



DakotaAccess
PIPELINE

CAPACITY OPTIMIZATION

FACT SHEET January 2020

The Dakota Access Pipeline, safely operating since June of 2017, currently transports up to 570,000 barrels of oil per day out of the Bakken/Three Forks production region in North Dakota. The pipeline is the safest and most efficient means to transport crude oil from the geographically constrained region, providing better access to Gulf Coast and Midwest refineries and other downstream markets.

Growth Opportunity

Energy Transfer held an open season in the fall of 2018 to obtain shipper commitments for additional capacity on the pipeline. Through the open season, Energy Transfer obtained commitments that now facilitate the need to optimize the Dakota Access Pipeline to accommodate up to 1.1 million barrels of crude oil per day out of the Bakken Production region of North Dakota. The success of the open season highlighted the continued market demand and need for additional capacity out of the Bakken.

The optimization of the pipeline will help allow for further development in the Bakken, economic growth in North Dakota, and the stabilization of costs for the industry and consumers.

Optimization Modifications

Optimizing the Dakota Access Pipeline to accommodate increased volumes can easily be done by adding horsepower along the existing line. The additional horsepower will be created by adding pumps at new and existing pump stations along the route. There will be no mainline pipe construction or additional pipe needed. The maximum operating pressure will not change.

We have purchased property outright for three new mid-point pump stations: one in North Dakota, South Dakota and Illinois. Pumping equipment at each new pump station will be isolated within closed structures for additional environmental protection and sound mitigation. Each pump station will cost an estimated \$30 - \$40 million to construct.

We will work closely with local, state and federal authorities to ensure we remain in full compliance with all applicable regulatory and permit requirements.

Benefits

The Dakota Access Pipeline is currently moving approximately half of the Bakken's oil output per day. The pipeline has helped bolster production in the Bakken by improving the region's drilling economics. The decreased shipping cost of the pipeline enables producers to be more resilient to the ups-and-downs of oil prices.

According to North Dakota's Tax Commissioner, Ryan Rauschenberger, North Dakota has realized an estimated \$263 million in additional oil tax revenue from increased production since Dakota Access Pipeline went online in June 2017.

Today, approximately 300,000 barrels of oil is shipped out of the Bakken via rail. Transporting oil in pipelines is a safer means of transportation over truck or rail. Once Dakota Access Pipeline expands capacity, additional barrels of oil can be shifted to the pipeline. That shift will decrease shipping costs even more, expanding production and bringing an additional \$33 million per year in oil tax to the state.

Optimizing capacity will enable further development in the Bakken which also means more jobs and economic benefits for local communities. The installation of new pump stations in North Dakota, South Dakota and Illinois will generate sales tax revenue and millions in property taxes that can be used by counties to support schools, hospitals, emergency services, and much more.

Counties along the pipeline route will continue to receive annual ad valorem (property) tax revenue from the Dakota Access Pipeline. The pipeline has been paying millions in taxes each year since it began operations. These tax dollars have been used to support schools, hospitals, emergency services and other critical ongoing needs.

Estimated 2019 taxes for each state:

North Dakota: \$6,750,000
South Dakota: \$7,630,000
Iowa: \$25,000,000
Illinois: \$500,000

