</b>				
Phantom unit awards	\$ 40	\$ 38	\$ 78	\$ 76
Profits interest awards	1	3	2	4
Total	<u>\$ 41</u>	<u>\$ 41</u>	<u>\$ 80</u>	<u>\$ 80</u>

The fair value of equity-classified awards is amortized to earnings over the requisite service or vesting period. Equity-classified awards are expected to result in the issuance of the Partnership's common units upon vesting.

***Phantom Unit Awards***

Subject to customary forfeiture provisions, phantom unit awards allow recipients to acquire the Partnership's common units once a defined vesting period expires (at no cost to the recipient apart from fulfilling required service and other conditions). The following table presents phantom unit award activity for the period indicated:

	Number of Units	Weighted- Average Grant Date Fair Value per Unit (1)
<b>Phantom unit awards at December 31, 2021</b>	17,170,919	\$ 24.31
Granted (2)	7,968,380	\$ 24.11
Vested	(6,169,973)	\$ 25.14
Forfeited	(338,034)	\$ 23.94
<b>Phantom unit awards at June 30, 2022</b>	<u>18,631,292</u>	<u>\$ 23.95</u>

- (1) Determined by dividing the aggregate grant date fair value of awards (before an allowance for forfeitures) by the number of awards issued.  
(2) The aggregate grant date fair value of phantom unit awards issued during 2022 was \$192 million based on a grant date market price of the Partnership's common units ranging from \$24.10 to \$25.61 per unit. An estimated annual forfeiture rate of 2.0% was applied to these awards.

Each phantom unit award includes a DER, which entitles the participant to nonforfeitable cash payments equal to the product of the number of phantom unit awards outstanding for the participant and the cash distribution per common unit paid by the Partnership to its common unitholders. Cash payments made in connection with DERs are charged to partners' equity when the phantom unit award is expected to result in the issuance of common units; otherwise, such amounts are expensed.

The following table presents supplemental information regarding phantom unit awards for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Cash payments made in connection with DERs	\$ 9	\$ 8	\$ 17	\$ 15
Total intrinsic value of phantom unit awards that vested during period	7	6	149	119

For the EPCO group of companies, the unrecognized compensation cost associated with phantom unit awards was \$238 million at June 30, 2022, of which our share of such cost is currently estimated to be \$197 million. Due to the graded vesting provisions of these awards, we expect to recognize our share of the unrecognized compensation cost for these awards over a weighted-average period of 2.1 years.

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***Profits Interest Awards***

EPCO has two limited partnerships (referred to as “Employee Partnerships”) that serve as long-term incentive arrangements for key employees of EPCO by providing them a profits interest in one or more of the Employee Partnerships. At June 30, 2022, our share of the total unrecognized compensation cost related to the Employee Partnerships was \$7 million, which we expect to recognize over a weighted-average period of 1.4 years.

**Note 14. Hedging Activities and Fair Value Measurements**

In the normal course of our business operations, we are exposed to certain risks, including changes in interest rates and commodity prices. In order to manage risks associated with assets, liabilities and certain anticipated future transactions, we use derivative instruments such as futures, forward contracts, swaps, options and other instruments with similar characteristics. Substantially all of our derivatives are used for non-trading activities.

***Interest Rate Hedging Activities***

We may utilize interest rate swaps, forward-starting swaps, options to enter into forward-starting swaps (“swaptions”), and similar derivative instruments to manage our exposure to changes in interest rates charged on borrowings under certain consolidated debt agreements. This strategy may be used in controlling our overall cost of capital associated with such borrowings.

We do not have any interest rate derivative instruments outstanding at June 30, 2022.

***Commodity Hedging Activities***

The prices of natural gas, NGLs, crude oil, petrochemicals and refined products are subject to fluctuations in response to changes in supply and demand, market conditions and a variety of additional factors that are beyond our control. In order to manage such price risks, we enter into commodity derivative instruments such as physical forward contracts, futures contracts, fixed-for-float swaps and basis swaps.

At June 30, 2022, our predominant commodity hedging strategies consisted of (i) hedging anticipated future purchases and sales of commodity products associated with transportation, storage and blending activities, (ii) hedging natural gas processing margins and (iii) hedging the fair value of commodity products held in inventory.

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The following table summarizes our portfolio of commodity derivative instruments outstanding at June 30, 2022 (volume measures as noted):

Derivative Purpose	Volume (1)		Accounting Treatment
	Current (2)	Long-Term (2)	
<b><u>Derivatives designated as hedging instruments:</u></b>			
Natural gas processing:			
Forecasted natural gas purchases for plant thermal reduction (billion cubic feet (“Bcf”))	16.6	0.3	Cash flow hedge
Forecasted sales of NGLs (MMBbls)	0.8	n/a	Cash flow hedge
Octane enhancement:			
Forecasted sales of octane enhancement products (MMBbls)	19.6	1.6	Cash flow hedge
Natural gas marketing:			
Natural gas storage inventory management activities (Bcf)	2.8	n/a	Fair value hedge
NGL marketing:			
Forecasted purchases of NGLs and related hydrocarbon products (MMBbls)	144.9	12.6	Cash flow hedge
Forecasted sales of NGLs and related hydrocarbon products (MMBbls)	150.4	5.3	Cash flow hedge
NGLs inventory management activities (MMBbls)	2.5	n/a	Fair value hedge
Crude oil marketing:			
Forecasted purchases of crude oil (MMBbls)	11.4	n/a	Cash flow hedge
Forecasted sales of crude oil (MMBbls)	8.2	n/a	Cash flow hedge
Petrochemical marketing:			
Forecasted purchases of petrochemical products (MMBbls)	0.1	n/a	Cash flow hedge
Forecasted sales of petrochemical products (MMBbls)	1.0	n/a	Cash flow hedge
Commercial energy:			
Forecasted purchases of power related to asset operations (terawatt hours (“TWh”))	1.0	2.7	Cash flow hedge
<b><u>Derivatives not designated as hedging instruments:</u></b>			
Natural gas risk management activities (Bcf) (3)	18.7	0.1	Mark-to-market
NGL risk management activities (MMBbls) (3)	38.8	9.1	Mark-to-market
Refined products risk management activities (MMBbls) (3)	5.0	n/a	Mark-to-market
Crude oil risk management activities (MMBbls) (3)	45.7	5.6	Mark-to-market
Commercial energy risk management activities (TWh) (3)	0.5	1.2	Mark-to-market

- (1) Volume for derivatives designated as hedging instruments reflects the total amount of volumes hedged whereas volume for derivatives not designated as hedging instruments reflects the absolute value of derivative notional volumes.
- (2) The maximum term for derivatives designated as cash flow hedges, derivatives designated as fair value hedges and derivatives not designated as hedging instruments is December 2025, August 2022 and December 2024, respectively.
- (3) Reflects the use of derivative instruments to manage risks associated with our transportation, processing, storage assets and end use power requirements.

The carrying amount of our inventories subject to fair value hedges was \$220 million and \$102 million at June 30, 2022 and December 31, 2021, respectively.

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*Tabular Presentation of Fair Value Amounts, and Gains and Losses on  
Derivative Instruments and Related Hedged Items*

The following table provides a balance sheet overview of our derivative assets and liabilities at the dates indicated:

	Asset Derivatives				Liability Derivatives			
	June 30, 2022		December 31, 2021		June 30, 2022		December 31, 2021	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
<b><u>Derivatives designated as hedging instruments</u></b>								
Commodity derivatives	Current assets	\$ 251	Current assets	\$ 195	Current liabilities	\$ 255	Current liabilities	\$ 212
Commodity derivatives	Other assets	30	Other assets	–	Other liabilities	49	Other liabilities	1
Total commodity derivatives		<u>281</u>		<u>195</u>		<u>304</u>		<u>213</u>
<b>Total derivatives designated as hedging instruments</b>		<u><u>\$ 281</u></u>		<u><u>\$ 195</u></u>		<u><u>\$ 304</u></u>		<u><u>\$ 213</u></u>
<b><u>Derivatives not designated as hedging instruments</u></b>								
Commodity derivatives	Current assets	\$ 81	Current assets	\$ 42	Current liabilities	\$ 90	Current liabilities	\$ 42
Commodity derivatives	Other assets	11	Other assets	2	Other liabilities	18	Other liabilities	1
Total commodity derivatives		<u>92</u>		<u>44</u>		<u>108</u>		<u>43</u>
<b>Total derivatives not designated as hedging instruments</b>		<u><u>\$ 92</u></u>		<u><u>\$ 44</u></u>		<u><u>\$ 108</u></u>		<u><u>\$ 43</u></u>

Certain of our commodity derivative instruments are subject to master netting arrangements or similar agreements. The following tables present our derivative instruments subject to such arrangements at the dates indicated:

	Offsetting of Financial Assets and Derivative Assets						
	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Balance Sheet	Amounts of Assets Presented in the Balance Sheet	Gross Amounts Not Offset in the Balance Sheet			Amounts That Would Have Been Presented On Net Basis
				Financial Instruments	Cash Collateral Received	Cash Collateral Paid	
	(i)	(ii)	(iii) = (i) – (ii)	(iv)			(v) = (iii) + (iv)
<b>As of June 30, 2022:</b>							
Commodity derivatives	\$ 373	\$ –	\$ 373	\$ (373)	\$ –	\$ –	\$ –
<b>As of December 31, 2021:</b>							
Commodity derivatives	\$ 239	\$ –	\$ 239	\$ (233)	\$ –	\$ –	\$ 6

	Offsetting of Financial Liabilities and Derivative Liabilities						
	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Balance Sheet	Amounts of Liabilities Presented in the Balance Sheet	Gross Amounts Not Offset in the Balance Sheet			Amounts That Would Have Been Presented On Net Basis
				Financial Instruments	Cash Collateral Received	Cash Collateral Paid	
	(i)	(ii)	(iii) = (i) – (ii)	(iv)			(v) = (iii) + (iv)
<b>As of June 30, 2022:</b>							
Commodity derivatives	\$ 412	\$ –	\$ 412	\$ (373)	\$ –	\$ (33)	\$ 6
<b>As of December 31, 2021:</b>							
Commodity derivatives	\$ 256	\$ –	\$ 256	\$ (233)	\$ –	\$ (17)	\$ 6

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

Derivative assets and liabilities recorded on our Unaudited Condensed Consolidated Balance Sheets are presented on a gross-basis and determined at the individual transaction level. The tabular presentation above provides a means for comparing the gross amount of derivative assets and liabilities, excluding associated accounts payable and receivable, to the net amount that would likely be receivable or payable under a default scenario based on the existence of rights of offset in the respective derivative agreements. Any cash collateral paid or received is reflected in these tables, but only to the extent that it represents variation margins. Any amounts associated with derivative prepayments or initial margins that are not influenced by the derivative asset or liability amounts or those that are determined solely on their volumetric notional amounts are excluded from these tables.

The following tables present the effect of our derivative instruments designated as fair value hedges on our Unaudited Condensed Statements of Consolidated Operations for the periods indicated:

Derivatives in Fair Value Hedging Relationships	Location	Gain (Loss) Recognized in Income on Derivative			
		For the Three Months Ended June 30,		For the Six Months Ended June 30,	
		2022	2021	2022	2021
Commodity derivatives	Revenue	\$ (59)	\$ (67)	\$ (124)	\$ (187)
Total		\$ (59)	\$ (67)	\$ (124)	\$ (187)

Derivatives in Fair Value Hedging Relationships	Location	Gain (Loss) Recognized in Income on Hedged Item			
		For the Three Months Ended June 30,		For the Six Months Ended June 30,	
		2022	2021	2022	2021
Commodity derivatives	Revenue	\$ 4	\$ 39	\$ 25	\$ 209
Total		\$ 4	\$ 39	\$ 25	\$ 209

The gain (loss) corresponding to the hedge ineffectiveness on the fair value hedges was negligible for all periods presented. The remaining gain (loss) for each period presented is primarily attributable to prompt-to-forward month price differentials that were excluded from the assessment of hedge effectiveness.

The following tables present the effect of our derivative instruments designated as cash flow hedges on our Unaudited Condensed Statements of Consolidated Operations and Unaudited Condensed Statements of Consolidated Comprehensive Income for the periods indicated:

Derivatives in Cash Flow Hedging Relationships	Change in Value Recognized in Other Comprehensive Income (Loss) on Derivative			
	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Interest rate derivatives	\$ -	\$ -	\$ -	\$ 183
Commodity derivatives – Revenue (1)	23	(291)	(98)	(733)
Commodity derivatives – Operating costs and expenses (1)	16	-	38	(19)
Total	\$ 39	\$ (291)	\$ (60)	\$ (569)

(1) The fair value of these derivative instruments will be reclassified to their respective locations on the Unaudited Condensed Statement of Consolidated Operations when the forecasted transactions affect earnings.

Derivatives in Cash Flow Hedging Relationships	Location	Gain (Loss) Reclassified from Accumulated Other Comprehensive Income (Loss) to Income			
		For the Three Months Ended June 30,		For the Six Months Ended June 30,	
		2022	2021	2022	2021
Interest rate derivatives	Interest expense	\$ (6)	\$ (10)	\$ (14)	\$ (18)
Commodity derivatives	Revenue	86	99	47	(498)
Commodity derivatives	Operating costs and expenses	22	-	16	(19)
Total		\$ 102	\$ 89	\$ 49	\$ (535)

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

Over the next twelve months, we expect to reclassify \$9 million of losses attributable to interest rate derivative instruments from accumulated other comprehensive loss to earnings as an increase in interest expense. Likewise, we expect to reclassify \$32 million of gains attributable to commodity derivative instruments from accumulated other comprehensive income to earnings, with \$20 million as an increase in revenue and \$12 million as a decrease in operating costs and expenses.

The following table presents the effect of our derivative instruments not designated as hedging instruments on our Unaudited Condensed Statements of Consolidated Operations for the periods indicated:

Derivatives Not Designated as Hedging Instruments	Location	Gain (Loss) Recognized in Income on Derivative			
		For the Three Months Ended June 30,		For the Six Months Ended June 30,	
		2022	2021	2022	2021
		2022	2021	2022	2021
Commodity derivatives	Revenue	\$ 2	\$ 79	\$ 45	\$ 36
Commodity derivatives	Operating costs and expenses	3	(1)	7	–
Total		\$ 5	\$ 78	\$ 52	\$ 36

The \$52 million net gain recognized for the six months ended June 30, 2022 (as noted in the preceding table) from derivatives not designated as hedging instruments consists of \$96 million of net realized gains and \$44 million of net unrealized mark-to-market losses attributable to commodity derivatives.

***Fair Value Measurements***

The following tables set forth, by level within the Level 1, 2 and 3 fair value hierarchy, the carrying values of our financial assets and liabilities at the dates indicated. These assets and liabilities are measured on a recurring basis and are classified based on the lowest level of input used to estimate their fair value. Our assessment of the relative significance of such inputs requires judgment.

The values for commodity derivatives are presented before and after the application of Chicago Mercantile Exchange (“CME”) Rule 814, which deems that financial instruments cleared by the CME are settled daily in connection with variation margin payments. As a result of this exchange rule, CME-related derivatives are considered to have no fair value at the balance sheet date for financial reporting purposes; however, the derivatives remain outstanding and subject to future commodity price fluctuations until they are settled in accordance with their contractual terms. Derivative transactions cleared on exchanges other than the CME (e.g., the Intercontinental Exchange or ICE) continue to be reported on a gross basis.



**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

At June 30, 2022  
Fair Value Measurements Using

	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b>Financial assets:</b>				
Commodity derivatives:				
Value before application of CME Rule 814	\$ 356	\$ 1,250	\$ 13	\$ 1,619
Impact of CME Rule 814	(328)	(918)	–	(1,246)
Total commodity derivatives	28	332	13	373
Total	\$ 28	\$ 332	\$ 13	\$ 373

**Financial liabilities:**

Commodity derivatives:				
Value before application of CME Rule 814	\$ 505	\$ 1,185	\$ 21	\$ 1,711
Impact of CME Rule 814	(476)	(823)	–	(1,299)
Total commodity derivatives	29	362	21	412
Total	\$ 29	\$ 362	\$ 21	\$ 412

At December 31, 2021  
Fair Value Measurements Using

	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b>Financial assets:</b>				
Commodity derivatives:				
Value before application of CME Rule 814	\$ 122	\$ 1,110	\$ –	\$ 1,232
Impact of CME Rule 814	(122)	(871)	–	(993)
Total commodity derivatives	–	239	–	239
Total	\$ –	\$ 239	\$ –	\$ 239

**Financial liabilities:**

Commodity derivatives:				
Value before application of CME Rule 814	\$ 199	\$ 1,001	\$ –	\$ 1,200
Impact of CME Rule 814	(199)	(745)	–	(944)
Total commodity derivatives	–	256	–	256
Total	\$ –	\$ 256	\$ –	\$ 256

In the aggregate, the fair value of our commodity hedging portfolios at June 30, 2022 was a net derivative liability of \$92 million prior to the impact of CME Rule 814.

Financial assets and liabilities recorded on the balance sheet at June 30, 2022 using significant unobservable inputs (Level 3) are not material to the Unaudited Condensed Consolidated Financial Statements.

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Other Fair Value Information**

The carrying amounts of cash and cash equivalents (including restricted cash balances), accounts receivable, commercial paper notes and accounts payable approximate their fair values based on their short-term nature. The estimated total fair value of our fixed-rate debt obligations was \$25.7 billion and \$33.5 billion at June 30, 2022 and December 31, 2021, respectively. The aggregate carrying value of these debt obligations was \$28.2 billion and \$29.6 billion at June 30, 2022 and December 31, 2021, respectively. These values are primarily based on quoted market prices for such debt or debt of similar terms and maturities (Level 2) and our credit standing. Changes in market rates of interest affect the fair value of our fixed-rate debt. The carrying values of our variable-rate long-term debt obligations approximate their fair values since the associated interest rates are market-based. We do not have any long-term investments in debt or equity securities recorded at fair value.

**Note 15. Related Party Transactions**

The following table summarizes our related party transactions for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
<b>Revenues – related parties:</b>				
Unconsolidated affiliates	\$ 19	\$ 9	\$ 35	\$ 23
<b>Costs and expenses – related parties:</b>				
EPCO and its privately held affiliates	\$ 315	\$ 283	\$ 606	\$ 575
Unconsolidated affiliates	60	50	121	117
Total	\$ 375	\$ 333	\$ 727	\$ 692

The following table summarizes our related party accounts receivable and accounts payable balances at the dates indicated:

	June 30, 2022	December 31, 2021
<b>Accounts receivable - related parties:</b>		
EPCO and its privately held affiliates	\$ 1	\$ 1
Unconsolidated affiliates	28	20
Total	\$ 29	\$ 21
<b>Accounts payable - related parties:</b>		
EPCO and its privately held affiliates	\$ 113	\$ 151
Unconsolidated affiliates	19	16
Total	\$ 132	\$ 167

We believe that the terms and provisions of our related party agreements are fair to us; however, such agreements and transactions may not be as favorable to us as we could have obtained from unaffiliated third parties.

**Relationship with EPCO and Affiliates**

We have an extensive and ongoing relationship with EPCO and its privately held affiliates (including Enterprise GP, our general partner), which are not a part of our consolidated group of companies.

At June 30, 2022, EPCO and its privately held affiliates (including Dan Duncan LLC and certain Duncan family trusts) beneficially owned the following limited partner interests in us:

Total Number of Limited Partner Interests Held	Percentage of Common Units Outstanding
702,387,118 common units	32.2%

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

Of the total number of Partnership common units held by EPCO and its privately held affiliates, 92,976,464 have been pledged as security under the separate credit facilities of EPCO and its privately held affiliates at June 30, 2022. These credit facilities contain customary and other events of default, including defaults by us and other affiliates of EPCO. An event of default, followed by a foreclosure on the pledged collateral, could ultimately result in a change in ownership of these units and affect the market price of the Partnership's common units.

The Partnership and Enterprise GP are both separate legal entities apart from each other and apart from EPCO and its other affiliates, with assets and liabilities that are also separate from those of EPCO and its other affiliates. EPCO and its privately held affiliates depend on the cash distributions they receive from us and other investments to fund their other activities and to meet their respective debt obligations. During the six months ended June 30, 2022 and 2021, we paid EPCO and its privately held affiliates cash distributions totaling \$632 million and \$612 million, respectively.

We have no employees. All of our administrative and operating functions are provided either by employees of EPCO (pursuant to the ASA) or by other service providers. We and our general partner are parties to the ASA. The following table presents our related party costs and expenses attributable to the ASA with EPCO for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Operating costs and expenses	\$ 275	\$ 247	\$ 526	\$ 502
General and administrative expenses	36	31	72	64
Total costs and expenses	<u>\$ 311</u>	<u>\$ 278</u>	<u>\$ 598</u>	<u>\$ 566</u>

We lease office space from privately held affiliates of EPCO at rental rates that approximate market rates. For each of the three months ended June 30, 2022 and 2021, we recognized \$4 million of related party operating lease expense in connection with these office space leases. For each of the six months ended June 30, 2022 and 2021, we recognized \$7 million of related party operating lease expense in connection with these office space leases.

**Note 16. Income Taxes**

The following table presents the components of our consolidated provision for income taxes for the periods indicated (dollars in millions):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Deferred tax expense attributable to OTA Holdings, Inc. ("OTA")	\$ (7)	\$ (7)	\$ (14)	\$ (13)
Revised Texas Franchise Tax ("Texas Margin Tax")	(7)	(24)	(19)	(27)
Other	(3)	-	(3)	(1)
Provision for income taxes	<u>\$ (17)</u>	<u>\$ (31)</u>	<u>\$ (36)</u>	<u>\$ (41)</u>

Our federal, state and foreign income tax benefit (provision) is summarized below:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Current portion of income tax benefit (provision):				
Federal	\$ -	\$ -	\$ -	\$ 1
State	(7)	(12)	(17)	(17)
Foreign	(3)	-	(3)	(1)
Total current portion	<u>(10)</u>	<u>(12)</u>	<u>(20)</u>	<u>(17)</u>
Deferred portion of income tax benefit (provision):				
Federal	(6)	(6)	(13)	(12)
State	(1)	(13)	(3)	(12)
Total deferred portion	<u>(7)</u>	<u>(19)</u>	<u>(16)</u>	<u>(24)</u>
Total provision for income taxes	<u>\$ (17)</u>	<u>\$ (31)</u>	<u>\$ (36)</u>	<u>\$ (41)</u>

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

A reconciliation of the provision for income taxes with amounts determined by applying the statutory U.S. federal income tax rate to income before income taxes is as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Pre-Tax Net Book Income (“NBI”)	\$ 1,457	\$ 1,177	\$ 2,807	\$ 2,550
Texas Margin Tax (1)	(7)	(24)	(19)	(27)
State income tax provision, net of federal benefit	(1)	–	(1)	(1)
Federal income tax provision computed by applying the federal statutory rate to NBI of corporate entities	(4)	(4)	(7)	(7)
Valuation allowance (2)	(3)	(3)	(7)	(6)
Other	(2)	–	(2)	–
Provision for income taxes	<u>\$ (17)</u>	<u>\$ (31)</u>	<u>\$ (36)</u>	<u>\$ (41)</u>
Effective income tax rate	<u>(1.2)%</u>	<u>(2.6)%</u>	<u>(1.3)%</u>	<u>(1.6)%</u>

- (1) Although the Texas Margin Tax is not considered a state income tax, it has the characteristics of an income tax since it is determined by applying a tax rate to a base that considers our Texas-sourced revenues and expenses.
- (2) Management believes that it is more likely than not that the net deferred tax assets attributable to OTA will not be fully realizable. Accordingly, we provided for a valuation allowance against OTA’s net deferred tax assets.

The following table presents the significant components of deferred tax assets and deferred tax liabilities at the dates indicated:

	June 30, 2022	December 31, 2021
Deferred tax liabilities:		
Attributable to investment in OTA	\$ 398	\$ 384
Attributable to property, plant and equipment	120	118
Attributable to investments in other entities	6	5
Other	36	14
Total deferred tax liabilities	<u>560</u>	<u>521</u>
Deferred tax assets:		
Net operating loss carryovers (1)	7	14
Temporary differences related to Texas Margin Tax	4	3
Total deferred tax assets	<u>11</u>	<u>17</u>
Valuation allowance	7	14
Total deferred tax assets, net of valuation allowance	<u>4</u>	<u>3</u>
Total net deferred tax liabilities	<u>\$ 556</u>	<u>\$ 518</u>

- (1) The loss amount presented as of June 30, 2022 has an indefinite carryover period. All losses are subject to limitations on their utilization.

**Note 17. Commitments and Contingent Liabilities**

***Litigation***

As part of our normal business activities, we may be named as defendants in legal proceedings, including those arising from regulatory and environmental matters. Although we are insured against various risks to the extent we believe it is prudent, there is no assurance that the nature and amount of such insurance will be adequate, in every case, to fully indemnify us against losses arising from future legal proceedings. We will vigorously defend the Partnership in litigation matters.

There were no accruals for litigation contingencies at June 30, 2022. Our accruals for litigation contingencies were immaterial at December 31, 2021. We have classified our accruals for litigation contingencies in our Unaudited Condensed Consolidated Balance Sheets as a component of “Other current liabilities” or “Other long-term liabilities” based on management’s estimate regarding the timing of settlement.

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

PDH 1 Litigation

In July 2013, we executed a contract with Foster Wheeler USA Corporation (“Foster Wheeler”) pursuant to which Foster Wheeler was to serve as the general contractor responsible for the engineering, procurement, construction and installation of our first propane dehydrogenation facility (“PDH 1”). In November 2014, Foster Wheeler was acquired by an affiliate of AMEC plc to form Amec Foster Wheeler plc, and Foster Wheeler is now known as Amec Foster Wheeler USA Corporation (“AFW”). In December 2015, Enterprise and AFW entered into a transition services agreement under which AFW was partially terminated from the PDH 1 project. In December 2015, Enterprise engaged a second contractor, Optimized Process Designs LLC, to complete the construction and installation of PDH 1.

On September 2, 2016, we terminated AFW for cause and filed a lawsuit in the 151st Judicial Civil District Court of Harris County, Texas against AFW and its parent company, Amec Foster Wheeler plc, asserting claims for breach of contract, breach of warranty, fraudulent inducement, string-along fraud, gross negligence, professional negligence, negligent misrepresentation and attorneys’ fees. Trial for the case began on April 19, 2022, and closing arguments were completed on July 22, 2022. We intend to diligently prosecute these claims and seek all direct, consequential, and exemplary damages to which we may be entitled.

**Contractual Obligations**

Scheduled Maturities of Debt

We have long-term and short-term payment obligations under debt agreements. In total, the principal amount of our consolidated debt obligations were \$29.1 billion and \$29.8 billion at June 30, 2022 and December 31, 2021, respectively. See Note 7 for additional information regarding our scheduled future maturities of debt principal.

Lease Accounting Matters

There has been no significant change in our operating lease obligations since those disclosed in the 2021 Form 10-K.

The following table presents information regarding operating leases where we are the lessee at June 30, 2022:

Asset Category	ROU Asset Carrying Value (1)	Lease Liability Carrying Value (2)	Weighted- Average Remaining Term	Weighted- Average Discount Rate (3)
Storage and pipeline facilities	\$ 185	\$ 186	10 years	3.5%
Transportation equipment	18	20	3 years	2.9%
Office and warehouse space	162	194	15 years	2.9%
Total	<u>\$ 365</u>	<u>\$ 400</u>		

- (1) ROU asset amounts are a component of “Other assets” on our Unaudited Condensed Consolidated Balance Sheet.
- (2) At June 30, 2022, lease liabilities of \$55 million and \$345 million were included within “Other current liabilities” and “Other long-term liabilities,” respectively.
- (3) The discount rate for each category of assets represents the weighted average of either (i) the implicit rate applicable to the underlying leases (where determinable) or (ii) our incremental borrowing rate adjusted for collateralization (if the implicit rate is not determinable). In general, the discount rates are based on either information available at the lease commencement date or January 1, 2019 for leases existing at the adoption date for ASC 842, *Leases*.

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The following table disaggregates our total operating lease expense for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Long-term operating leases:				
Fixed lease expense:				
Non-cash lease expense (amortization of ROU assets)	\$ 14	\$ 10	\$ 27	\$ 19
Related accretion expense on lease liability balances	3	3	6	6
Total fixed lease expense	17	13	33	25
Variable lease expense	1	–	1	1
Subtotal operating lease expense	18	13	34	26
Short-term operating leases	23	13	40	26
Total operating lease expense	\$ 41	\$ 26	\$ 74	\$ 52

Cash payments attributable to operating lease liabilities were \$16 million and \$9 million for the three months ended June 30, 2022 and 2021, respectively. For the six months ended June 30, 2022 and 2021, cash paid for operating lease liabilities was \$28 million and \$18 million, respectively.

Operating lease income for each of the three months ended June 30, 2022 and 2021 was \$3 million. For each of the six months ended June 30, 2022 and 2021, operating lease income was \$6 million.

Purchase Obligations

We have contractual future product purchase commitments for natural gas, NGLs, crude oil, petrochemicals and refined products representing enforceable and legally binding agreements as of the reporting date. Our product purchase commitments increased from \$18.8 billion at December 31, 2021 to \$27.0 billion at June 30, 2022 primarily due to an increase in crude oil and NGL prices between the two reporting dates.

**Note 18. Supplemental Cash Flow Information**

The following table provides information regarding the net effect of changes in our operating accounts and cash payments for interest and income taxes for the periods indicated:

	For the Six Months Ended June 30,	
	2022	2021
Decrease (increase) in:		
Accounts receivable – trade	\$ (1,355)	\$ (689)
Accounts receivable – related parties	(8)	(2)
Inventories	(467)	243
Prepaid and other current assets	70	200
Other assets	25	70
Increase (decrease) in:		
Accounts payable – trade	(38)	151
Accounts payable – related parties	(35)	(53)
Accrued product payables	2,542	1,246
Accrued interest	(18)	(12)
Other current liabilities	(457)	(726)
Other long-term liabilities	(41)	(29)
Net effect of changes in operating accounts	\$ 218	\$ 399
Cash payments for interest, net of \$38 and \$41 capitalized during the six months ended June 30, 2022 and 2021, respectively	\$ 624	\$ 624
Cash payments (refunds) for federal and state income taxes	\$ (3)	\$ 17

We incurred liabilities for construction in progress that had not been paid at June 30, 2022 and December 31, 2021 of \$194 million and \$183 million, respectively. Such amounts are not included under the caption “Capital expenditures” on the Unaudited Condensed Statements of Consolidated Cash Flows.

## ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

### For the Three and Six Months Ended June 30, 2022 and 2021

The following information should be read in conjunction with our Unaudited Condensed Consolidated Financial Statements and accompanying Notes included in this quarterly report on Form 10-Q and the Audited Consolidated Financial Statements and related Notes, together with our discussion and analysis of financial position and results of operations, included in our annual report on Form 10-K for the year ended December 31, 2021 (the “2021 Form 10-K”), as filed on February 28, 2022 with the U.S. Securities and Exchange Commission (“SEC”). Our financial statements have been prepared in accordance with generally accepted accounting principles (“GAAP”) in the United States (“U.S.”).

#### **Cautionary Statement Regarding Forward-Looking Information**

*This quarterly report on Form 10-Q for the six months ended June 30, 2022 (our “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 us and information currently available to us. When used in this document, words such as “anticipate,” “project,” “expect,” “plan,” “seek,” “goal,” “estimate,” “forecast,” “intend,” “could,” “should,” “would,” “will,” “believe,” “may,” “scheduled,” “pending,” “potential” 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 our expectations reflected in such forward-looking statements (including any forward-looking statements/expectations of third parties referenced in this quarterly report) are reasonable, neither we nor our general partner can give any assurances that such expectations will prove to be correct.*

*Forward-looking statements are subject to a variety of risks, uncertainties and assumptions as described in more detail under Part I, Item 1A of our 2021 Form 10-K and within Part II, Item 1A of this quarterly report. 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. You should not put undue reliance on any forward-looking statements. The forward-looking statements in this quarterly report speak only as of the date hereof. Except as required by federal and state securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or any other reason.*

#### **Key References Used in this Management’s Discussion and Analysis**

Unless the context requires otherwise, references to “we,” “us” or “our” within this quarterly report are intended to mean the business and operations of Enterprise Products Partners L.P. and its consolidated subsidiaries.

References to the “Partnership” or “Enterprise” mean Enterprise Products Partners L.P. on a standalone basis.

References to “EPO” mean Enterprise Products Operating LLC, which is an indirect wholly owned subsidiary of the Partnership, and its consolidated subsidiaries, through which the Partnership conducts its business. We are managed by our general partner, Enterprise Products Holdings LLC (“Enterprise GP”), which is a wholly owned subsidiary of Dan Duncan LLC, a privately held Texas limited liability company.

The membership interests of Dan Duncan LLC are owned by a voting trust, the current trustees (“DD LLC Trustees”) of which are: (i) Randa Duncan Williams, who is also a director and Chairman of the Board of Directors (the “Board”) of Enterprise GP; (ii) Richard H. Bachmann, who is also a director and Vice Chairman of the Board of Enterprise GP; and (iii) W. Randall Fowler, who is also a director and the Co-Chief Executive Officer and Chief Financial Officer of Enterprise GP. Ms. Duncan Williams and Messrs. Bachmann and Fowler also currently serve as managers of Dan Duncan LLC.

References to “EPCO” mean Enterprise Products Company, a privately held Texas corporation, and its privately held affiliates. The outstanding voting capital stock of EPCO is owned by a voting trust, the current trustees (“EPCO Trustees”) of which are: (i) Ms. Duncan Williams, who serves as Chairman of EPCO; (ii) Mr. Bachmann, who serves as the President and Chief Executive Officer of EPCO; and (iii) Mr. Fowler, who serves as an Executive Vice President and the Chief Financial Officer of EPCO. Ms. Duncan Williams and Messrs. Bachmann and Fowler also currently serve as directors of EPCO.

We, Enterprise GP, EPCO and Dan Duncan LLC are affiliates under the collective common control of the DD LLC Trustees and the EPCO Trustees. EPCO, together with its privately held affiliates, owned approximately 32.2% of the Partnership's common units outstanding at June 30, 2022.

As generally used in the energy industry and in this quarterly report, the acronyms below have the following meanings:

/d	=	per day	MMBPD	=	million barrels per day
BBtus	=	billion British thermal units	MMBtus	=	million British thermal units
Bcf	=	billion cubic feet	MMcf	=	million cubic feet
BPD	=	barrels per day	MWac	=	megawatts, alternating current
MBPD	=	thousand barrels per day	MWdc	=	megawatts, direct current
MMBbls	=	million barrels	TBtus	=	trillion British thermal units

As used in this quarterly report, the phrase “quarter-to-quarter” means the second quarter of 2022 compared to the second quarter of 2021. Likewise, the phrase “period-to-period” means the six months ended June 30, 2022 compared to the six months ended June 30, 2021.

### **Overview of Business**

We are a publicly traded Delaware limited partnership, the common units of which are listed on the New York Stock Exchange (“NYSE”) under the ticker symbol “EPD.” Our preferred units are not publicly traded. We were formed in April 1998 to own and operate certain natural gas liquids (“NGLs”) related businesses of EPCO and are a leading North American provider of midstream energy services to producers and consumers of natural gas, NGLs, crude oil, petrochemicals and refined products. We are owned by our limited partners (preferred and common unitholders) from an economic perspective. Enterprise GP, which owns a non-economic general partner interest in us, manages our Partnership. We conduct substantially all of our business operations through EPO and its consolidated subsidiaries.

Our fully integrated, midstream energy asset network (or “value chain”) links producers of natural gas, NGLs and crude oil from some of the largest supply basins in the U.S., Canada and the Gulf of Mexico with domestic consumers and international markets. Our midstream energy operations include:

- natural gas gathering, treating, processing, transportation and storage;
- NGL transportation, fractionation, storage, and marine terminals (including those used to export liquefied petroleum gases (“LPG”) and ethane);
- crude oil gathering, transportation, storage, and marine terminals;
- propylene production facilities (including propane dehydrogenation (“PDH”) facilities), butane isomerization, octane enhancement, isobutane dehydrogenation (“iBDH”) and high purity isobutylene (“HPIB”) production facilities;
- petrochemical and refined products transportation, storage, and marine terminals (including those used to export ethylene and polymer grade propylene (“PGP”)); and
- a marine transportation business that operates on key U.S. inland and intracoastal waterway systems.

The safe operation of our assets is a top priority. We are committed to protecting the environment and the health and safety of the public and those working on our behalf by conducting our business activities in a safe and environmentally responsible manner. For additional information, see “*Environmental, Safety and Conservation*” within the Regulatory Matters section of Part I, Items 1 and 2 of the 2021 Form 10-K.

Like many publicly traded partnerships, we have no employees. All of our management, administrative and operating functions are performed by employees of EPCO pursuant to an administrative services agreement (the “ASA”) or by other service providers.



Our financial position, results of operations and cash flows are subject to certain risks. For information regarding such risks, see “*Risk Factors*” included under Part I, Item 1A of the 2021 Form 10-K and Part II, Item 1A of this quarterly report.

We provide investors access to additional information regarding the Partnership and our consolidated businesses, including information relating to governance procedures and principles, through our website, [www.enterpriseproducts.com](http://www.enterpriseproducts.com).

## **Recent Developments**

### ***Enterprise Announces Three Expansions in the Permian Basin***

In August 2022, we announced three new projects to support ongoing production growth in the Permian Basin, which are all expected to be completed during the first half of 2024. The announcement included the following projects (including their respective scheduled completion dates):

- our Plant 7 natural gas processing plant in the Midland Basin (first quarter of 2024);
- our Mentone III cryogenic natural gas processing plant (first quarter of 2024); and
- a 275 MBPD expansion of our Shin Oak NGL Pipeline (first half of 2024).

### ***Enterprise and OLCV Sign Letter of Intent for Gulf Coast CO<sub>2</sub> Transportation and Sequestration Project***

In April 2022, Enterprise and Oxy Low Carbon Ventures, LLC (“OLCV”), a subsidiary of Occidental, announced that we have executed a letter of intent to work toward a potential carbon dioxide (“CO<sub>2</sub>”) transportation and sequestration solution for the Texas Gulf Coast. The joint project would initially be focused on providing services to emitters in the industrial corridors from the greater Houston to Beaumont/Port Arthur areas. The initiative would combine Enterprise’s leadership position in the midstream energy sector with OLCV’s extensive experience in subsurface characterization and CO<sub>2</sub> sequestration.

Enterprise would develop the CO<sub>2</sub> aggregation and transportation network utilizing a combination of new and existing pipelines along its expansive Gulf Coast footprint. OLCV, through its 1PointFive business unit, is developing sequestration hubs on the Gulf Coast and across the U.S., some of which are expected to be anchored by direct air capture facilities. The hubs will provide access to high quality pore space and efficient transportation infrastructure, bringing more options to emitters looking to explore viable carbon management strategies. Enterprise and OLCV have begun exploring the commercialization of the potential joint service offering with customers.

### ***Enterprise Announces Seven New Projects During Analyst and Investor Day***

On April 12, 2022, Enterprise hosted a meeting with securities analysts and investors where we announced seven new projects that we expect will be completed by 2025. The announced projects included the following (including their respective scheduled completion dates):

- a 400 MMcf/d expansion of our Acadian Gas System (second quarter of 2023);
- our Plant 6 natural gas processing plant in the Midland Basin (second quarter of 2023);
- a twelfth NGL fractionator (“Frac XII”) in Chambers County, Texas (third quarter of 2023);
- our Mentone II cryogenic natural gas processing plant (fourth quarter of 2023);
- our Texas Western Products System, created by repurposing a portion of our Mid-America Pipeline System’s Rocky Mountain segment and adding westbound service to our Chaparral Pipeline business to transport refined products from the U.S. Gulf Coast to markets in West Texas, New Mexico, Colorado and Utah (fourth quarter of 2023);
- an Ethane Terminal located along the coast between Corpus Christi, Texas and New Orleans, Louisiana (2025); and
- an expansion of our Morgan’s Point terminal to increase ethylene export capacity (2023 and 2025).

### ***Enterprise Announces Acquisition of Navitas Midstream***

In January 2022, we announced that an affiliate of Enterprise entered into a definitive agreement to acquire Navitas Midstream Partners, LLC (“Navitas Midstream”) from an affiliate of Warburg Pincus LLC in a debt-free transaction for \$3.25 billion in cash consideration (subject to adjustment in accordance with the agreement). Navitas Midstream’s assets include approximately 1,750 miles of pipelines and over 1.0 Bcf/d of cryogenic natural gas processing capacity. The purchase price was paid in cash at closing on February 17, 2022. We funded the cash consideration for this acquisition using proceeds from the issuance of short-term notes under our commercial paper program and cash on hand. See Note 12 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Part I, Item 1 of this quarterly report for additional information regarding this acquisition.

## Selected Energy Commodity Price Data

The following table presents selected average index prices for natural gas and selected NGL and petrochemical products for the periods indicated:

	Natural Gas, \$/MMBtu	Ethane, \$/gallon	Propane, \$/gallon	Normal Butane, \$/gallon	Isobutane, \$/gallon	Natural Gasoline, \$/gallon	Polymer Grade Propylene, \$/pound	Refinery Grade Propylene, \$/pound	Indicative Gas Processing Gross Spread \$/gallon
	(1)	(2)	(2)	(2)	(2)	(2)	(3)	(3)	(4)
<b>2021 by quarter:</b>									
1st Quarter	\$2.71	\$0.24	\$0.89	\$0.94	\$0.93	\$1.33	\$0.73	\$0.44	\$0.38
2nd Quarter	\$2.83	\$0.26	\$0.87	\$0.97	\$0.98	\$1.46	\$0.67	\$0.27	\$0.41
3rd Quarter	\$4.02	\$0.35	\$1.16	\$1.34	\$1.34	\$1.62	\$0.82	\$0.36	\$0.51
4th Quarter	\$5.84	\$0.39	\$1.24	\$1.46	\$1.46	\$1.82	\$0.66	\$0.33	\$0.41
<b>2021 Averages</b>	<b>\$3.85</b>	<b>\$0.31</b>	<b>\$1.04</b>	<b>\$1.18</b>	<b>\$1.18</b>	<b>\$1.56</b>	<b>\$0.72</b>	<b>\$0.35</b>	<b>\$0.43</b>
<b>2022 by quarter:</b>									
1st Quarter	\$4.96	\$0.40	\$1.30	\$1.59	\$1.60	\$2.21	\$0.63	\$0.39	\$0.55
2nd Quarter	\$7.17	\$0.59	\$1.24	\$1.50	\$1.68	\$2.17	\$0.61	\$0.40	\$0.46
<b>2022 Averages</b>	<b>\$6.07</b>	<b>\$0.50</b>	<b>\$1.27</b>	<b>\$1.55</b>	<b>\$1.64</b>	<b>\$2.19</b>	<b>\$0.62</b>	<b>\$0.40</b>	<b>\$0.51</b>

- (1) Natural gas prices are based on Henry-Hub Inside FERC commercial index prices as reported by Platts, which is a division of S&P Global, Inc.
- (2) NGL prices for ethane, propane, normal butane, isobutane and natural gasoline are based on Mont Belvieu, Texas Non-TET commercial index prices as reported by Oil Price Information Service by IHS Markit ("IHS").
- (3) Polymer grade propylene prices represent average contract pricing for such product as reported by IHS. Refinery grade propylene ("RGP") prices represent weighted-average spot prices for such product as reported by IHS.
- (4) The "Indicative Gas Processing Gross Spread" represents our generic estimate of the gross economic benefit from extracting NGLs from natural gas production based on certain pricing assumptions. Specifically, it is the amount by which the assumed economic value of a composite gallon of NGLs in Chambers County, Texas exceeds the value of the equivalent amount of energy in natural gas at Henry Hub, Louisiana. Our estimate of the indicative spread does not consider the operating costs incurred by a natural gas processing facility to extract the NGLs nor the transportation and fractionation costs to deliver the NGLs to market. In addition, the actual gas processing spread earned at each plant is further influenced by regional pricing and extraction dynamics.

The weighted-average indicative market price for NGLs was \$1.06 per gallon in the second quarter of 2022 versus \$0.64 per gallon in the second quarter of 2021. Likewise, the weighted-average indicative market price for NGLs was \$1.01 per gallon during the six months ended June 30, 2022 compared to \$0.63 per gallon during the same period in 2021.

The following table presents selected average index prices for crude oil for the periods indicated:

	WTI Crude Oil, \$/barrel	Midland Crude Oil, \$/barrel	Houston Crude Oil, \$/barrel	LLS Crude Oil, \$/barrel
	(1)	(2)	(2)	(3)
<b>2021 by quarter:</b>				
1st Quarter	\$57.84	\$59.00	\$59.51	\$59.99
2nd Quarter	\$66.07	\$66.41	\$66.90	\$67.95
3rd Quarter	\$70.56	\$70.74	\$71.17	\$71.51
4th Quarter	\$77.19	\$77.82	\$78.27	\$78.41
<b>2021 Averages</b>	<b>\$67.92</b>	<b>\$68.49</b>	<b>\$68.96</b>	<b>\$69.47</b>
<b>2022 by quarter:</b>				
1st Quarter	\$94.29	\$96.43	\$96.77	\$96.77
2nd Quarter	\$108.41	\$109.66	\$109.96	\$110.17
<b>2022 Averages</b>	<b>\$101.35</b>	<b>\$103.05</b>	<b>\$103.37</b>	<b>\$103.47</b>

- (1) WTI prices are based on commercial index prices at Cushing, Oklahoma as measured by the NYMEX.
- (2) Midland and Houston crude oil prices are based on commercial index prices as reported by Argus.
- (3) Light Louisiana Sweet ("LLS") prices are based on commercial index prices as reported by Platts.

Fluctuations in our consolidated revenues and cost of sales amounts are explained in large part by changes in energy commodity prices. An increase in our consolidated marketing revenues due to higher energy commodity sales prices may not result in an increase in gross operating margin or cash available for distribution, since our consolidated cost of sales amounts would also be expected to increase due to comparable increases in the purchase prices of the underlying energy commodities. The same type of relationship would be true in the case of lower energy commodity sales prices and purchase costs.

We attempt to mitigate commodity price exposure through our hedging activities and the use of fee-based arrangements. See Note 14 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Part I, Item 1 of this quarterly report and “*Quantitative and Qualitative Disclosures About Market Risk*” under Part I, Item 3 of this quarterly report for information regarding our commodity hedging activities.

### **Impact of Inflation**

After being relatively moderate in recent years, inflation in the United States increased significantly in late 2021 into 2022. This rise in inflation, coupled with supply chain disruptions, labor shortages and increased commodity prices, has generally resulted in higher costs in 2022. However, to the extent that a rising cost environment impacts our results, there are typically offsetting benefits either inherent in our business or that result from other steps we take proactively to reduce the impact of inflation on our net operating results. These benefits include: (1) provisions included in our fee-based revenue contracts that offset cost increases in the form of rate escalations based on positive changes in the U.S. Consumer Price Index, Producer Price Index for Finished Goods or other factors; (2) provisions in other revenue contracts that enable us to pass through higher energy costs to customers in the form of gas, electricity and fuel rebills or surcharges; and (3) higher commodity prices, which generally enhance our results in the form of increased volumetric throughput and demand for our services. Additionally, we take measures to mitigate the impact of cost increases in certain commodities, including a portion of our electricity needs, using fixed-price, term purchase agreements. For these reasons, the increased cost environment, caused in part by inflation, has not had a material impact on our historical results of operations for the periods presented in this report. However, a significant or prolonged period of high inflation could adversely impact our results if costs were to increase at a rate greater than the increase in the revenues we receive.

See “*Capital Investments*” within this Part I, Item 2 for a discussion of the impact of inflation on our capital investment decisions. Additionally, see Part II, Item 1A “*Risk Factors - Changes in price levels could negatively impact our revenue, our expenses, or both, which could adversely affect our business.*”

## Income Statement Highlights

The following table summarizes the key components of our consolidated results of operations for the periods indicated (dollars in millions):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Revenues	\$ 16,060	\$ 9,450	\$ 29,068	\$ 18,605
Costs and expenses:				
Operating costs and expenses:				
Cost of sales	12,908	6,840	23,006	13,103
Other operating costs and expenses	884	702	1,641	1,417
Depreciation, amortization and accretion expenses	544	507	1,070	1,005
Asset impairment charges	5	18	19	84
Net losses attributable to asset sales and related matters	–	–	2	11
Total operating costs and expenses	14,341	8,067	25,738	15,620
General and administrative costs	62	52	124	108
Total costs and expenses	14,403	8,119	25,862	15,728
Equity in income of unconsolidated affiliates	107	161	224	310
Operating income	1,764	1,492	3,430	3,187
Other income (expense):				
Interest expense	(309)	(316)	(628)	(639)
Other, net	2	1	5	2
Total other expense, net	(307)	(315)	(623)	(637)
Income before income taxes	1,457	1,177	2,807	2,550
Provision for income taxes	(17)	(31)	(36)	(41)
Net income	1,440	1,146	2,771	2,509
Net income attributable to noncontrolling interests	(28)	(33)	(62)	(54)
Net income attributable to preferred units	(1)	(1)	(2)	(2)
Net income attributable to common unitholders	\$ 1,411	\$ 1,112	\$ 2,707	\$ 2,453

## *Revenues*

The following table presents each business segment's contribution to consolidated revenues for the periods indicated (dollars in millions):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
<b>NGL Pipelines &amp; Services:</b>				
Sales of NGLs and related products	\$ 5,580	\$ 2,976	\$ 10,620	\$ 5,982
Midstream services	800	611	1,514	1,189
Total	6,380	3,587	12,134	7,171
<b>Crude Oil Pipelines &amp; Services:</b>				
Sales of crude oil	5,031	2,139	8,747	3,978
Midstream services	354	365	710	691
Total	5,385	2,504	9,457	4,669
<b>Natural Gas Pipelines &amp; Services:</b>				
Sales of natural gas	1,359	476	2,239	1,811
Midstream services	302	233	571	485
Total	1,661	709	2,810	2,296
<b>Petrochemical &amp; Refined Products Services:</b>				
Sales of petrochemicals and refined products	2,370	2,386	4,124	3,985
Midstream services	264	264	543	484
Total	2,634	2,650	4,667	4,469
<b>Total consolidated revenues</b>	\$ 16,060	\$ 9,450	\$ 29,068	\$ 18,605

*Second Quarter of 2022 Compared to Second Quarter of 2021.* Total revenues for the second quarter of 2022 increased \$6.6 billion when compared to the second quarter of 2021 primarily due to a \$6.4 billion increase in marketing revenues.

Revenues from the marketing of NGLs, crude oil and natural gas increased a combined \$6.4 billion quarter-to-quarter primarily due to higher average sales prices, which accounted for a \$4.3 billion increase, and higher sales volumes, which accounted for an additional \$2.1 billion increase.

Revenues from midstream services for the second quarter of 2022 increased a net \$247 million when compared to the second quarter of 2021. Revenues from our natural gas processing facilities increased \$197 million quarter-to-quarter primarily due to higher market values for the equity NGL-equivalent production volumes we receive as non-cash consideration for processing services. Revenues from our natural gas pipeline assets increased \$68 million quarter-to-quarter primarily due to the addition of the Midland Basin Gathering system from the Navitas Midstream acquisition, which contributed \$38 million during the quarter, higher demand for natural gas transportation and gathering services in Texas and Louisiana, which accounted for a \$17 million increase, and higher gathering fees on our San Juan Basin Gathering System, which accounted for an additional \$12 million increase. Lastly, revenues from our terminal facilities decreased a net \$15 million quarter-to-quarter primarily due to lower deficiency fee revenues, which accounted for a \$25 million decrease, partially offset by higher loading fee revenues from our ethylene export terminal, which accounted for a \$14 million increase.

*Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021.* Total revenues for the six months ended June 30, 2022 increased \$10.5 billion when compared to the six months ended June 30, 2021 primarily due to a \$10.0 billion increase in marketing revenues.

Revenues from the marketing of NGLs, crude oil and natural gas increased a combined \$9.9 billion period-to-period primarily due to higher average sales prices, which accounted for a \$7.6 billion increase, and higher sales volumes, which accounted for an additional \$2.3 billion increase.

Revenues from midstream services for the six months ended June 30, 2022 increased \$489 million when compared to the six months ended June 30, 2021. Revenues from our natural gas processing facilities increased \$342 million period-to-period primarily due to higher market values for the equity NGL-equivalent production volumes we receive as non-cash consideration for processing services. Revenues from our natural gas pipeline assets increased \$85 million period-to-period primarily due to the addition of the Midland Basin Gathering system from the Navitas Midstream acquisition, which contributed \$54 million during the period, higher demand for natural gas transportation and gathering services in Texas and Louisiana, which accounted for a \$17 million increase, and higher gathering fees on our San Juan Basin Gathering System, which accounted for an additional \$14 million increase. Revenues from our terminal facilities increased \$24 million period-to-period primarily due to higher loading fee revenues from our ethylene export terminal. Revenues from our crude oil pipeline assets increased \$28 million period-to-period primarily due to higher demand for crude oil transportation services.

### ***Operating costs and expenses***

Total operating costs and expenses for the three and six months ended June 30, 2022 increased \$6.3 billion and \$10.1 billion, respectively, when compared to the same periods in 2021.

### ***Cost of sales***

*Second Quarter of 2022 Compared to Second Quarter of 2021.* Cost of sales for the second quarter of 2022 increased \$6.1 billion when compared to the second quarter of 2021. The cost of sales associated with our marketing of NGLs, crude oil and natural gas increased a combined \$6.3 billion quarter-to-quarter primarily due to higher average purchase prices, which accounted for a \$4.3 billion increase, and higher sales volumes, which accounted for an additional \$2.0 billion increase.

*Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021.* Cost of sales for the six months ended June 30, 2022 increased \$9.9 billion when compared to the six months ended June 30, 2021. The cost of sales associated with our marketing of NGLs, crude oil and natural gas increased a combined \$10.2 billion period-to-period primarily due to higher average purchase prices, which accounted for an \$8.1 billion increase, and higher sales volumes, which accounted for an additional \$2.1 billion increase.

### Other operating costs and expenses

Other operating costs and expenses for the three and six months ended June 30, 2022 increased \$182 million and \$224 million, respectively, when compared to the same periods in 2021 primarily due to higher utility and employee compensation costs.

### Depreciation, amortization and accretion expenses

Depreciation, amortization and accretion expense for the three and six months ended June 30, 2022 increased a combined \$37 million and \$65 million, respectively, when compared to the same periods in 2021. The addition of assets attributable to the Navitas Midstream acquisition accounted for \$23 million of the quarter-to-quarter increase and \$36 million of the period-to-period increase. The remainder of the quarter-to-quarter and period-to-period increases are due to assets placed into full or limited service since the end of the respective periods in 2021 (the Gillis Lateral natural gas pipeline and the Baymark ethylene pipeline) and major maintenance activities accounted for under the deferral method.

### Asset impairment charges

Non-cash asset impairment charges for the three and six months ended June 30, 2022 decreased \$13 million and \$65 million, respectively, when compared to the same periods in 2021. We recorded non-cash asset impairment charges of \$44 million during the six months ended June 30, 2021 for the sale of a coal bed natural gas gathering system and related Val Verde treating facility, both of which were components of our San Juan Gathering System. The remainder of our asset impairment charges for the three and six months ended June 30, 2022 and 2021 are attributable to the write-off of assets that are no longer expected to be used or constructed.

### **General and administrative costs**

General and administrative costs for the three and six months ended June 30, 2022 increased \$10 million and \$16 million, respectively, when compared to the same periods in 2021 primarily due to higher employee compensation costs.

### **Equity in income of unconsolidated affiliates**

Equity income from our unconsolidated affiliates for the three and six months ended June 30, 2022 decreased \$54 million and \$86 million, respectively, when compared to the same periods in 2021 primarily due to lower earnings from investments in crude oil pipelines.

### **Operating income**

Operating income for the three and six months ended June 30, 2022 increased \$272 million and \$243 million, respectively, when compared to the same periods in 2021 due to the previously described quarter-to-quarter and period-to-period changes.

### **Interest expense**

The following table presents the components of our consolidated interest expense for the periods indicated (dollars in millions):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Interest charged on debt principal outstanding	\$ 318	\$ 321	\$ 641	\$ 648
Impact of interest rate hedging program, including related amortization	6	10	14	18
Interest costs capitalized in connection with construction projects (1)	(21)	(21)	(38)	(41)
Other (2)	6	6	11	14
Total	\$ 309	\$ 316	\$ 628	\$ 639

(1) We capitalize interest costs incurred on funds used to construct property, plant and equipment while the asset is in its construction phase. Capitalized interest amounts become part of the historical cost of an asset and are charged to earnings (as a component of depreciation expense) on a straight-line basis over the estimated useful life of the asset once the asset enters its intended service. When capitalized interest is recorded, it reduces interest expense from what it would be otherwise. Capitalized interest amounts fluctuate based on the timing of when projects are placed into service, our capital investment levels and the interest rates charged on borrowings.

(2) Primarily reflects facility commitment fees charged in connection with our revolving credit facilities and amortization of debt issuance costs.

Interest charged on debt principal outstanding, which is a key driver of interest expense, decreased \$3 million quarter-to-quarter primarily due to the effects of lower overall interest rates during the second quarter of 2022. Our weighted-average debt principal balance for the second quarter of 2022 was \$29.4 billion compared to \$28.9 billion for the second quarter of 2021.

For the six months ended June 30, 2022, interest charged on debt principal outstanding decreased \$7 million period-to-period primarily due to the effects of lower overall interest rates during the six months ended June 30, 2022. Our weighted-average debt principal balance for the six months ended June 30, 2022 was \$29.7 billion compared to \$29.5 billion for the six months ended June 30, 2021.

For additional information regarding our debt obligations, see Note 7 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Part I, Item 1 of this quarterly report. For a discussion of our capital projects, see “*Capital Investments*” within this Part I, Item 2.

### ***Income taxes***

Our provision for income taxes for the three and six months ended June 30, 2022 decreased \$14 million and \$5 million, respectively, when compared to the same periods in 2021 primarily due to lower income tax expense related to state tax obligations under the Revised Texas Franchise Tax (the “Texas Margin Tax”).

### **Business Segment Highlights**

Our operations are reported under four business segments: (i) NGL Pipelines & Services, (ii) Crude Oil Pipelines & Services, (iii) Natural Gas Pipelines & Services and (iv) Petrochemical & Refined Products Services. Our business segments are generally organized and managed according to the types of services rendered (or technologies employed) and products produced and/or sold.

We evaluate segment performance based on our financial measure of gross operating margin. Gross operating margin is an important performance measure of the core profitability of our operations and forms the basis of our internal financial reporting. We believe that investors benefit from having access to the same financial measures that our management uses in evaluating segment results.

The following table presents gross operating margin by segment and total gross operating margin, a non-generally accepted accounting principle (“non-GAAP”) financial measure, for the periods indicated (dollars in millions):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Gross operating margin by segment:				
NGL Pipelines & Services	\$ 1,327	\$ 1,098	\$ 2,552	\$ 2,184
Crude Oil Pipelines & Services	407	419	822	819
Natural Gas Pipelines & Services	229	202	449	737
Petrochemical & Refined Products Services	421	326	825	608
Total segment gross operating margin (1)	2,384	2,045	4,648	4,348
Net adjustment for shipper make-up rights	(22)	17	(28)	37
Total gross operating margin (non-GAAP)	\$ 2,362	\$ 2,062	\$ 4,620	\$ 4,385

(1) Within the context of this table, total segment gross operating margin represents a subtotal and corresponds to measures similarly titled within our business segment disclosures found under Note 10 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Part I, Item 1 of this quarterly report.

Total gross operating margin includes equity in the earnings of unconsolidated affiliates, but is exclusive of other income and expense transactions, income taxes, the cumulative effect of changes in accounting principles and extraordinary charges. Total gross operating margin is presented on a 100% basis before any allocation of earnings to noncontrolling interests. Our calculation of gross operating margin may or may not be comparable to similarly titled measures used by other companies. Segment gross operating margin for NGL Pipelines & Services and Crude Oil Pipelines & Services reflect adjustments for shipper make-up rights that are included in management’s evaluation of segment results. However, these adjustments are excluded from non-GAAP total gross operating margin.



The GAAP financial measure most directly comparable to total gross operating margin is operating income. For a discussion of operating income and its components, see the previous section titled “*Income Statement Highlights*” within this Part I, Item 2. The following table presents a reconciliation of operating income to total gross operating margin for the periods indicated (dollars in millions):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Operating income	\$ 1,764	\$ 1,492	\$ 3,430	\$ 3,187
<i>Adjustments to reconcile operating income to total gross operating margin (addition or subtraction indicated by sign):</i>				
Depreciation, amortization and accretion expense in operating costs and expenses (1)	531	500	1,045	995
Asset impairment charges in operating costs and expenses	5	18	19	84
Net losses attributable to asset sales and related matters in operating costs and expenses	–	–	2	11
General and administrative costs	62	52	124	108
Total gross operating margin (non-GAAP)	\$ 2,362	\$ 2,062	\$ 4,620	\$ 4,385

(1) Excludes amortization of major maintenance costs for reaction-based plants, which are a component of gross operating margin.

Each of our business segments benefits from the supporting role of our marketing activities. The main purpose of our marketing activities is to support the utilization and expansion of assets across our midstream energy asset network by increasing the volumes handled by such assets, which results in additional fee-based earnings for each business segment. In performing these support roles, our marketing activities also seek to participate in supply and demand opportunities as a supplemental source of gross operating margin for us. The financial results of our marketing efforts fluctuate due to changes in volumes handled and overall market conditions, which are influenced by current and forward market prices for the products bought and sold.

### ***NGL Pipelines & Services***

The following table presents segment gross operating margin and selected volumetric data for the NGL Pipelines & Services segment for the periods indicated (dollars in millions, volumes as noted):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Segment gross operating margin:				
Natural gas processing and related NGL marketing activities	\$ 587	\$ 286	\$ 1,002	\$ 580
NGL pipelines, storage and terminals	539	555	1,105	1,182
NGL fractionation	201	257	445	422
Total	\$ 1,327	\$ 1,098	\$ 2,552	\$ 2,184
Selected volumetric data:				
NGL pipeline transportation volumes (MBPD)	3,683	3,435	3,626	3,383
NGL marine terminal volumes (MBPD)	747	665	696	659
NGL fractionation volumes (MBPD)	1,336	1,245	1,327	1,216
Equity NGL-equivalent production volumes (MBPD) (1)	195	198	189	180
Fee-based natural gas processing volumes (MMcf/d) (2,3)	5,133	4,187	5,025	4,102

- (1) Primarily represents the NGL and condensate volumes we earn and take title to in connection with our processing activities. The total equity NGL-equivalent production volumes also include residue natural gas volumes from our natural gas processing business.
- (2) Volumes reported correspond to the revenue streams earned by our natural gas processing plants.
- (3) Fee-based natural gas processing volumes are measured at either the wellhead or plant inlet in MMcf/d.

### ***Natural gas processing and related NGL marketing activities***

*Second Quarter of 2022 Compared to Second Quarter of 2021.* Gross operating margin from natural gas processing and related NGL marketing activities for the second quarter of 2022 increased \$301 million when compared to the second quarter of 2021.

Our Midland Basin natural gas processing facilities, which represent the natural gas processing facilities we acquired in February 2022 as part of our acquisition of Navitas Midstream, generated gross operating margin of \$139 million. Fee-based natural gas processing volumes and equity NGL-equivalent production volumes at these facilities were 910 MMcf/d and 55 MBPD, respectively, during the second quarter of 2022. Our Midland Basin natural gas gathering activities are discussed under the Natural Gas Pipelines & Services segment.

Gross operating margin from our Delaware Basin natural gas processing facilities, which represent our legacy Permian Basin processing facilities, increased \$77 million quarter-to-quarter primarily due to higher average processing margins (including the impact of hedging activities). Fee-based natural gas processing volumes at these facilities increased 143 MMcf/d and equity NGL-equivalent production volumes decreased 40 MBPD quarter-to-quarter.

Gross operating margin from our NGL marketing activities increased a net \$49 million quarter-to-quarter primarily due to higher sales volumes, which accounted for a \$41 million increase, and higher average sales margins, which accounted for an additional \$33 million increase, partially offset by lower non-cash, mark-to-market earnings, which accounted for a \$26 million decrease. The quarter-to-quarter increase in gross operating margin can be attributed to higher earnings from NGL marketing strategies that optimize our storage and plant assets, which accounted for a \$91 million increase, partially offset by lower earnings from strategies that optimize our export and transportation assets, which accounted for a \$16 million decrease.

Gross operating margin from our Rockies natural gas processing facilities (Meeker, Pioneer and Chaco) increased a combined \$27 million quarter-to-quarter primarily due to higher average processing margins (including the impact of hedging activities). On a combined basis, fee-based natural gas processing and equity NGL-equivalent production volumes decreased 41 MMcf/d and 4 MBPD, respectively, quarter-to-quarter.

Gross operating margin from our South Texas natural gas processing facilities increased \$10 million quarter-to-quarter primarily due to higher average processing margins (including the impact of hedging activities). Fee-based natural gas processing volumes increased 17 MMcf/d and equity NGL-equivalent production volumes decreased 6 MBPD quarter-to-quarter.

*Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021.* Gross operating margin from natural gas processing and related NGL marketing activities for the six months ended June 30, 2022 increased \$422 million when compared to the six months ended June 30, 2021.

Our Midland Basin natural gas processing facilities generated gross operating margin of \$181 million. Fee-based natural gas processing volumes and equity NGL-equivalent production volumes at these facilities were 892 MMcf/d and 52 MBPD, respectively, following the acquisition date.

Gross operating margin from our Delaware Basin natural gas processing facilities increased \$141 million period-to-period primarily due to higher average processing margins (including the impact of hedging activities). Fee-based natural gas processing volumes at these facilities increased 164 MMcf/d and equity NGL-equivalent production volumes decreased 32 MBPD period-to-period.

Gross operating margin from our Rockies natural gas processing facilities (Meeker, Pioneer and Chaco) increased a combined \$88 million period-to-period primarily due to higher average processing margins (including the impact of hedging activities). On a combined basis, fee-based natural gas processing volumes decreased 41 MMcf/d and equity NGL-equivalent production volumes increased 1 MBPD period-to-period.

Gross operating margin from our South Texas natural gas processing facilities increased \$60 million period-to-period primarily due to higher average processing margins (including the impact of hedging activities). Fee-based natural gas processing volumes increased 56 MMcf/d and equity NGL-equivalent production volumes decreased 4 MBPD period-to-period.

Gross operating margin from our Louisiana and Mississippi natural gas processing facilities increased \$7 million period-to-period primarily due to higher average processing margins (including the impact of hedging activities). Fee-based natural gas processing volumes and equity NGL-equivalent production volumes decreased 165 MMcf/d and 4 MBPD, respectively, period-to-period (net to our interest).

Gross operating margin from our NGL marketing activities decreased a net \$59 million period-to-period primarily due to lower non-cash, mark-to-market earnings, which accounted for an \$82 million decrease, and lower average sales margins, which accounted for an additional \$8 million decrease, partially offset by higher sales volumes, which accounted for a \$26 million increase. The period-to-period increase in gross operating margin can be attributed to higher earnings from NGL marketing strategies that optimize our storage and plant assets, which accounted for a \$74 million increase, partially offset by lower earnings from strategies that optimize our transportation and export assets, which accounted for a \$51 million decrease.

*NGL pipelines, storage and terminals*

*Second Quarter of 2022 Compared to Second Quarter of 2021.* Gross operating margin from our NGL pipelines, storage and terminal assets during the second quarter of 2022 decreased \$16 million when compared to the second quarter of 2021.

A number of our pipelines, including the Mid-America Pipeline System, Seminole NGL Pipeline, Chaparral NGL Pipeline, and Shin Oak NGL Pipeline, serve Permian Basin and/or Rocky Mountain producers. On a combined basis, gross operating margin from these pipelines decreased a net \$35 million quarter-to-quarter primarily due to lower average transportation fees, which accounted for a \$27 million decrease, and lower deficiency fees as a result of certain contracts associated with the Rocky Mountain segment of our Mid-America Pipeline System reaching their termination date in September 2021, which accounted for an additional \$26 million decrease, partially offset by higher transportation volumes of 114 MBPD (net to our interest), which accounted for a \$19 million increase.

Gross operating margin from LPG-related activities at our Enterprise Hydrocarbons Terminal (“EHT”) decreased a net \$18 million quarter-to-quarter primarily due to lower average loading fees, which accounted for a \$26 million decrease, partially offset by higher export volumes of 73 MBPD, which accounted for an \$8 million increase. Gross operating margin from our related Houston Ship Channel Pipeline decreased \$4 million quarter-to-quarter primarily due to lower average transportation fees.

Gross operating margin for our Eastern ethane pipelines, which include our ATEX and Aegis pipelines, increased a combined \$27 million quarter-to-quarter primarily due to higher transportation volumes on the ATEX Pipeline of 34 MBPD.

Gross operating margin at our Morgan’s Point Ethane Export Terminal increased \$15 million quarter-to-quarter primarily due to higher average loading fees.

Gross operating margin from our Dixie Pipeline and related terminals increased a combined \$9 million quarter-to-quarter primarily due to higher transportation volumes of 40 MBPD.

*Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021.* Gross operating margin from our NGL pipelines, storage and terminal assets during the six months ended June 30, 2022 decreased \$77 million when compared to the six months ended June 30, 2021.

On a combined basis, gross operating margin for our pipelines that serve Permian Basin and/or Rocky Mountain producers decreased a net \$62 million period-to-period primarily due to lower average transportation fees, which accounted for a \$58 million decrease, and lower deficiency fees as a result of certain contracts associated with the Rocky Mountain segment of our Mid-America Pipeline System reaching their termination date in September 2021, which accounted for an additional \$53 million decrease, partially offset by higher transportation volumes of 181 MBPD (net to our interest), which accounted for a \$56 million increase.

Gross operating margin from LPG-related activities at EHT decreased \$45 million period-to-period primarily due to lower average loading fees. Gross operating margin from our related Houston Ship Channel Pipeline decreased \$4 million period-to-period primarily due to lower average transportation fees.

Gross operating margin for our Eastern ethane pipelines, which include our ATEX and Aegis pipelines, increased a combined \$31 million period-to-period primarily due to higher transportation volumes on the ATEX Pipeline of 16 MBPD.

Gross operating margin at our Morgan’s Point Ethane Export Terminal increased \$27 million period-to-period primarily due to higher average loading fees.

NGL fractionation

*Second Quarter of 2022 Compared to Second Quarter of 2021.* Gross operating margin from NGL fractionation during the second quarter of 2022 decreased \$56 million when compared to the second quarter of 2021.

Gross operating margin from our Chambers County NGL fractionation complex decreased a net \$84 million quarter-to-quarter primarily due to \$58 million in margins earned on the optimization of our power supply arrangements and \$40 million of payments received in connection with our participation in the Texas Load Resources Demand Response Program (“LaaR”) during the second quarter of 2021 in connection with the winter storms that impacted Texas in February 2021 (the “February 2021 winter storms”).

Gross operating margin at our Chambers County NGL fractionation complex was further impacted by higher utility and other operating costs, which accounted for an additional \$7 million decrease, partially offset by higher fractionation volumes of 48 MBPD (net to our interest), which accounted for a \$12 million increase, and higher average fractionation fees, which accounted for an additional \$13 million increase.

Gross operating margin from our Norco NGL fractionator increased \$14 million quarter-to-quarter primarily due to higher fractionation volumes of 31 MBPD, which accounted for an \$8 million increase, and higher ancillary service revenues, which accounted for an additional \$4 million increase.

Gross operating margin from our Hobbs NGL fractionator increased \$6 million quarter-to-quarter primarily due to higher ancillary service revenues.

The natural gasoline hydrotreater at our Chambers County complex, which was placed into service in October 2021, generated gross operating margin of \$6 million during the second quarter of 2022.

*Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021.* Gross operating margin from NGL fractionation during the six months ended June 30, 2022 increased \$23 million when compared to the six months ended June 30, 2021.

Gross operating margin from our Norco NGL fractionator increased \$18 million period-to-period primarily due to higher fractionation volumes of 15 MBPD, which accounted for a \$10 million increase, and higher ancillary service revenues, which accounted for an additional \$7 million increase.

Gross operating margin from our Hobbs NGL fractionator increased \$15 million period-to-period primarily due to higher ancillary service revenues, which accounted for an \$11 million increase, and higher fractionation volumes of 7 MBPD, which accounted for an additional \$5 million increase.

The natural gasoline hydrotreater at our Chambers County complex, which was placed into service in October 2021, generated gross operating margin of \$12 million during the six months ended June 30, 2022.

Gross operating margin from our Chambers County NGL fractionation complex decreased a net \$30 million period-to-period primarily due to the aforementioned LaaR payments and margins earned on the optimization of our power supply arrangements in connection with the February 2021 winter storms, which accounted for a \$103 million decrease, and higher utility and other operating costs, which accounted for an additional \$18 million decrease, partially offset by higher fractionation volumes of 84 MBPD (net to our interest), which accounted for an \$85 million increase, and higher ancillary service revenues, which accounted for an additional \$13 million increase.

## Crude Oil Pipelines & Services

The following table presents segment gross operating margin and selected volumetric data for the Crude Oil Pipelines & Services segment for the periods indicated (dollars in millions, volumes as noted):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Segment gross operating margin:				
Midland-to-ECHO System and related business activities	\$ 95	\$ 96	\$ 196	\$ 175
Other crude oil pipelines, terminals and related marketing results	312	323	626	644
Total	\$ 407	\$ 419	\$ 822	\$ 819
Selected volumetric data:				
Crude oil pipeline transportation volumes (MBPD)	2,197	2,041	2,197	1,988
Crude oil marine terminal volumes (MBPD)	777	770	786	671

*Second Quarter of 2022 Compared to Second Quarter of 2021.* Gross operating margin from our Crude Oil Pipelines & Services segment for the second quarter of 2022 decreased \$12 million when compared to the second quarter of 2021.

Gross operating margin from our equity investment in the Seaway Pipeline decreased a net \$25 million quarter-to-quarter primarily due to lower average transportation fees, which accounted for a \$17 million decrease, and \$16 million in LaaR payments from power service providers in connection with the February 2021 winter storms, partially offset by higher ancillary service and other revenues, which accounted for a \$7 million increase. Transportation volumes on our Seaway Pipeline increased 71 MBPD quarter-to-quarter (net to our interest).

Gross operating margin from our crude oil marketing activities (excluding those attributable to the Midland-to-ECHO System) decreased \$22 million quarter-to-quarter primarily due to higher non-cash, mark-to-market losses during the second quarter of 2022.

Gross operating margin from crude oil activities at EHT decreased \$11 million quarter-to-quarter primarily due to lower throughput and other revenues, which accounted for a \$7 million decrease, and lower loading revenues, which accounted for an additional \$3 million decrease. Crude oil terminal volumes at EHT increased 48 MBPD quarter-to-quarter.

Gross operating margin from our West Texas Pipeline System increased \$20 million quarter-to-quarter primarily due to higher ancillary service and other revenues. Transportation volumes on our West Texas Pipeline System increased 82 MBPD quarter-to-quarter.

Gross operating margin from our EFS Midstream system increased \$16 million quarter-to-quarter primarily due to higher average transportation fees.

Gross operating margin from our Midland terminal increased \$10 million quarter-to-quarter primarily due to higher ancillary service and other revenues.

*Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021.* Gross operating margin from our Crude Oil Pipelines & Services segment for the six months ended June 30, 2022 increased \$3 million when compared to the six months ended June 30, 2021.

Gross operating margin from our West Texas Pipeline System increased a net \$36 million period-to-period primarily due to higher ancillary service and other revenues, which accounted for a \$32 million increase, and higher transportation volumes of 95 MBPD, which accounted for an additional \$15 million increase, partially offset by lower average transportation fees, which accounted for a \$9 million decrease.

Gross operating margin from our Midland terminal increased \$24 million period-to-period primarily due to higher ancillary service and other revenues, which accounted for a \$17 million increase, and lower operating costs, which accounted for an additional \$8 million increase.

Gross operating margin from our Midland-to-ECHO System and related business activities increased \$21 million period-to-period primarily due to higher transportation volumes of 77 MBPD (net to our interest).

Gross operating margin from our EFS Midstream system increased \$21 million period-to-period primarily due to higher average transportation fees.

Gross operating margin from our crude oil marketing activities (excluding those attributable to the Midland-to-ECHO System) decreased \$42 million period-to-period primarily due to higher non-cash, mark-to-market losses during 2022.

Gross operating margin from our equity investment in the Seaway Pipeline decreased a net \$33 million period-to-period primarily due to lower average transportation fees, which accounted for a \$23 million decrease, and a \$16 million decrease due to the aforementioned LaaR payments from power service providers in connection with the February 2021 winter storms, partially offset by higher ancillary service and other revenues, which accounted for a \$9 million increase. Transportation volumes on our Seaway Pipeline increased 31 MBPD period-to-period (net to our interest).

Gross operating margin from crude oil activities at EHT decreased \$19 million period-to-period primarily due to lower storage and other revenues, which accounted for a \$9 million decrease, and higher operating costs, which accounted for an additional \$7 million decrease. Crude oil terminal volumes at EHT increased 152 MBPD period-to-period.

### ***Natural Gas Pipelines & Services***

The following table presents segment gross operating margin and selected volumetric data for the Natural Gas Pipelines & Services segment for the periods indicated (dollars in millions, volumes as noted):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Segment gross operating margin	\$ 229	\$ 202	\$ 449	\$ 737
Selected volumetric data:				
Natural gas pipeline transportation volumes (BBtus/d)	16,803	14,161	16,629	13,934

*Second Quarter of 2022 Compared to Second Quarter of 2021.* Gross operating margin from our Natural Gas Pipelines & Services segment for the second quarter of 2022 increased \$27 million compared to the second quarter of 2021.

On a combined basis, gross operating margin from our Jonah Gathering System, Piceance Basin Gathering System, and San Juan Gathering System in the Rocky Mountains increased a net \$17 million quarter-to-quarter primarily due to higher average gathering fees, which accounted for a \$15 million increase, and higher condensate sales, which accounted for an additional \$6 million increase, partially offset by lower aggregate gathering volumes of 165 BBtus/d, which accounted for a \$3 million decrease.

Our Midland Basin Gathering System, which represents the natural gas gathering system we acquired in February 2022 as part of our acquisition of Navitas Midstream, generated gross operating margin of \$17 million on gathering volumes of 1,234 BBtus/d. Our Midland Basin natural gas processing activities are discussed under the NGL Pipelines & Services segment.

Gross operating margin from our Texas Intrastate System increased \$12 million quarter-to-quarter primarily due to higher average transportation fees, which accounted for an \$8 million increase, and higher capacity reservation revenues, which accounted for an additional \$3 million increase. Transportation volumes on our Texas Intrastate System increased 245 BBtus/d quarter-to-quarter.

Gross operating margin from our Acadian Gas System and Haynesville Gathering System increased a combined \$7 million quarter-to-quarter primarily due to higher transportation volumes. On a combined basis, transportation volumes increased 870 BBtus/d primarily due to the Gillis Lateral pipeline, which was placed into service in December 2021.

Gross operating margin from our natural gas marketing activities increased \$5 million quarter-to-quarter primarily due to higher average sales margins and sales volumes.

Gross operating margin from our East Texas Gathering System increased \$4 million quarter-to-quarter primarily due to higher gathering volumes of 339 BBtus/d.

Gross operating margin from our Delaware Basin Gathering System, which represents our legacy Permian Basin gathering system, decreased \$31 million quarter-to-quarter primarily due to lower condensate sales. Natural gas gathering volumes on our Delaware Basin Gathering System increased 196 BBtus/d quarter-to-quarter.

*Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021.* Gross operating margin from our Natural Gas Pipelines & Services segment for the six months ended June 30, 2022 decreased \$288 million when compared to the six months ended June 30, 2021.

Gross operating margin from our natural gas marketing activities decreased \$310 million period-to-period primarily due to lower average sales margins. The six months ended June 30, 2021 reflect increased natural gas sales as a result of our efforts to meet the needs of electricity generators, natural gas utilities and industrial customers during the February 2021 winter storms.

Gross operating margin from our Delaware Basin Gathering System decreased \$54 million period-to-period primarily due to lower condensate sales. Natural gas gathering volumes on our Delaware Basin Gathering System increased 163 BBtus/d period-to-period.

On a combined basis, gross operating margin from our Jonah Gathering System, Piceance Basin Gathering System and San Juan Gathering System in the Rocky Mountains increased a net \$24 million period-to-period primarily due to higher average gathering fees, which accounted for a \$20 million increase, and higher condensate sales, which accounted for an additional \$10 million increase, partially offset by lower aggregate gathering volumes of 223 BBtus/d, which accounted for a \$7 million decrease.

Our Midland Basin Gathering System generated gross operating margin of \$22 million on gathering volumes of 1,201 BBtus/d following the acquisition date.

Gross operating margin from our Texas Intrastate System increased \$13 million period-to-period primarily due to higher transportation volumes of 484 BBtus/d, which accounted for an \$8 million increase, and higher average transportation fees, which accounted for an additional \$6 million increase.

Gross operating margin from our Acadian Gas System and Haynesville Gathering System increased a combined \$12 million period-to-period primarily due to higher transportation volumes. On a combined basis, transportation volumes increased 832 BBtus/d primarily due to the Gillis Lateral pipeline, which was placed into service in December 2021.

Gross operating margin from our East Texas Gathering System increased \$9 million period-to-period primarily due to higher gathering volumes of 329 BBtus/d.

## Petrochemical & Refined Products Services

The following table presents segment gross operating margin and selected volumetric data for the Petrochemical & Refined Products Services segment for the periods indicated (dollars in millions, volumes as noted):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Segment gross operating margin:				
Propylene production and related activities	\$ 154	\$ 204	\$ 364	\$ 350
Butane isomerization and related operations	28	14	54	25
Octane enhancement and related plant operations	144	18	204	34
Refined products pipelines and related activities	56	69	127	171
Ethylene exports and related activities	28	15	60	21
Marine transportation and other services	11	6	16	7
Total	\$ 421	\$ 326	\$ 825	\$ 608
Selected volumetric data:				
Propylene production volumes (MBPD)	109	113	107	99
Butane isomerization volumes (MBPD)	115	84	103	74
Standalone deisobutanizer (“DIB”) processing volumes (MBPD)	162	173	156	156
Octane enhancement and related plant sales volumes (MBPD) (1)	42	31	38	30
Pipeline transportation volumes, primarily refined products and petrochemicals (MBPD)	751	977	749	859
Marine terminal volumes, primarily refined products and petrochemicals (MBPD)	225	198	217	233

(1) Reflects aggregate sales volumes for our octane enhancement and iBDH facilities located at our Chambers County complex and our HPIB facility located adjacent to the Houston Ship Channel.

### Propylene production and related activities

*Second Quarter of 2022 Compared to Second Quarter of 2021.* Gross operating margin from propylene production and related activities for the second quarter of 2022 decreased \$50 million when compared to the second quarter of 2021. Gross operating margin from our Chambers County propylene production facilities decreased a combined \$46 million quarter-to-quarter primarily due to lower average processing fees, which accounted for a \$31 million decrease, and higher utility and other operating costs, which accounted for an additional \$20 million decrease. Propylene and associated by-product production volumes at these facilities decreased a combined 2 MBPD quarter-to-quarter (net to our interest).

*Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021.* Gross operating margin from propylene production and related activities for the six months ended June 30, 2022 increased \$14 million when compared to the six months ended June 30, 2021. Gross operating margin from our Chambers County propylene production facilities increased a combined net \$18 million period-to-period primarily due to higher sales volumes, which accounted for a \$57 million increase, higher average sales margins, which accounted for a \$39 million increase, and higher by-product sales and other revenues, which accounted for an additional \$10 million increase, partially offset by lower average processing fees, which accounted for a \$39 million decrease, and higher utility, amortization expense from major maintenance activities accounted for under the deferral method and other operating costs, which accounted for an additional \$49 million decrease. Propylene and associated by-product production volumes at these facilities increased a combined 10 MBPD period-to-period (net to our interest) primarily due to planned major maintenance activities at our PDH 1 facility during the first quarter of 2021.

### Butane isomerization and related operations

*Second Quarter of 2022 Compared to Second Quarter of 2021.* Gross operating margin from butane isomerization and related operations increased a net \$14 million quarter-to-quarter primarily due to higher by-product sales volumes and average prices, which accounted for an \$11 million increase, and higher isomerization volumes, which accounted for an additional \$10 million increase, partially offset by higher utility and other operating costs, which accounted for a \$4 million decrease.

*Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021.* Gross operating margin from butane isomerization and related operations increased a net \$29 million period-to-period primarily due to higher by-product sales volumes and average prices, which accounted for a \$21 million increase, and higher isomerization volumes, which accounted for an additional \$19 million increase, partially offset by higher utility and other operating costs, which accounted for a \$5 million decrease.



Octane enhancement and related plant operations

*Second Quarter of 2022 Compared to Second Quarter of 2021.* Gross operating margin from our octane enhancement and related plant operations increased a net \$126 million quarter-to-quarter primarily due to higher sales volumes, which accounted for an \$84 million increase, and higher average sales margins, which accounted for an additional \$51 million increase, partially offset by higher utility and other operating costs, which accounted for a \$9 million decrease. The quarter-to-quarter increase in sales volumes at these facilities is primarily due to planned major maintenance activities at our octane enhancement plant that were completed at the beginning of May 2021.

*Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021.* Gross operating margin from our octane enhancement and related plant operations increased a net \$170 million period-to-period primarily due to higher sales volumes, which accounted for a \$124 million increase, and higher average sales margins, which accounted for an additional \$68 million increase, partially offset by higher utility and other operating costs, which accounted for an \$18 million decrease. The period-to-period increase in sales volumes at these facilities is primarily due to planned major maintenance activities during the six months ended June 30, 2021, which were completed in the last week of January 2021 for our HPIB plant and the beginning of May 2021 for our octane enhancement plant.

Refined products pipelines and related activities

*Second Quarter of 2022 Compared to Second Quarter of 2021.* Gross operating margin from refined products pipelines and related activities for the second quarter of 2022 decreased \$13 million when compared to the second quarter of 2021.

Gross operating margin from our refined products marketing activities decreased a net \$7 million quarter-to-quarter primarily due to lower non-cash mark-to-market earnings, which accounted for a \$21 million decrease, partially offset by higher average sales margins, which accounted for a \$14 million increase.

Gross operating margin from our TE Products Pipeline System decreased \$6 million quarter-to-quarter primarily due to lower average transportation and other fees.

*Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021.* Gross operating margin from refined products pipelines and related activities for the six months ended June 30, 2022 decreased \$44 million when compared to the six months ended June 30, 2021. Gross operating margin from our refined products marketing activities decreased a net \$44 million period-to-period primarily due to lower average sales margins, which accounted for a \$51 million decrease, partially offset by higher non-cash mark-to-market earnings, which accounted for a \$6 million increase.

Ethylene exports and related activities

*Second Quarter of 2022 Compared to Second Quarter of 2021.* Gross operating margin from ethylene exports and related activities during the second quarter of 2022 increased \$13 million when compared to the second quarter of 2021.

Gross operating margin from our ethylene export terminal increased \$10 million quarter-to-quarter primarily due to a 10 MBPD (net to our interest) increase in export volumes.

Gross operating margin from our other ethylene activities increased \$3 million quarter-to-quarter primarily due to higher transportation volumes of 30 MBPD.

*Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021.* Gross operating margin from ethylene exports and related activities during the six months ended June 30, 2022 increased \$39 million when compared to the six months ended June 30, 2021.

Gross operating margin from our ethylene export terminal increased \$24 million period-to-period primarily due to a 13 MBPD (net to our interest) increase in export volumes.

Gross operating margin from our other ethylene activities increased \$15 million period-to-period primarily due to higher transportation volumes of 35 MBPD, which accounted for a \$10 million increase, and higher storage revenues, which accounted for an additional \$7 million increase.

### Marine transportation and other services

Second Quarter of 2022 Compared to Second Quarter of 2021. Gross operating margin from marine transportation and other services increased \$5 million quarter-to-quarter primarily due to higher average fees.

Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021. Gross operating margin from marine transportation and other services increased \$9 million period-to-period primarily due to higher average fees.

### **Liquidity and Capital Resources**

Based on current market conditions (as of the filing date of this quarterly report), we believe that the Partnership and its consolidated businesses will have sufficient liquidity, cash flow from operations and access to capital markets to fund their capital investments and working capital needs for the reasonably foreseeable future. At June 30, 2022, we had \$4.1 billion of consolidated liquidity, which was comprised of \$3.9 billion of available borrowing capacity under EPO's revolving credit facilities and \$231 million of unrestricted cash on hand.

We may issue debt and equity securities to assist us in meeting our future funding and liquidity requirements, including those related to capital investments. We have a universal shelf registration statement on file with the SEC which allows the Partnership and EPO to issue an unlimited amount of equity and debt securities, respectively.

### ***Enterprise Declares Cash Distribution for Second Quarter of 2022***

On July 7, 2022, we announced that the Board declared a quarterly cash distribution of \$0.475 per common unit, or \$1.90 per unit on an annualized basis, to be paid to the Partnership's common unitholders with respect to the second quarter of 2022. The quarterly distribution is payable on August 12, 2022 to unitholders of record as of the close of business on July 29, 2022. The total amount to be paid is \$1.04 billion, which includes \$9 million for distribution equivalent rights on phantom unit awards.

The payment of quarterly cash distributions is subject to management's evaluation of our financial condition, results of operations and cash flows in connection with such payments and Board approval. Management will evaluate any future increases in cash distributions on a quarterly basis.

### ***Consolidated Debt***

At June 30, 2022, the average maturity of EPO's consolidated debt obligations was approximately 20.8 years. The following table presents the scheduled maturities of principal amounts of EPO's consolidated debt obligations at June 30, 2022 for the years indicated (dollars in millions):

	Scheduled Maturities of Debt						
	Total	Remainder of 2022	2023	2024	2025	2026	Thereafter
Commercial Paper Notes	\$ 640	\$ 640	\$ –	\$ –	\$ –	\$ –	\$ –
Senior Notes	25,775	–	1,250	850	1,150	875	21,650
Junior Subordinated Notes	2,646	–	–	–	–	–	2,646
Total	<u>\$ 29,061</u>	<u>\$ 640</u>	<u>\$ 1,250</u>	<u>\$ 850</u>	<u>\$ 1,150</u>	<u>\$ 875</u>	<u>\$ 24,296</u>

In February 2022, EPO repaid all of the \$750 million and \$650 million in principal amount of its Senior Notes VV and CC, respectively, using remaining cash on hand attributable to its September 2021 senior notes offering and proceeds from the issuance of short-term notes under its commercial paper program.

### ***Expected Renewal of September 2021 364-Day Revolving Credit Agreement***

EPO's September 2021 364-Day Revolving Credit Agreement is scheduled to mature in September 2022. As a result, EPO expects to renew this credit agreement during the third quarter of 2022. At June 30, 2022, there were no principal amounts outstanding under the September 2021 364-Day Revolving Credit Agreement.

### *Partial Redemption of Junior Subordinated Notes D*

On August 1, 2022, EPO called for redemption \$350 million of the \$700 million outstanding principal amount of its Junior Subordinated Notes D. The redemption date for such notes is August 31, 2022. These notes are redeemable at EPO's election on or after August 16, 2022 at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest thereon to, but not including, the redemption date. The redemption is expected to be made using cash on hand and proceeds from the issuance of short-term notes under EPO's commercial paper program.

For additional information regarding our consolidated debt obligations, see Note 7 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Part I, Item 1 of this quarterly report.

### ***Credit Ratings***

As of August 9, 2022, the investment-grade credit ratings of EPO's long-term senior unsecured debt securities were BBB+ from Standard and Poor's, Baa1 from Moody's and BBB+ from Fitch Ratings. In addition, the credit ratings of EPO's short-term senior unsecured debt securities were A-2 from Standard and Poor's, P-2 from Moody's and F-2 from Fitch Ratings. EPO's credit ratings reflect only the view of a rating agency and should not be interpreted as a recommendation to buy, sell or hold any of our securities. A credit rating can be revised upward or downward or withdrawn at any time by a rating agency, if it determines that circumstances warrant such a change. A credit rating from one rating agency should be evaluated independently of credit ratings from other rating agencies.

### ***Common Unit Repurchases Under 2019 Buyback Program***

In January 2019, we announced that the Board had approved a \$2.0 billion multi-year unit buyback program (the "2019 Buyback Program"), which provides the Partnership with an additional method to return capital to investors. The Partnership repurchased 1,408,121 common units through open market purchases during the three and six months ended June 30, 2022. The total cost of these repurchases, including commissions and fees, was \$35 million. As of June 30, 2022, the remaining available capacity under the 2019 Buyback Program was \$1.5 billion.

### ***Cash Flow Statement Highlights***

The following table summarizes our consolidated cash flows from operating, investing and financing activities for the periods indicated (dollars in millions).

	<b>For the Six Months Ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
Net cash flows provided by operating activities	\$ 4,264	\$ 4,017
Cash used in investing activities	3,868	1,229
Cash used in financing activities	2,964	3,335

Net cash flows provided by operating activities are largely dependent on earnings from our consolidated business activities. Changes in energy commodity prices may impact the demand for natural gas, NGLs, crude oil, petrochemicals and refined products, which could impact sales of our products and the demand for our midstream services. Changes in demand for our products and services may be caused by other factors, including prevailing economic conditions, reduced demand by consumers for the end products made with hydrocarbon products, increased competition, public health emergencies, adverse weather conditions and government regulations affecting prices and production levels. We may also incur credit and price risk to the extent customers do not fulfill their contractual obligations to us in connection with our marketing activities and long-term take-or-pay agreements. For a more complete discussion of these and other risk factors pertinent to our business, see "*Risk Factors*" included under Part I, Item 1A of the 2021 Form 10-K and Part II, Item 1A of this quarterly report.

For additional information regarding our cash flow amounts, please refer to the Unaudited Condensed Statements of Consolidated Cash Flows included under Part I, Item 1 of this quarterly report.

The following information highlights significant quarter-to-quarter fluctuations in our consolidated cash flow amounts:

Operating activities

Net cash flows provided by operating activities for the six months ended June 30, 2022 increased a net \$247 million when compared to the six months ended June 30, 2021 primarily due to:

- a \$466 million period-to-period increase resulting from higher partnership earnings (determined by adjusting our \$262 million period-to-period increase in net income for changes in the non-cash items identified on our Unaudited Condensed Statements of Consolidated Cash Flows); partially offset by
- a \$181 million period-to-period decrease primarily due to the timing of cash receipts and payments related to operations.

For information regarding significant period-to-period changes in our consolidated net income and underlying segment results, see “*Income Statement Highlights*” and “*Business Segment Highlights*” within this Part I, Item 2.

Investing activities

Cash used in investing activities during the six months ended June 30, 2022 increased a net \$2.6 billion when compared to the six months ended June 30, 2021 primarily due to:

- a net \$3.2 billion cash outflow in February 2022 in connection with the acquisition of Navitas Midstream; partially offset by
- a \$570 million period-to-period decrease in investments for property, plant and equipment (see “*Capital Investments*” within this Part I, Item 2 for additional information).

Financing activities

Cash used in financing activities during the six months ended June 30, 2022 decreased \$371 million when compared to the six months ended June 30, 2021. The period-to-period decrease was primarily due to a net cash outflow of \$760 million related to debt transactions during the six months ended June 30, 2022 compared to a net cash outflow of \$1.3 billion during the six months ended June 30, 2021. We repaid \$1.4 billion aggregate principal amount of senior notes during the six months ended June 30, 2022 compared to repayments of \$1.3 billion during the six months ended June 30, 2021. In addition, net issuances of short-term notes under EPO’s commercial paper program were \$640 million during the six months ended June 30, 2022.

***Non-GAAP Cash Flow Measures***

Distributable Cash Flow

Our partnership agreement requires us to make quarterly distributions to our common unitholders of all available cash, after any cash reserves established by Enterprise GP in its sole discretion. Cash reserves include those for the proper conduct of our business, including those for capital investments, debt service, working capital, operating expenses, common unit repurchases, commitments and contingencies and other amounts. The retention of cash allows us to reinvest in our growth and reduce our future reliance on the equity and debt capital markets.

We measure available cash by reference to distributable cash flow (“DCF”), which is a non-GAAP cash flow measure. DCF is an important financial measure for our common unitholders since it serves as an indicator of our success in providing a cash return on investment. Specifically, this financial measure indicates to investors whether or not we are generating cash flows at a level that can sustain our declared quarterly cash distributions. DCF is also a quantitative standard used by the investment community with respect to publicly traded partnerships since the value of a partnership unit is, in part, measured by its yield, which is based on the amount of cash distributions a partnership can pay to a unitholder. Our management compares the DCF we generate to the cash distributions we expect to pay our common unitholders. Using this metric, management computes our distribution coverage ratio. Our calculation of DCF may or may not be comparable to similarly titled measures used by other companies.

Based on the level of available cash each quarter, management proposes a quarterly cash distribution rate to the Board, which has sole authority in approving such matters. Enterprise GP has a non-economic ownership interest in the Partnership and is not entitled to receive any cash distributions from it based on incentive distribution rights or other equity interests.

Our use of DCF for the limited purposes described above and in this quarterly report is not a substitute for net cash flows provided by operating activities, which is the most comparable GAAP measure to DCF. For a discussion of net cash flows provided by operating activities, see “Cash Flow Statement Highlights” within this Part I, Item 2.

The following table summarizes our calculation of DCF for the periods indicated (dollars in millions):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Net income attributable to common unitholders (GAAP) (1)	\$ 1,411	\$ 1,112	\$ 2,707	\$ 2,453
<i>Adjustments to net income attributable to common unitholders to derive DCF (addition or subtraction indicated by sign):</i>				
Depreciation, amortization and accretion expenses	566	534	1,117	1,059
Cash distributions received from unconsolidated affiliates (2)	159	168	279	299
Equity in income of unconsolidated affiliates	(107)	(161)	(224)	(310)
Asset impairment charges	5	18	19	84
Change in fair market value of derivative instruments	52	(23)	94	(39)
Deferred income tax expense (benefit)	7	19	16	24
Sustaining capital expenditures (3)	(82)	(117)	(157)	(261)
Other, net (4)	4	5	(10)	(98)
Operational DCF (5)	\$ 2,015	\$ 1,555	\$ 3,841	\$ 3,211
Proceeds from asset sales	3	44	14	50
Monetization of interest rate derivative instruments accounted for as cash flow hedges	—	—	—	75
DCF (non-GAAP)	\$ 2,018	\$ 1,599	\$ 3,855	\$ 3,336
Cash distributions paid to common unitholders with respect to period, including distribution equivalent rights on phantom unit awards	\$ 1,044	\$ 991	\$ 2,067	\$ 1,982
Cash distribution per common unit declared by Enterprise GP with respect to period (6)	\$ 0.4750	\$ 0.4500	\$ 0.9400	\$ 0.9000
Total DCF retained by the Partnership with respect to period (7)	\$ 974	\$ 608	\$ 1,788	\$ 1,354
Distribution coverage ratio (8)	1.9x	1.6x	1.9x	1.7x

(1) For a discussion of the primary drivers of changes in our comparative income statement amounts, see “Income Statement Highlights” within this Part I, Item 2.

(2) Reflects aggregate distributions received from unconsolidated affiliates attributable to both earnings and the return of capital.

(3) Sustaining capital expenditures include cash payments and accruals applicable to the period.

(4) The six months ended June 30, 2021 includes \$100 million of trade accounts receivable that we do not expect to collect in the normal billing cycle.

(5) Represents DCF before proceeds from asset sales and the monetization of interest rate derivative instruments accounted for as cash flow hedges.

(6) See Note 8 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Part I, Item 1 of this quarterly report for information regarding our cash distributions declared with respect to the periods indicated.

(7) Cash retained by the Partnership may be used for capital investments, debt service, working capital, operating expenses, common unit repurchases, commitments and contingencies and other amounts. The retention of cash reduces our reliance on the capital markets.

(8) Distribution coverage ratio is determined by dividing DCF by total cash distributions paid to common unitholders and in connection with distribution equivalent rights with respect to the period.

The following table presents a reconciliation of net cash flows provided by operating activities to DCF for the periods indicated (dollars in millions):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Net cash flows provided by operating activities (GAAP)	\$ 2,119	\$ 1,994	\$ 4,264	\$ 4,017
<i>Adjustments to reconcile net cash flows provided by operating activities to DCF (addition or subtraction indicated by sign):</i>				
Net effect of changes in operating accounts	(27)	(300)	(218)	(399)
Sustaining capital expenditures	(82)	(117)	(157)	(261)
Distributions received from unconsolidated affiliates attributable to the return of capital	44	18	55	37
Proceeds from asset sales	3	44	14	50
Net income attributable to noncontrolling interests	(28)	(33)	(62)	(54)
Monetization of interest rate derivative instruments accounted for as cash flow hedges	–	–	–	75
Other, net	(11)	(7)	(41)	(129)
DCF (non-GAAP)	\$ 2,018	\$ 1,599	\$ 3,855	\$ 3,336

### **Capital Investments**

We have approximately \$5.5 billion of growth capital projects scheduled to be completed by the end of 2025 including the following projects (including their respective scheduled completion dates):

- natural gas gathering expansion projects in the Delaware and Midland Basins (2022 and 2023);
- our PDH 2 facility (second quarter of 2023);
- a 400 MMcf/d expansion of our Acadian Gas System (second quarter of 2023);
- our Plant 6 natural gas processing plant in the Midland Basin (second quarter of 2023);
- a twelfth NGL fractionator (“Frac XII”) in Chambers County, Texas (third quarter of 2023);
- our Mentone II cryogenic natural gas processing plant (fourth quarter of 2023);
- our Texas Western Products System, created by repurposing a portion of our Mid-America Pipeline System’s Rocky Mountain segment and adding westbound service to our Chaparral Pipeline business to transport refined products from the U.S. Gulf Coast to markets in West Texas, New Mexico, Colorado and Utah (fourth quarter of 2023);
- our Mentone III cryogenic natural gas processing plant (first quarter of 2024);
- our Plant 7 natural gas processing plant in the Midland Basin (first quarter of 2024);
- the expansion of our Shin Oak NGL Pipeline (first half of 2024);
- an Ethane Terminal located along the coast between Corpus Christi, Texas and New Orleans, Louisiana (2025); and
- an expansion of our Morgan’s Point terminal to increase ethylene export capacity (2023 and 2025).

In February 2022, we acquired Navitas Midstream from an affiliate of Warburg Pincus LLC for \$3.2 billion in net cash consideration, which was funded using proceeds from the issuance of short-term notes under our commercial paper program and cash on hand. Shortly after closing on this transaction, we completed construction of the Leiker Plant and placed it into service in March 2022.

Based on information currently available, we expect our total capital investments for 2022, excluding business combinations and net of contributions from noncontrolling interests, to approximate \$2.0 billion, which reflects growth capital investments of \$1.6 billion and sustaining capital expenditures of \$350 million. These amounts do not include capital investments associated with our proposed deep-water offshore crude oil terminal (the Sea Port Oil Terminal, or SPOT), which remains subject to governmental approvals. We currently anticipate receiving approval for SPOT during the second half of 2022; however, we can give no assurance as to whether the project will ultimately be approved or the timing of such decision.

Our forecast of capital investments is dependent upon our ability to generate the required funds from either operating cash flows or other means, including borrowings under debt agreements, the issuance of additional equity and debt securities, and potential divestitures. We may revise our forecast of capital investments due to factors beyond our control, such as adverse economic conditions, weather-related issues and changes in supplier prices resulting from raw material or labor shortages, supply chain disruptions or inflation. Furthermore, our forecast of capital investments may change over time based on future decisions by management, which may include changing the scope or timing of projects or cancelling projects altogether. Our success in raising capital, having the ability to increase revenues commensurate with cost increases and our ability to partner with other companies to share project costs and risks, continue to be significant factors in determining how much capital we can invest. We believe our access to capital resources is sufficient to meet the demands of our current and future growth needs and, although we currently expect to make the forecast capital investments noted above, we may revise our plans in response to changes in economic and capital market conditions.

The following table summarizes our capital investments for the periods indicated (dollars in millions):

	<b>For the Six Months Ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
Capital investments for property, plant and equipment: (1)		
Growth capital projects (2)	\$ 564	\$ 1,050
Sustaining capital projects (3)	167	251
Total	<u>\$ 731</u>	<u>\$ 1,301</u>
Cash used for business combinations, net (4)	<u>\$ 3,204</u>	<u>\$ –</u>
Investments in unconsolidated affiliates	<u>\$ –</u>	<u>\$ 1</u>

- (1) Growth and sustaining capital amounts presented in the table above are presented on a cash basis. In total, these amounts represent “Capital expenditures” as presented on our Unaudited Condensed Statements of Consolidated Cash Flows.
- (2) Growth capital projects either (a) result in new sources of cash flow due to enhancements of or additions to existing assets (e.g., additional revenue streams, cost savings resulting from debottlenecking of a facility, etc.) or (b) expand our asset base through construction of new facilities that will generate additional revenue streams and cash flows.
- (3) Sustaining capital projects are capital expenditures (as defined by GAAP) resulting from improvements to existing assets. Such expenditures serve to maintain existing operations but do not generate additional revenues or result in significant cost savings. Sustaining capital expenditures include the costs of major maintenance activities at our reaction-based plants, which are accounted for using the deferral method.
- (4) Amount for the six months ended June 30, 2022 represents net cash used for the acquisition of Navitas Midstream, which closed on February 17, 2022.

### ***Comparison of Six Months Ended June 30, 2022 with Six Months Ended June 30, 2021***

In total, investments in growth capital projects decreased \$486 million period-to-period primarily due to the following:

- lower investments at our Chambers County complex (e.g., completion of our natural gasoline hydrotreater in October 2021), which accounted for a \$144 million decrease;
- completion of our Gillis Lateral natural gas pipeline in December 2021, which accounted for a \$105 million decrease;
- completion of pipeline projects connecting our Chambers County complex with Gulf Coast assets, which accounted for a \$73 million decrease;
- lower investments in projects attributable to our ethylene business (e.g. completion of our Baymark ethylene pipeline in November 2021), which accounted for a \$55 million decrease; and

- completion of projects associated with crude oil pipelines (e.g., expansion projects involving the Midland-to-ECHO System and related crude oil infrastructure supporting Permian Basin producers), which accounted for a \$36 million decrease.

Investments attributable to sustaining capital projects decreased \$84 million period-to-period primarily due to lower major maintenance activities performed at certain of our reaction-based plants (e.g., PDH 1, octane enhancement and HPIB facilities).

### ***Product Purchase Commitments***

We have long-term product purchase commitments for natural gas, NGLs, crude oil, petrochemicals and refined products representing enforceable and legally binding agreements as of the reporting date. Our product purchase commitments increased from \$18.8 billion at December 31, 2021 to \$27.0 billion at June 30, 2022 primarily due to an increase in crude oil and NGL prices between the two reporting dates.

### **Critical Accounting Policies and Estimates**

A discussion of our critical accounting policies and estimates is included in our 2021 Form 10-K. The following types of estimates, in our opinion, are subjective in nature, require the exercise of professional judgment and involve complex analysis:

- depreciation methods and estimated useful lives of property, plant and equipment;
- measuring recoverability of long-lived assets and fair value of equity method investments;
- valuation and amortization methods of customer relationships and contract-based intangible assets;
- methods we employ to measure the fair value of goodwill and related assets; and
- the use of estimates for revenue and expenses.

When used to prepare our Unaudited Condensed Consolidated Financial Statements, the foregoing types of estimates are based on our current knowledge and understanding of the underlying facts and circumstances. Such estimates may be revised as a result of changes in the underlying facts and circumstances. Subsequent changes in these estimates may have a significant impact on our consolidated financial position, results of operations and cash flows.

### **Other Matters**

#### ***Parent-Subsidiary Guarantor Relationship***

The Partnership (the “Parent Guarantor”) has guaranteed the payment of principal and interest on the consolidated debt obligations of EPO (the “Subsidiary Issuer”), with the exception of the remaining debt obligations of TEPPCO Partners, L.P. (collectively, the “Guaranteed Debt”). If EPO were to default on any of its Guaranteed Debt, the Partnership would be responsible for full and unconditional repayment of such obligations. At June 30, 2022, the total amount of Guaranteed Debt was \$29.5 billion, which was comprised of \$26.4 billion of EPO’s senior notes, \$2.6 billion of EPO’s junior subordinated notes and \$435 million of related accrued interest.

The Partnership’s guarantees of EPO’s senior note obligations, commercial paper notes and borrowings under bank credit facilities represent unsecured and unsubordinated obligations of the Partnership that rank equal in right of payment to all other existing or future unsecured and unsubordinated indebtedness of the Partnership. In addition, these guarantees effectively rank junior in right of payment to any existing or future indebtedness of the Partnership that is secured and unsubordinated, to the extent of the assets securing such indebtedness.



The Partnership's guarantees of EPO's junior subordinated notes represent unsecured and subordinated obligations of the Partnership that rank equal in right of payment to all other existing or future subordinated indebtedness of the Partnership and senior in right of payment to all existing or future equity securities of the Partnership. The Partnership's guarantees of EPO's junior subordinated notes effectively rank junior in right of payment to (i) any existing or future indebtedness of the Partnership that is secured, to the extent of the assets securing such indebtedness and (ii) all other existing or future unsecured and unsubordinated indebtedness of the Partnership.

The Partnership may be released from its guarantee obligations only in connection with EPO's exercise of its legal or covenant defeasance options as described in the underlying agreements.

Selected Financial Information of Obligor Group

The following tables present summarized financial information of the Partnership (as Parent Guarantor) and EPO (as Subsidiary Issuer) on a combined basis (collectively, the "Obligor Group"), after the elimination of intercompany balances and transactions among the Obligor Group.

In accordance with Rule 13.01 of Regulation S-X, the summarized financial information of the Obligor Group excludes the Obligor Group's equity in income and investments in the consolidated subsidiaries of EPO that are not party to the guarantee obligations (the "Non-Obligor Subsidiaries"). The total carrying value of the Obligor Group's investments in the Non-Obligor Subsidiaries was \$48.0 billion at June 30, 2022. The Obligor Group's equity in the earnings of the Non-Obligor Subsidiaries for the six months ended June 30, 2022 was \$2.9 billion. Although the net assets and earnings of the Non-Obligor Subsidiaries are not directly available to the holders of the Guaranteed Debt to satisfy the repayment of such obligations, there are no significant restrictions on the ability of the Non-Obligor Subsidiaries to pay distributions or make loans to EPO or the Partnership. EPO exercises control over the Non-Obligor Subsidiaries. We continue to believe that the unaudited condensed consolidated financial statements of the Partnership presented under Part I, Item 1 of this quarterly report provide a more appropriate view of our credit standing. Our investment grade credit ratings are based on the Partnership's consolidated financial statements and not the Obligor Group's financial information presented below.

The following table presents summarized balance sheet information for the combined Obligor Group at the dates indicated (dollars in millions):

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Selected asset information:		
Current receivables from Non-Obligor Subsidiaries	\$ 1,217	\$ 358
Other current assets	6,434	7,994
Long-term receivables from Non-Obligor Subsidiaries	187	187
Other noncurrent assets, excluding investments in Non-Obligor Subsidiaries of \$48.0 billion at June 30, 2022 and \$45.9 billion at December 31, 2021	9,108	8,791
Selected liability information:		
Current portion of Guaranteed Debt, including interest of \$435 million at June 30, 2022 and \$453 million at December 31, 2021	\$ 2,324	\$ 1,853
Current payables to Non-Obligor Subsidiaries	2,513	1,829
Other current liabilities	5,808	4,743
Noncurrent portion of Guaranteed Debt, principal only	27,157	28,407
Noncurrent payables to Non-Obligor Subsidiaries	38	27
Other noncurrent liabilities	79	48
Mezzanine equity of Obligor Group:		
Preferred units	\$ 49	\$ 49

The following table presents summarized income statement information for the combined Obligor Group for the periods indicated (dollars in millions):

	<b>For the Six Months Ended June 30, 2022</b>	<b>For the Twelve Months Ended December 31, 2021</b>
Revenues from Non-Obligor Subsidiaries	\$ 6,269	\$ 13,114
Revenues from other sources	14,500	16,676
Operating income of Obligor Group	463	1,490
Net income (loss) of Obligor Group excluding equity in earnings of Non-Obligor Subsidiaries of \$2.9 billion for the six months ended June 30, 2022 and \$4.5 billion for the twelve months ended December 31, 2021	(195)	145

### ***Related Party Transactions***

For information regarding our related party transactions, see Note 15 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Part I, Item 1 of this quarterly report.

## **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

### **General**

In the normal course of our business operations, we are exposed to certain risks, including changes in interest rates and commodity prices. In order to manage risks associated with assets, liabilities and certain anticipated future transactions, we use derivative instruments such as futures, forward contracts, swaps and other instruments with similar characteristics. Substantially all of our derivatives are used for non-trading activities.

We assess the risk associated with each of our derivative instrument portfolios using a sensitivity analysis model. This approach measures the change in fair value of the derivative instrument portfolio based on a hypothetical 10% change in the underlying interest rates or quoted market prices on a particular day. In addition to these variables, the fair value of each portfolio is influenced by changes in the notional amounts of the instruments outstanding and the discount rates used to determine the present values. The sensitivity analysis approach does not reflect the impact that the same hypothetical price movement would have on the hedged exposures to which they relate. Therefore, the impact on the fair value of a derivative instrument resulting from a change in interest rates or quoted market prices (as applicable) would normally be offset by a corresponding gain or loss on the hedged debt instrument, inventory value or forecasted transaction assuming:

- the derivative instrument functions effectively as a hedge of the underlying risk;
- the derivative instrument is not closed out in advance of its expected term; and
- the hedged forecasted transaction occurs within the expected time period.

We routinely review the effectiveness of our derivative instrument portfolios in light of current market conditions. Accordingly, the nature and volume of our derivative instruments may change depending on the specific exposure being managed.

## Commodity Hedging Activities

The price of energy commodities such as natural gas, NGLs, crude oil, petrochemicals and refined products are subject to fluctuations in response to changes in supply and demand, market conditions and a variety of additional factors that are beyond our control. In order to manage such price risks, we enter into commodity derivative instruments such as physical forward contracts, futures contracts, fixed-for-float swaps and basis swaps.

At June 30, 2022, our predominant commodity hedging strategies consisted of (i) hedging anticipated future purchases and sales of commodity products associated with transportation, storage and blending activities, (ii) hedging the fair value of commodity products held in inventory and (iii) hedging natural gas processing margins. For a summary of our portfolio of commodity derivative instruments outstanding, see Note 14 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Part I, Item 1 of this quarterly report.

### *Sensitivity Analysis*

The following tables show the effect of hypothetical price movements on the estimated fair values of our principal commodity derivative instrument portfolios at the dates indicated (dollars in millions).

The fair value information presented in the sensitivity analysis tables excludes the impact of applying Chicago Mercantile Exchange (“CME”) Rule 814, which deems that financial instruments cleared by the CME are settled daily in connection with variation margin payments. As a result of this exchange rule, CME-related derivatives are considered to have no fair value at the balance sheet date for financial reporting purposes; however, the derivatives remain outstanding and subject to future commodity price fluctuations until they are settled in accordance with their contractual terms. Derivative transactions cleared on exchanges other than the CME (e.g., the Intercontinental Exchange or ICE) continue to be reported on a gross basis.

#### Natural gas marketing portfolio

Scenario	Resulting Classification	Portfolio Fair Value at		
		December 31, 2021	June 30, 2022	July 15, 2022
Fair value assuming no change in underlying commodity prices	<i>Asset (Liability)</i>	\$ 9	\$ 19	\$ (1)
Fair value assuming 10% increase in underlying commodity prices	<i>Asset (Liability)</i>	9	18	(3)
Fair value assuming 10% decrease in underlying commodity prices	<i>Asset (Liability)</i>	9	19	1

#### NGL and refined products marketing, natural gas processing and octane enhancement portfolio

Scenario	Resulting Classification	Portfolio Fair Value at		
		December 31, 2021	June 30, 2022	July 15, 2022
Fair value assuming no change in underlying commodity prices	<i>Asset (Liability)</i>	\$ 84	\$ (31)	\$ (41)
Fair value assuming 10% increase in underlying commodity prices	<i>Asset (Liability)</i>	77	(52)	(53)
Fair value assuming 10% decrease in underlying commodity prices	<i>Asset (Liability)</i>	91	(10)	(30)

#### Crude oil marketing portfolio

Scenario	Resulting Classification	Portfolio Fair Value at		
		December 31, 2021	June 30, 2022	July 15, 2022
Fair value assuming no change in underlying commodity prices	<i>Asset (Liability)</i>	\$ (55)	\$ (84)	\$ (28)
Fair value assuming 10% increase in underlying commodity prices	<i>Asset (Liability)</i>	(120)	(139)	(61)
Fair value assuming 10% decrease in underlying commodity prices	<i>Asset (Liability)</i>	11	(29)	5

## Interest Rate Hedging Activities

We may utilize interest rate swaps, forward-starting swaps, options to enter into forward-starting swaps (“swaptions”), and similar derivative instruments to manage our exposure to changes in interest rates charged on borrowings under certain consolidated debt agreements. This strategy may be used in controlling our overall cost of capital associated with such borrowings. As of the filing date of this quarterly report, we do not have any interest rate hedging instruments outstanding.

## **ITEM 4. CONTROLS AND PROCEDURES.**

### **Disclosure Controls and Procedures**

As of the end of the period covered by this quarterly report, our management carried out an evaluation, with the participation of (i) A. James Teague, Co-Chief Executive Officer of Enterprise GP and (ii) W. Randall Fowler, Co-Chief Executive Officer and Chief Financial Officer of Enterprise GP, of the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 of the Securities Exchange Act of 1934. Based on this evaluation, as of the end of the period covered by this quarterly report, Messrs. Teague and Fowler concluded:

- (i) that our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive and financial officers, as appropriate to allow for timely decisions regarding required disclosures; and
- (ii) that our disclosure controls and procedures are effective.

### **Changes in Internal Control over Financial Reporting**

There were no changes in our internal controls over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) during the second quarter of 2022, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

### **Section 302 and 906 Certifications**

The required certifications of Messrs. Teague and Fowler under Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 are included as exhibits to this quarterly report (see Exhibits 31 and 32 under Part II, Item 6 of this quarterly report).

## **PART II. OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS.**

As part of our normal business activities, we may be named as defendants in litigation and legal proceedings, including those arising from regulatory and environmental matters. Although we are insured against various risks to the extent we believe it is prudent, there is no assurance that the nature and amount of such insurance will be adequate, in every case, to indemnify us against liabilities arising from future legal proceedings. We will vigorously defend the Partnership in litigation matters.

For additional information regarding our litigation matters, see Note 17 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Part I, Item 1 of this quarterly report.

On occasion, we are assessed monetary penalties by governmental authorities related to administrative or judicial proceedings involving environmental matters. In June 2019, we received a Notice of Violation from the U.S. Environmental Protection Agency in connection with regulatory requirements applicable to facilities that we operate in Baton Rouge, Louisiana. In July 2021, we received a civil penalty demand from the U.S. Department of Justice and the State of Colorado regarding alleged violations of hydrocarbon leak detection and repair regulations applicable to our Meeker gas processing plant in Colorado. The eventual resolution of each of these matters may result in monetary sanctions in excess of \$0.3 million; however, we do not expect such expenditures to be material to our consolidated financial statements.

## ITEM 1A. RISK FACTORS.

An investment in our securities involves certain risks. Security holders and potential investors in our securities should carefully consider the risks described under “*Risk Factors*” set forth in Part I, Item 1A of our 2021 Form 10-K, in addition to other information in such annual report and this quarterly report (including the risk factors set forth below). The risk factors set forth in our 2021 Form 10-K and as set forth below are important factors that could cause our actual results to differ materially from those contained in any written or oral forward-looking statements made by us or on our behalf.

***Changes in price levels could negatively impact our revenue, our expenses, or both, which could adversely affect our business.***

The operation of our assets and the execution of capital projects require significant expenditures for labor, materials, property, equipment and services. As a result, such costs may increase during periods of general business inflation, including as a result of higher commodity prices, supply chain disruptions and tight labor markets. Recent inflationary pressures affecting the general economy and the energy industry have increased our expenses and capital costs, and those costs may continue to increase. While the majority of long-term contracts for our services contain index-based changes and inflation adjustments, we may not be able to pass all of these increased costs to our customers in the form of higher fees for our services. In addition, we use the FERC’s PPI-based price indexing methodology to establish tariff rates in certain markets served by our pipelines. As such, our revenues and operating margins are impacted by changes in price levels. Prior to adjustments to applicable rates, material cost increases may affect our operating margins, even if margins in subsequent periods may be normalized following applicable rate adjustments. Accordingly, increased costs during periods of general business inflation that are not passed through to customers or offset by other factors may have a material adverse effect on our financial position, results of operations and cash flows.

***Our construction of new assets is subject to operational, regulatory, environmental, political, geopolitical, legal and economic risks, which may result in delays, increased costs or decreased cash flows.***

One of the ways we intend to grow our business is through the construction of new midstream energy infrastructure assets. The construction of new assets involves numerous operational, regulatory, environmental, political, geopolitical, legal and economic risks beyond our control and may require the expenditure of significant amounts of capital. These potential risks include, among other things, the following:

- we may be unable to complete construction projects on schedule or at the budgeted cost due to the unavailability of required construction personnel, the unavailability of or delays in obtaining necessary materials as a result of supply chain disruptions (including those caused by COVID-19 lockdowns or geopolitical events, such as the Russian invasion of Ukraine), accidents, weather conditions, or an inability to obtain necessary permits;
- we will not receive any material increase in operating cash flows until the project is completed, even though we may have expended considerable funds during the construction phase, which may be prolonged;
- we may construct facilities to capture anticipated future production growth in a region in which such growth does not materialize;
- since we are not engaged in the exploration for and development of crude oil or natural gas reserves, we may not have access to third party estimates of reserves in an area prior to our constructing facilities in the area. As a result, we may construct facilities in an area where the reserves are materially lower than we anticipate;
- in those situations where we do rely on third party reserve estimates in making a decision to construct assets, these estimates may prove inaccurate;
- the completion or success of our construction project may depend on the completion of a third party construction project (e.g., a downstream crude oil refinery expansion or construction of a new petrochemical facility) that we do not control and that may be subject to numerous of its own potential risks, delays and complexities; and
- we may be unable to obtain rights-of-way to construct additional pipelines or the cost to do so may be uneconomical.

A materialization of any of these risks could adversely affect our ability to achieve growth in the level of our cash flows or realize benefits from expansion opportunities or construction projects, which could impact the level of cash distributions we pay to partners.

***Several of our assets have been in service for many years and require significant expenditures to maintain them. As a result, an increase in future maintenance or repair costs or delays in completing necessary maintenance or repair activities could have a material adverse effect on our financial position, results of operations and cash flows.***

Our pipelines, terminals and storage assets are generally long-lived assets, and many of them have been in service for many years. The age and condition of our assets could result in increased maintenance or repair expenditures in the future. Additionally, we may be unable to complete maintenance or repairs due to the unavailability of necessary materials as a result of supply chain disruptions (including those caused by COVID-19 lockdowns or geopolitical events, such as the Russian invasion of Ukraine), which may result in the suspension of operations of the impacted assets until such activities can be completed. Any significant increase in these expenditures or delays in completing necessary maintenance or repairs could adversely affect our results of operations, financial position or cash flows, as well as our ability to make cash distributions to our unitholders.

***A cyber-attack on our IT systems could affect our business and assets, and have a material adverse effect on our financial position, results of operations and cash flows.***

We rely on our IT systems to conduct our business, as well as systems of third-party vendors. These systems include information used to operate our assets, as well as cloud-based services. These systems are subject to possible security breaches and cyber-attacks.

Cyber-attacks are becoming more sophisticated, and U.S. government warnings have indicated that infrastructure assets, including pipelines, may be specifically targeted by certain groups. These attacks include, without limitation, malicious software, ransomware, attempts to gain unauthorized access to data, and other electronic security breaches. These attacks, which could increase as a result of geopolitical events (including the Russian invasion of Ukraine), may be perpetrated by state-sponsored groups, “hacktivists”, criminal organizations or private individuals (including employee malfeasance). These cybersecurity risks include cyber-attacks on both us and third parties who provide material services to us. In addition to disrupting operations, cyber security breaches could also affect our ability to operate or control our facilities, render data or systems unusable, or result in the theft of sensitive, confidential or customer information. These events could also damage our reputation, and result in losses from remedial actions, loss of business or potential liability to third parties.

We do not carry insurance specifically for cybersecurity events; however, certain of our insurance policies may allow for coverage of associated damages resulting from such events. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our financial position, results of operations and cash flows. In addition, the proceeds of any such insurance may not be paid in a timely manner and may be insufficient if such an event were to occur.

## ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

### Recent Issuances of Unregistered Securities

Holders of our Series A Cumulative Convertible Preferred Units (“preferred units”) are entitled to receive cumulative quarterly distributions at a rate of 7.25% per annum. We may satisfy our obligation to pay distributions to the preferred unitholders through the issuance, in whole or in part, of additional preferred units (referred to as paid-in-kind or “PIK” distributions), with the remainder in cash, subject to certain rights of a holder to elect all cash and other conditions as described in our partnership agreement.

The Partnership made quarterly PIK distributions of 16,823 and 17,128 preferred units to OTA Holdings, Inc., an indirect, wholly owned subsidiary of the Partnership (“OTA”) in the first and second quarters of 2022, respectively. The preferred units held by OTA are accounted for as treasury units in consolidation. For additional information regarding the preferred units, see Note 8 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Part I, Item 1 of this quarterly report.

The issuances of preferred units as PIK distributions during the three and six months ended June 30, 2022 were undertaken in reliance upon an exemption from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 4(a)(2) thereof.

Other than as described above, there were no sales of unregistered equity securities during the second quarter of 2022.

### Issuer Purchases of Equity Securities

The following table summarizes our equity repurchase activity during the second quarter of 2022:

Period	Total Number of Units Purchased	Average Price Paid per Unit	Total Number Of Units Purchased as Part of 2019 Buyback Program	Remaining Dollar Amount of Units That May Be Purchased Under the 2019 Buyback Program (\$ thousands)
2019 Buyback Program: (1)				
April 2022	–	\$ –	–	\$ 1,519,128
May 2022	707,149	\$ 25.74	707,149	\$ 1,500,924
June 2022	700,972	\$ 24.17	700,972	\$ 1,483,983
Vesting of phantom unit awards:				
April 2022	–	\$ –	n/a	n/a
May 2022 (2)	71,976	\$ 25.74	n/a	n/a
June 2022 (3)	1,699	\$ 26.15	n/a	n/a

- (1) In January 2019, we announced the 2019 Buyback Program, which authorized the repurchase of up to \$2 billion of EPD’s common units. Units repurchased under this program are cancelled immediately upon acquisition.
- (2) Of the 272,157 phantom unit awards that vested in May 2022 and converted to common units, 71,976 units were sold back to us by employees to cover related withholding tax requirements. These repurchases are not part of any announced program. We cancelled these units immediately upon acquisition.
- (3) Of the 5,875 phantom unit awards that vested in June 2022 and converted to common units, 1,699 units were sold back to us by employees to cover related withholding tax requirements. These repurchases are not part of any announced program. We cancelled these units immediately upon acquisition.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

### ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

### ITEM 5. OTHER INFORMATION.

On August 9, 2022, Dan Duncan LLC executed the Sixth Amended and Restated Limited Liability Company Agreement of Enterprise GP (the “Amended and Restated Enterprise GP LLC Agreement”) to consolidate certain previous amendments into a single document and to update certain provisions relating to Enterprise GP’s management group known as the Office of the Chairman. The foregoing description of the Amended and Restated Enterprise GP LLC Agreement is qualified in its entirety by reference to the full text of the Amended and Restated Enterprise GP LLC Agreement, which is filed as Exhibit 3.9 hereto and incorporated by reference herein.

### ITEM 6. EXHIBITS.

<b>Exhibit Number</b>	<b>Exhibit*</b>
2.1	<u>Merger Agreement, dated as of December 15, 2003, by and among Enterprise Products Partners L.P., Enterprise Products GP, LLC, Enterprise Products Management LLC, GulfTerra Energy Partners, L.P. and GulfTerra Energy Company, L.L.C. (incorporated by reference to Exhibit 2.1 to Form 8-K filed December 15, 2003).</u>
2.2	<u>Amendment No. 1 to Merger Agreement, dated as of August 31, 2004, by and among Enterprise Products Partners L.P., Enterprise Products GP, LLC, Enterprise Products Management LLC, GulfTerra Energy Partners, L.P. and GulfTerra Energy Company, L.L.C. (incorporated by reference to Exhibit 2.1 to Form 8-K filed September 7, 2004).</u>
2.3	<u>Parent Company Agreement, dated as of December 15, 2003, by and among Enterprise Products Partners L.P., Enterprise Products GP, LLC, Enterprise Products GTM, LLC, El Paso Corporation, Sabine River Investors I, L.L.C., Sabine River Investors II, L.L.C., El Paso EPN Investments, L.L.C. and GulfTerra GP Holding Company (incorporated by reference to Exhibit 2.2 to Form 8-K filed December 15, 2003).</u>
2.4	<u>Amendment No. 1 to Parent Company Agreement, dated as of April 19, 2004, by and among Enterprise Products Partners L.P., Enterprise Products GP, LLC, Enterprise Products GTM, LLC, El Paso Corporation, Sabine River Investors I, L.L.C., Sabine River Investors II, L.L.C., El Paso EPN Investments, L.L.C. and GulfTerra GP Holding Company (incorporated by reference to Exhibit 2.1 to Form 8-K filed April 21, 2004).</u>
2.5	<u>Purchase and Sale Agreement (Gas Plants), dated as of December 15, 2003, by and between El Paso Corporation, El Paso Field Services Management, Inc., El Paso Transmission, L.L.C., El Paso Field Services Holding Company and Enterprise Products Operating L.P. (incorporated by reference to Exhibit 2.4 to Form 8-K filed December 15, 2003).</u>
2.6	<u>Agreement and Plan of Merger, dated as of June 28, 2009, by and among Enterprise Products Partners L.P., Enterprise Products GP, LLC, Enterprise Sub B LLC, TEPPCO Partners, L.P. and Texas Eastern Products Pipeline Company, LLC (incorporated by reference to Exhibit 2.1 to Form 8-K filed June 29, 2009).</u>
2.7	<u>Agreement and Plan of Merger, dated as of June 28, 2009, by and among Enterprise Products Partners L.P., Enterprise Products GP, LLC, Enterprise Sub A LLC, TEPPCO Partners, L.P. and Texas Eastern Products Pipeline Company, LLC (incorporated by reference to Exhibit 2.2 to Form 8-K filed June 29, 2009).</u>



- 2.8 Agreement and Plan of Merger, dated as of September 3, 2010, by and among Enterprise Products Partners L.P., Enterprise Products GP, LLC, Enterprise ETE LLC, Enterprise GP Holdings L.P. and EPE Holdings, LLC (incorporated by reference to Exhibit 2.1 to Form 8-K filed September 7, 2010).
- 2.9 Agreement and Plan of Merger, dated as of September 3, 2010, by and among Enterprise Products GP, LLC, Enterprise GP Holdings L.P. and EPE Holdings, LLC (incorporated by reference to Exhibit 2.2 to Form 8-K filed September 7, 2010).
- 2.10 Contribution Agreement, dated as of September 30, 2010, by and between Enterprise Products Company and Enterprise Products Partners L.P. (incorporated by reference to Exhibit 2.1 to Form 8-K filed October 1, 2010).
- 2.11 Agreement and Plan of Merger, dated as of April 28, 2011, by and among Enterprise Products Partners L.P., Enterprise Products Holdings LLC, EPD MergerCo LLC, Duncan Energy Partners L.P. and DEP Holdings, LLC (incorporated by reference to Exhibit 2.1 to Form 8-K filed April 29, 2011).
- 2.12 Contribution and Purchase Agreement, dated as of October 1, 2014, by and among Enterprise Products Partners L.P., Oiltanking Holding Americas, Inc. and OTB Holdco, LLC (incorporated by reference to Exhibit 2.1 to Form 8-K filed October 1, 2014).
- 2.13 Agreement and Plan of Merger, dated as of November 11, 2014, by and among Enterprise Products Partners L.P., Enterprise Products Holdings LLC, EPOT MergerCo LLC, Oiltanking Partners, L.P. and OTLP GP, LLC (incorporated by reference to Exhibit 2.1 to Form 8-K filed November 12, 2014).
- 2.14 Amendment No. 1 dated as of June 6, 2018 to Contribution and Purchase Agreement, by and among Enterprise Products Partners L.P., Oiltanking Holding Americas, Inc., Enterprise Products Holdings LLC and Marquard & Bahls, AG (incorporated by reference to Exhibit 2.2 to Form 8-K filed June 12, 2018).
- 3.1 Certificate of Limited Partnership of Enterprise Products Partners L.P. (incorporated by reference to Exhibit 3.6 to Form 10-Q filed November 9, 2007).
- 3.2 Certificate of Amendment to Certificate of Limited Partnership of Enterprise Products Partners L.P., filed on November 22, 2010 with the Delaware Secretary of State (incorporated by reference to Exhibit 3.6 to Form 8-K filed November 23, 2010).
- 3.3 Seventh Amended and Restated Agreement of Limited Partnership of Enterprise Products Partners L.P., dated as of September 30, 2020 (incorporated by reference to Exhibit 3.1 to Form 8-K filed October 1, 2020).
- 3.4 Certificate of Formation of Enterprise Products Holdings LLC (formerly named EPE Holdings, LLC) (incorporated by reference to Exhibit 3.3 to Form S-1/A Registration Statement, Reg. No. 333-124320, filed by Enterprise GP Holdings L.P. on July 22, 2005).
- 3.5 Certificate of Amendment to Certificate of Formation of Enterprise Products Holdings LLC (formerly named EPE Holdings, LLC), filed on November 22, 2010 with the Delaware Secretary of State (incorporated by reference to Exhibit 3.5 to Form 8-K filed November 23, 2010).
- 3.6 Fifth Amended and Restated Limited Liability Company Agreement of Enterprise Products Holdings LLC dated effective as of September 7, 2011 (incorporated by reference to Exhibit 3.1 to Form 8-K filed September 8, 2011).
- 3.7 Amendment No. 1 to Fifth Amended and Restated Limited Liability Company Agreement of Enterprise Products Holdings LLC, dated effective as of April 26, 2017 (incorporated by reference to Exhibit 3.1 to Form 8-K filed May 2, 2017).
- 3.8 Amendment No. 2 to Fifth Amended and Restated Limited Liability Company Agreement of Enterprise Products Holdings LLC, dated effective as of November 6, 2019 (incorporated by reference to Exhibit 3.12 to Form 10-Q filed November 8, 2019).
- 3.9# Sixth Amended and Restated Limited Liability Company Agreement of Enterprise Products Holdings LLC dated effective as of August 9, 2022.
- 3.10 Company Agreement of Enterprise Products Operating LLC dated June 30, 2007 (incorporated by reference to Exhibit 3.3 to Form 10-Q filed August 8, 2007).
- 3.11 Certificate of Incorporation of Enterprise Products OLP GP, Inc., dated December 3, 2003 (incorporated by reference to Exhibit 3.5 to Form S-4 Registration Statement, Reg. No. 333-121665, filed December 27, 2004).

- 3.12 Bylaws of Enterprise Products OLPGP, Inc., dated December 8, 2003 (incorporated by reference to Exhibit 3.6 to Form S-4 Registration Statement, Reg. No. 333-121665, filed December 27, 2004).
- 4.1 Form of Common Unit certificate (incorporated by reference to Exhibit A to Exhibit 3.1 to Form 8-K filed October 1, 2020).
- 4.2 Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.2 to Form 10-K filed February 28, 2020).
- 4.3 Indenture, dated as of March 15, 2000, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and First Union National Bank, as Trustee (incorporated by reference to Exhibit 4.1 to Form 8-K filed March 14, 2000).
- 4.4 Second Supplemental Indenture, dated as of February 14, 2003, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and Wachovia Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 to Form 10-K filed March 31, 2003).
- 4.5 Third Supplemental Indenture, dated as of June 30, 2007, among Enterprise Products Operating L.P., as Original Issuer, Enterprise Products Partners L.P., as Parent Guarantor, Enterprise Products Operating LLC, as New Issuer, and U.S. Bank National Association, as successor Trustee (incorporated by reference to Exhibit 4.55 to Form 10-Q filed August 8, 2007).
- 4.6 Indenture, dated as of October 4, 2004, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.1 to Form 8-K filed October 6, 2004).
- 4.7 Fourth Supplemental Indenture, dated as of October 4, 2004, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.5 to Form 8-K filed October 6, 2004).
- 4.8 Sixth Supplemental Indenture, dated as of March 2, 2005, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 to Form 8-K filed March 3, 2005).
- 4.9 Tenth Supplemental Indenture, dated as of June 30, 2007, among Enterprise Products Operating L.P., as Original Issuer, Enterprise Products Partners L.P., as Parent Guarantor, Enterprise Products Operating LLC, as New Issuer, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.54 to Form 10-Q filed August 8, 2007).
- 4.10 Sixteenth Supplemental Indenture, dated as of October 5, 2009, among Enterprise Products Operating LLC, as Issuer, Enterprise Products Partners L.P., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 to Form 8-K filed October 5, 2009).
- 4.11 Seventeenth Supplemental Indenture, dated as of October 27, 2009, among Enterprise Products Operating LLC, as Issuer, Enterprise Products Partners L.P., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.1 to Form 8-K filed October 28, 2009).
- 4.12 Eighteenth Supplemental Indenture, dated as of October 27, 2009, among Enterprise Products Operating LLC, as Issuer, Enterprise Products Partners L.P., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.2 to Form 8-K filed October 28, 2009).
- 4.13 Nineteenth Supplemental Indenture, dated as of May 20, 2010, among Enterprise Products Operating LLC, as Issuer, Enterprise Products Partners L.P., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 to Form 8-K filed May 20, 2010).
- 4.14 Twentieth Supplemental Indenture, dated as of January 13, 2011, among Enterprise Products Operating LLC, as Issuer, Enterprise Products Partners L.P., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 to Form 8-K filed January 13, 2011).

- 4.15 Twenty-First Supplemental Indenture, dated as of August 24, 2011, among Enterprise Products Operating LLC, as Issuer, Enterprise Products Partners L.P., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 to Form 8-K filed August 24, 2011).
- 4.16 Twenty-Second Supplemental Indenture, dated as of February 15, 2012, among Enterprise Products Operating LLC, as Issuer, Enterprise Products Partners L.P., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.25 to Form 10-Q filed May 10, 2012).
- 4.17 Twenty-Third Supplemental Indenture, dated as of August 13, 2012, among Enterprise Products Operating LLC, as Issuer, Enterprise Products Partners L.P., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 to Form 8-K filed August 13, 2012).
- 4.18 Twenty-Fourth Supplemental Indenture, dated as of March 18, 2013, among Enterprise Products Operating LLC, as Issuer, Enterprise Products Partners L.P., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 to Form 8-K filed March 18, 2013).
- 4.19 Twenty-Fifth Supplemental Indenture, dated as of February 12, 2014, among Enterprise Products Operating LLC, as Issuer, Enterprise Products Partners L.P., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 to Form 8-K filed February 12, 2014).
- 4.20 Twenty-Sixth Supplemental Indenture, dated as of October 14, 2014, among Enterprise Products Operating LLC, as Issuer, Enterprise Products Partners L.P., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.4 to Form 8-K filed October 14, 2014).
- 4.21 Twenty-Seventh Supplemental Indenture, dated as of May 7, 2015, among Enterprise Products Operating LLC, as Issuer, Enterprise Products Partners L.P., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 to Form 8-K filed May 7, 2015).
- 4.22 Twenty-Eighth Supplemental Indenture, dated as of April 13, 2016, among Enterprise Products Operating LLC, as Issuer, Enterprise Products Partners L.P., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.4 to Form 8-K filed April 13, 2016).
- 4.23 Twenty-Ninth Supplemental Indenture, dated as of August 16, 2017, among Enterprise Products Operating LLC, as Issuer, Enterprise Products Partners L.P., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 to Form 8-K filed August 16, 2017).
- 4.24 Thirtieth Supplemental Indenture, dated as of February 15, 2018, among Enterprise Products Operating LLC, as Issuer, Enterprise Products Partners L.P., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.4 to Form 8-K filed February 15, 2018).
- 4.25 Thirty-First Supplemental Indenture, dated as of February 15, 2018, among Enterprise Products Operating LLC, as Issuer, Enterprise Products Partners L.P., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 to Form 8-K filed February 15, 2018).
- 4.26 Thirty-Second Supplemental Indenture, dated as of October 11, 2018, among Enterprise Products Operating LLC, as Issuer, Enterprise Products Partners L.P., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 to Form 8-K filed October 11, 2018).
- 4.27 Thirty-Third Supplemental Indenture, dated as of July 8, 2019, among Enterprise Products Operating LLC, as Issuer, Enterprise Products Partners L.P., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 to Form 8-K filed July 8, 2019).

- 4.28 Thirty-Fourth Supplemental Indenture, dated as of January 15, 2020, among Enterprise Products Operating LLC, as Issuer, Enterprise Products Partners L.P., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 to Form 8-K filed January 15, 2020).
- 4.29 Thirty-Fifth Supplemental Indenture, dated as of August 7, 2020, among Enterprise Products Operating LLC, as Issuer, Enterprise Products Partners L.P., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.4 to Form 8-K filed August 7, 2020).
- 4.30 Thirty-Sixth Supplemental Indenture, dated as of September 15, 2021, among Enterprise Products Operating LLC, as Issuer, Enterprise Products Partners L.P., as Parent Guarantor, Wells Fargo Bank, National Association, as Original Trustee, and U.S. Bank National Association, as Series Trustee (incorporated by reference to Exhibit 4.3 to Form 8-K filed September 15, 2021).
- 4.31 Form of Global Note representing \$499.2 million principal amount of 6.875% Series B Senior Notes due 2033 with attached Guarantee (incorporated by reference to Exhibit A to Exhibit 4.3 to Form 10-K filed March 31, 2003).
- 4.32 Form of Global Note representing \$350.0 million principal amount of 6.65% Series B Senior Notes due 2034 with attached Guarantee (incorporated by reference to Exhibit 4.19 to Form S-3 Registration Statement, Reg. No. 333-123150, filed March 4, 2005).
- 4.33 Form of Global Note representing \$250.0 million principal amount of 5.75% Series B Senior Notes due 2035 with attached Guarantee (incorporated by reference to Exhibit 4.32 to Form 10-Q filed November 4, 2005).
- 4.34 Form of Global Note representing \$600.0 million principal amount of 6.125% Senior Notes due 2039 with attached Guarantee (incorporated by reference to Exhibit B to Exhibit 4.3 to Form 8-K filed October 5, 2009).
- 4.35 Form of Global Note representing \$399.6 million principal amount of 7.55% Senior Notes due 2038 with attached Guarantee (incorporated by reference to Exhibit E to Exhibit 4.1 to Form 8-K filed October 28, 2009).
- 4.36 Form of Global Note representing \$285.8 million principal amount of Junior Subordinated Notes due 2067 with attached Guarantee (incorporated by reference to Exhibit A to Exhibit 4.2 to Form 8-K filed October 28, 2009).
- 4.37 Form of Global Note representing \$600.0 million principal amount of 6.45% Senior Notes due 2040 with attached Guarantee (incorporated by reference to Exhibit C to Exhibit 4.3 to Form 8-K filed May 20, 2010).
- 4.38 Form of Global Note representing \$750.0 million principal amount of 5.95% Senior Notes due 2041 with attached Guarantee (incorporated by reference to Exhibit B to Exhibit 4.3 to Form 8-K filed January 13, 2011).
- 4.39 Form of Global Note representing \$650.0 million principal amount of 4.05% Senior Notes due 2022 with attached Guarantee (incorporated by reference to Exhibit A to Exhibit 4.3 to Form 8-K filed August 24, 2011).
- 4.40 Form of Global Note representing \$600.0 million principal amount of 5.70% Senior Notes due 2042 with attached Guarantee (incorporated by reference to Exhibit B to Exhibit 4.3 to Form 8-K filed August 24, 2011).
- 4.41 Form of Global Note representing \$750.0 million principal amount of 4.85% Senior Notes due 2042 with attached Guarantee (incorporated by reference to Exhibit A to Exhibit 4.25 to Form 10-Q filed May 10, 2012).
- 4.42 Form of Global Note representing \$1.1 billion principal amount of 4.45% Senior Notes due 2043 with attached Guarantee (incorporated by reference to Exhibit B to Exhibit 4.3 to Form 8-K filed August 13, 2012).
- 4.43 Form of Global Note representing \$1.25 billion principal amount of 3.35% Senior Notes due 2023 with attached Guarantee (incorporated by reference to Exhibit A to Exhibit 4.3 to Form 8-K filed March 18, 2013).

- 4.44 Form of Global Note representing \$1.0 billion principal amount of 4.85% Senior Notes due 2044 with attached Guarantee (incorporated by reference to Exhibit B to Exhibit 4.3 to Form 8-K filed March 18, 2013).
- 4.45 Form of Global Note representing \$850.0 million principal amount of 3.90% Senior Notes due 2024 with attached Guarantee (incorporated by reference to Exhibit A to Exhibit 4.3 to Form 8-K filed February 12, 2014).
- 4.46 Form of Global Note representing \$1.15 billion principal amount of 5.10% Senior Notes due 2045 with attached Guarantee (incorporated by reference to Exhibit B to Exhibit 4.3 to Form 8-K filed February 12, 2014).
- 4.47 Form of Global Note representing \$1.15 billion principal amount of 3.75% Senior Notes due 2025 with attached Guarantee (incorporated by reference to Exhibit B to Exhibit 4.4 to Form 8-K filed October 14, 2014).
- 4.48 Form of Global Note representing \$400.0 million principal amount of 4.95% Senior Notes due 2054 with attached Guarantee (incorporated by reference to Exhibit C to Exhibit 4.4 to Form 8-K filed October 14, 2014).
- 4.49 Form of Global Note representing \$400.0 million principal amount of 4.85% Senior Notes due 2044 with attached Guarantee (incorporated by reference to Exhibit B to Exhibit 4.3 to Form 8-K filed March 18, 2013).
- 4.50 Form of Global Note representing \$875.0 million principal amount of 3.70% Senior Notes due 2026 with attached Guarantee (incorporated by reference to Exhibit B to Exhibit 4.3 to Form 8-K filed May 7, 2015).
- 4.51 Form of Global Note representing \$875.0 million principal amount of 4.90% Senior Notes due 2046 with attached Guarantee (incorporated by reference to Exhibit C to Exhibit 4.3 to Form 8-K filed May 7, 2015).
- 4.52 Form of Global Note representing \$575.0 million principal amount of 2.85% Senior Notes due 2021 with attached Guarantee (incorporated by reference to Exhibit A to Exhibit 4.4 to Form 8-K filed April 13, 2016).
- 4.53 Form of Global Note representing \$575.0 million principal amount of 3.95% Senior Notes due 2027 with attached Guarantee (incorporated by reference to Exhibit B to Exhibit 4.4 to Form 8-K filed April 13, 2016).
- 4.54 Form of Global Note representing \$100.0 million principal amount of 4.90% Senior Notes due 2046 with attached Guarantee (incorporated by reference to Exhibit C to Exhibit 4.3 to Form 8-K filed May 7, 2015).
- 4.55 Form of Global Note representing \$700 million principal amount of Junior Subordinated Notes D due 2077 with attached Guarantee (incorporated by reference to Exhibit A to Exhibit 4.3 to Form 8-K filed August 16, 2017).
- 4.56 Form of Global Note representing \$1.0 billion principal amount of Junior Subordinated Notes E due 2077 with attached Guarantee (incorporated by reference to Exhibit B to Exhibit 4.3 to Form 8-K filed August 16, 2017).
- 4.57 Form of Global Note representing \$750.0 million principal amount of 2.80% Senior Notes due 2021 with attached Guarantee (incorporated by reference to Exhibit A to Exhibit 4.4 to Form 8-K filed February 15, 2018).
- 4.58 Form of Global Note representing \$1.25 billion principal amount of 4.25% Senior Notes due 2048 with attached Guarantee (incorporated by reference to Exhibit B to Exhibit 4.4 to Form 8-K filed February 15, 2018).
- 4.59 Form of Global Note representing \$700 million principal amount of Junior Subordinated Notes F due 2078 with attached Guarantee (incorporated by reference to Exhibit A to Exhibit 4.3 to Form 8-K filed February 15, 2018).
- 4.60 Form of Global Note representing \$750.0 million principal amount of 3.50% Senior Notes due 2022 with attached Guarantee (incorporated by reference to Exhibit A to Exhibit 4.3 to Form 8-K filed October 11, 2018).

- 4.61 Form of Global Note representing \$1,000.0 million principal amount of 4.15% Senior Notes due 2028 with attached Guarantee (incorporated by reference to Exhibit B to Exhibit 4.3 to Form 8-K filed October 11, 2018).
- 4.62 Form of Global Note representing \$1,250.0 million principal amount of 4.80% Senior Notes due 2049 with attached Guarantee (incorporated by reference to Exhibit C to Exhibit 4.3 to Form 8-K filed October 11, 2018).
- 4.63 Form of Global Note representing \$1,250.0 million principal amount of 3.125% Senior Notes due 2029 with attached Guarantee (incorporated by reference to Exhibit A to Exhibit 4.3 to Form 8-K filed July 8, 2019).
- 4.64 Form of Global Note representing \$1,250.0 million principal amount of 4.200% Senior Notes due 2050 with attached Guarantee (incorporated by reference to Exhibit B to Exhibit 4.3 to Form 8-K filed July 8, 2019).
- 4.65 Form of Global Note representing \$1,000.0 million principal amount of 2.800% Senior Notes due 2030 with attached Guarantee (incorporated by reference to Exhibit A to Exhibit 4.3 to Form 8-K filed January 15, 2020).
- 4.66 Form of Global Note representing \$1,000.0 million principal amount of 3.700% Senior Notes due 2051 with attached Guarantee (incorporated by reference to Exhibit B to Exhibit 4.3 to Form 8-K filed January 15, 2020).
- 4.67 Form of Global Note representing \$1,000.0 million principal amount of 3.950% Senior Notes due 2060 with attached Guarantee (incorporated by reference to Exhibit C to Exhibit 4.3 to Form 8-K filed January 15, 2020).
- 4.68 Form of Global Note representing \$250.0 million principal amount of 2.800% Senior Notes due 2030 with attached Guarantee (incorporated by reference to Exhibit A to Exhibit 4.3 to Form 8-K filed January 15, 2020).
- 4.69 Form of Global Note representing \$1,000.0 million principal amount of 3.200% Senior Notes due 2052 with attached Guarantee (incorporated by reference to Exhibit A to Exhibit 4.4 to Form 8-K filed August 7, 2020).
- 4.70 Form of Global Note representing \$1,000.0 million principal amount of 3.300% Senior Notes due 2053 with attached Guarantee (incorporated by reference to Exhibit A to Exhibit 4.3 to Form 8-K filed September 15, 2021).
- 4.71 Replacement Capital Covenant, dated October 27, 2009, executed by Enterprise Products Operating LLC and Enterprise Products Partners L.P. in favor of the covered debtholders described therein (incorporated by reference to Exhibit 4.9 to Form 8-K filed October 28, 2009).
- 4.72 Amendment to Replacement Capital Covenants, dated May 6, 2015, executed by Enterprise Products Operating LLC and Enterprise Products Partners L.P. in favor of the covered debtholders described therein (incorporated by reference to Exhibit 4.59 to Form 10-Q filed May 8, 2015).
- 4.73 Indenture, dated February 20, 2002, by and among TEPPCO Partners, L.P., as Issuer, TE Products Pipeline Company, Limited Partnership, TCTM, L.P., TEPPCO Midstream Companies, L.P. and Jonah Gas Gathering Company, as Subsidiary Guarantors, and First Union National Bank, NA, as Trustee (incorporated by reference to Exhibit 99.2 to the Form 8-K filed by TEPPCO Partners, L.P. on February 20, 2002).
- 4.74 Supplemental Indenture, dated June 27, 2002, by and among TEPPCO Partners, L.P., as Issuer, TE Products Pipeline Company, Limited Partnership, TCTM, L.P., TEPPCO Midstream Companies, L.P. and Jonah Gas Gathering Company, as Initial Subsidiary Guarantors, Val Verde Gas Gathering Company, L.P., as New Subsidiary Guarantor, and Wachovia Bank, National Association, formerly known as First Union National Bank, as Trustee (incorporated by reference to Exhibit 4.6 to the Form 10-Q filed by TEPPCO Partners, L.P. on August 14, 2002).
- 4.75 Full Release of Guarantee, dated July 31, 2006, by Wachovia Bank, National Association, as Trustee, in favor of Jonah Gas Gathering Company (incorporated by reference to Exhibit 4.8 to the Form 10-Q filed by TEPPCO Partners, L.P. on November 7, 2006).

- 4.76 Seventh Supplemental Indenture, dated March 27, 2008, by and among TEPPCO Partners, L.P., as Issuer, TE Products Pipeline Company, LLC, TCTM, L.P., TEPPCO Midstream Companies, LLC and Val Verde Gas Gathering Company, L.P., as Subsidiary Guarantors, and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.13 to the Form 10-Q filed by TEPPCO Partners, L.P. on May 8, 2008).
- 4.77 Eighth Supplemental Indenture, dated October 27, 2009, by and among TEPPCO Partners, L.P., as Issuer, TE Products Pipeline Company, LLC, TCTM, L.P., TEPPCO Midstream Companies, LLC and Val Verde Gas Gathering Company, L.P., as Subsidiary Guarantors, and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Form 8-K filed by TEPPCO Partners, L.P. on October 28, 2009).
- 4.78 Full Release of Guarantee, dated November 23, 2009, of TE Products Pipeline Company, LLC, TCTM, L.P., TEPPCO Midstream Companies, LLC and Val Verde Gas Gathering Company, L.P. by U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.64 to Form 10-K filed March 1, 2010).
- 4.79 Indenture, dated May 14, 2007, by and among TEPPCO Partners, L.P., as Issuer, TE Products Pipeline Company, Limited Partnership, TCTM, L.P., TEPPCO Midstream Companies, L.P. and Val Verde Gas Gathering Company, L.P., as Subsidiary Guarantors, and The Bank of New York Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 99.1 of the Form 8-K filed by TEPPCO Partners, L.P. on May 15, 2007).
- 4.80 First Supplemental Indenture, dated May 18, 2007, by and among TEPPCO Partners, L.P., as Issuer, TE Products Pipeline Company, Limited Partnership, TCTM, L.P., TEPPCO Midstream Companies, L.P. and Val Verde Gas Gathering Company, L.P., as Subsidiary Guarantors, and The Bank of New York Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.2 to the Form 8-K filed by TEPPCO Partners, L.P. on May 18, 2007).
- 4.81 Second Supplemental Indenture, dated as of June 30, 2007, by and among TEPPCO Partners, L.P., as Issuer, TE Products Pipeline Company, Limited Partnership, TCTM, L.P., TEPPCO Midstream Companies, L.P. and Val Verde Gas Gathering Company, L.P., as Existing Subsidiary Guarantors, TE Products Pipeline Company, LLC and TEPPCO Midstream Companies, LLC, as New Subsidiary Guarantors, and The Bank of New York Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.2 to the Form 8-K filed by TE Products Pipeline Company, LLC on July 6, 2007).
- 4.82 Third Supplemental Indenture, dated as of October 27, 2009, by and among TEPPCO Partners, L.P., as Issuer, TE Products Pipeline Company, LLC, TCTM, L.P., TEPPCO Midstream Companies, LLC and Val Verde Gas Gathering Company, L.P., as Subsidiary Guarantors, and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.2 to the Form 8-K filed by TEPPCO Partners, L.P. on October 28, 2009).
- 4.83 Full Release of Guarantee, dated as of November 23, 2009, of TE Products Pipeline Company, LLC, TCTM, L.P., TEPPCO Midstream Companies, LLC and Val Verde Gas Gathering Company, L.P. by The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.70 to Form 10-K filed March 1, 2010).
- 4.84 Registration Rights Agreement, dated as of March 5, 2020, between Enterprise Products Partners L.P. and Skyline North Americas, Inc. (incorporated by reference to Exhibit 4.1 to Form 8-K filed March 5, 2020).
- 4.85 Equity Distribution Agreement, dated June 24, 2020, by and among Enterprise Products Partners L.P., Enterprise Products OLPGP, Inc., Enterprise Products Operating LLC, Skyline North Americas, Inc. and Morgan Stanley & Co. LLC. (incorporated by reference to Exhibit 1.1 to Form 8-K filed June 25, 2020).
- 4.86 Specimen Unit Certificate for the Series A Cumulative Convertible Preferred Units, (incorporated by reference to Exhibit B to Exhibit 3.1 to Form 8-K filed October 1, 2020).
- 4.87 Registration Rights Agreement, dated as of September 30, 2020, by and among Enterprise Products Partners L.P. and the Purchasers party thereto (incorporated by reference to Exhibit 4.2 to Form 8-K filed October 1, 2020).

- 22.1# List of Issuers of Debt Securities Guaranteed by Enterprise Products Partners L.P. and Associated Securities at June 30, 2022.
- 31.1# Sarbanes-Oxley Section 302 certification of A. James Teague for Enterprise Products Partners L.P.'s quarterly report on Form 10-Q for the six months ended June 30, 2022.
- 31.2# Sarbanes-Oxley Section 302 certification of W. Randall Fowler for Enterprise Products Partners L.P.'s quarterly report on Form 10-Q for the six months ended June 30, 2022.
- 32.1# Sarbanes-Oxley Section 906 certification of A. James Teague for Enterprise Products Partners L.P.'s quarterly report on Form 10-Q for the six months ended June 30, 2022.
- 32.2# Sarbanes-Oxley Section 906 certification of W. Randall Fowler for Enterprise Products Partners L.P.'s quarterly report on Form 10-Q for the six months ended June 30, 2022.
- 101# Interactive data files pursuant to Rule 405 of Regulation S-T formatted in iXBRL (Inline Extensible Business Reporting Language) in this Form 10-Q include the: (i) Unaudited Condensed Consolidated Balance Sheets, (ii) Unaudited Condensed Statements of Consolidated Operations, (iii) Unaudited Condensed Statements of Consolidated Comprehensive Income, (iv) Unaudited Condensed Statements of Consolidated Cash Flows, (v) Unaudited Condensed Statements of Consolidated Equity and (vi) Notes to the Unaudited Condensed Consolidated Financial Statements.
- 104# Cover Page Interactive Data File (embedded within the iXBRL document).
- \* With respect to any exhibits incorporated by reference to any Exchange Act filings, the Commission file numbers for Enterprise Products Partners L.P., Enterprise GP Holdings L.P., TEPPCO Partners, L.P. and TE Products Pipeline Company, LLC are 1-14323, 1-32610, 1-10403 and 1-13603, respectively.
- \*\*\* Identifies management contract and compensatory plan arrangements.
- # Filed with this report.



## SIGNATURES

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 on August 9, 2022.

**ENTERPRISE PRODUCTS PARTNERS L.P.**  
(A Delaware Limited Partnership)

By: Enterprise Products Holdings LLC, as General Partner

By: /s/ R. Daniel Boss

Name: R. Daniel Boss

Title: Executive Vice President – Accounting, Risk Control and  
Information Technology of the General Partner