

Enterprise Products Partners L.P.
Gross Operating Margin

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.

Total gross operating margin represents GAAP operating income exclusive of (i) depreciation, amortization and accretion expenses (excluding amortization of major maintenance costs for reaction-based plants), (ii) impairment charges, (iii) gains and losses attributable to asset sales and related matters, and (iv) general and administrative costs. 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 percent basis before any allocation of earnings to noncontrolling interests.

Gross operating margin by segment for NGL Pipelines & Services and Crude Oil Pipelines & Services reflects adjustments for non-refundable deferred transportation revenues relating to the make-up rights of committed shippers on certain major pipeline projects. These adjustments are included in managements' evaluation of segment results. However, these adjustments are excluded from non-GAAP total gross operating margin in compliance with guidance from the SEC.

Our calculation of total gross operating margin may or may not be comparable to similarly titled measures used by other companies. The GAAP financial measure most directly comparable to total gross operating margin is operating income. For additional information regarding total gross operating margin, see Note 10 of the Notes to Consolidated Financial Statements included under Item 8 of our annual report on Form 10-K for the most recent year.

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Gross Operating Margin
(Dollars in millions)

	<u>Total 2004</u>	<u>Total 2005</u>	<u>Total 2006</u>	<u>Total 2007</u>	<u>Total 2008</u>
Gross operating margin by segment:					
NGL Pipelines & Services	\$ 374.3	\$ 579.8	\$ 752.5	\$ 812.5	\$ 1,290.4
Crude Oil Pipelines & Services	-	-	-	-	-
Natural Gas Pipelines & Services	90.9	353.1	333.5	335.7	411.4
Petrochemical & Refined Products Services	121.6	126.0	173.0	172.3	167.5
Offshore Pipelines & Services	36.5	77.4	103.4	171.6	188.2
Other Investments	31.9	-	-	-	-
Total segment gross operating margin (a)	<u>655.2</u>	<u>1,136.3</u>	<u>1,362.4</u>	<u>1,492.1</u>	<u>2,057.5</u>
Net adjustment for shipper make-up rights (b)	-	-	-	-	-
Total gross operating margin (non-GAAP) (c)	<u>655.2</u>	<u>1,136.3</u>	<u>1,362.4</u>	<u>1,492.1</u>	<u>2,057.5</u>
Adjustments to reconcile non-GAAP gross operating margin to GAAP operating income (addition or subtraction indicated by sign):					
Depreciation, amortization and accretion expense in operating costs and expenses (d)	(193.7)	(413.5)	(440.3)	(513.9)	(555.4)
Asset impairment charges in operating costs and expenses	-	-	-	-	-
Operating lease expenses paid by EPCO	(7.8)	(2.0)	(2.0)	(2.0)	(2.0)
Net gains or losses attributable to asset sales and related matters in operating costs and expenses	16.0	4.5	3.3	(5.4)	3.6
General and administrative costs	<u>(46.7)</u>	<u>(62.3)</u>	<u>(63.3)</u>	<u>(87.8)</u>	<u>(90.5)</u>
Operating income (GAAP) (c)	<u>\$ 423.0</u>	<u>\$ 663.0</u>	<u>\$ 860.1</u>	<u>\$ 883.0</u>	<u>\$ 1,413.2</u>

- (a) Within the context of this table, total segment gross operating margin represents a subtotal and corresponds to measures similarly titled and presented with the business segment footnote found in our consolidated financials statements.
- (b) Gross operating margin by segment 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 in compliance with guidance from the SEC.
- (c) Gross operating margin and operating income are calculated based on historical results of Enterprise prior to the Holdings and TEPPCO Mergers in 2009 and 2010, respectively.
- (d) Excludes amortization of major maintenance costs for reaction-based plants, which are a component of gross operating margin.

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	<u>Total 2009</u>	<u>Total 2010</u>	<u>Total 2011</u>	<u>Total 2012</u>
Gross operating margin by segment:				
NGL Pipelines & Services	\$ 1,599.4	\$ 1,732.6	\$ 2,184.2	\$ 2,468.5
Crude Oil Pipelines & Services	37.7	113.7	234.0	387.7
Natural Gas Pipelines & Services	362.6	527.2	675.3	775.5
Petrochemical & Refined Products Services	235.8	584.5	535.2	579.9
Offshore Pipelines & Services	248.2	297.8	228.2	173.0
Other Investments	-	4.2	14.8	2.4
Total segment gross operating margin (a)	<u>2,483.7</u>	<u>3,260.0</u>	<u>3,871.7</u>	<u>4,387.0</u>
Net adjustment for shipper make-up rights (b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total gross operating margin (non-GAAP) (c)	<u>2,483.7</u>	<u>3,260.0</u>	<u>3,871.7</u>	<u>4,387.0</u>
<i>Adjustments to reconcile non-GAAP gross operating margin to GAAP operating income</i> <i>(addition or subtraction indicated by sign):</i>				
Depreciation, amortization and accretion expense in operating costs and expenses (d)	(673.7)	(936.3)	(958.7)	(1,061.7)
Asset impairment charges in operating costs and expenses	(8.9)	(8.4)	(27.8)	(63.4)
Operating lease expenses paid by EPCO	(0.7)	(0.7)	(0.3)	-
Net gains or losses attributable to asset sales and related matters in operating costs and expenses	(0.1)	44.4	156.0	17.6
General and administrative costs	(123.7)	(185.4)	(181.8)	(170.3)
Operating income (GAAP) (c)	<u>\$ 1,676.6</u>	<u>\$ 2,173.6</u>	<u>\$ 2,859.1</u>	<u>\$ 3,109.2</u>

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	<u>Total 2013</u>	<u>Total 2014</u>	<u>Total 2015</u>	<u>Total 2016</u>
Gross operating margin by segment:				
NGL Pipelines & Services	\$ 2,514.4	\$ 2,877.7	\$ 2,771.6	\$ 2,990.6
Crude Oil Pipelines & Services	742.7	762.5	961.9	854.6
Natural Gas Pipelines & Services	789.0	803.3	782.6	734.9
Petrochemical & Refined Products Services	625.9	681.0	718.5	650.6
Offshore Pipelines & Services	146.1	162.0	97.5	-
Other Investments	-	-	-	-
Total segment gross operating margin (a)	<u>4,818.1</u>	<u>5,286.5</u>	<u>5,332.1</u>	<u>5,230.7</u>
Net adjustment for shipper make-up rights (b)	<u>(4.4)</u>	<u>(81.7)</u>	<u>7.1</u>	<u>17.1</u>
Total gross operating margin (non-GAAP) (c)	<u>4,813.7</u>	<u>5,204.8</u>	<u>5,339.2</u>	<u>5,247.8</u>
<i>Adjustments to reconcile non-GAAP gross operating margin to GAAP operating income</i> <i>(addition or subtraction indicated by sign):</i>				
Depreciation, amortization and accretion expense in operating costs and expenses (d)	(1,148.9)	(1,282.7)	(1,428.2)	(1,456.7)
Asset impairment charges in operating costs and expenses	(92.6)	(34.0)	(162.6)	(52.8)
Operating lease expenses paid by EPCO	-	-	-	-
Net gains or losses attributable to asset sales and related matters in operating costs and expenses	83.4	102.1	(15.6)	2.5
General and administrative costs	<u>(188.3)</u>	<u>(214.5)</u>	<u>(192.6)</u>	<u>(160.1)</u>
Operating income (GAAP) (c)	<u>\$ 3,467.3</u>	<u>\$ 3,775.7</u>	<u>\$ 3,540.2</u>	<u>\$ 3,580.7</u>

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	<u>Total 2017</u>	<u>Total 2018</u>	<u>Total 2019</u>	<u>Total 2020</u>
Gross operating margin by segment:				
NGL Pipelines & Services	\$ 3,258.3	\$ 3,830.7	\$ 4,069.8	\$ 4,182
Crude Oil Pipelines & Services	987.2	1,511.3	2,087.8	1,997
Natural Gas Pipelines & Services	714.5	891.2	1,062.6	927
Petrochemical & Refined Products Services	714.6	1,057.8	1,069.6	1,082
Offshore Pipelines & Services	-	-	-	-
Other Investments	-	-	-	-
Total segment gross operating margin (a)	<u>5,674.6</u>	<u>7,291.0</u>	<u>8,289.8</u>	<u>8,188</u>
Net adjustment for shipper make-up rights (b)	<u>5.8</u>	<u>34.7</u>	<u>(24.1)</u>	<u>(85)</u>
Total gross operating margin (non-GAAP) (c)	<u>5,680.4</u>	<u>7,325.7</u>	<u>8,265.7</u>	<u>8,103</u>
<i>Adjustments to reconcile non-GAAP gross operating margin to GAAP operating income</i> <i>(addition or subtraction indicated by sign):</i>				
Depreciation, amortization and accretion expense in operating costs and expenses (d)	(1,531.3)	(1,687.0)	(1,848.3)	(1,962)
Asset impairment charges in operating costs and expenses	(49.8)	(50.5)	(132.7)	(890)
Operating lease expenses paid by EPCO	-	-	-	-
Net gains or losses attributable to asset sales and related matters in operating costs and expenses	10.7	28.7	5.7	4
General and administrative costs	<u>(181.1)</u>	<u>(208.3)</u>	<u>(211.7)</u>	<u>(220)</u>
Operating income (GAAP) (c)	<u>\$ 3,928.9</u>	<u>\$ 5,408.6</u>	<u>\$ 6,078.7</u>	<u>\$ 5,035</u>

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	1Q 2021	2Q 2021	3Q 2021	4Q 2021	Total 2021
Gross operating margin by segment:					
NGL Pipelines & Services	\$ 1,086	\$ 1,098	\$ 1,023	\$ 1,109	\$ 4,316
Crude Oil Pipelines & Services	400	419	423	438	1,680
Natural Gas Pipelines & Services	535	202	223	195	1,155
Petrochemical & Refined Products Services	282	326	411	338	1,357
Offshore Pipelines & Services	-	-	-	-	-
Other Investments	-	-	-	-	-
Total segment gross operating margin (a)	2,303	2,045	2,080	2,080	8,508
Net adjustment for shipper make-up rights (b)	20	17	9	7	53
Total gross operating margin (non-GAAP) (c)	2,323	2,062	2,089	2,087	8,561
Adjustments to reconcile non-GAAP gross operating margin to GAAP operating income (addition or subtraction indicated by sign):					
Depreciation, amortization and accretion expense in operating costs and expenses (d)	(495)	(500)	(503)	(513)	(2,011)
Asset impairment charges in operating costs and expenses	(66)	(18)	(29)	(120)	(233)
Operating lease expenses paid by EPCO	-	-	-	-	-
Net gains or losses attributable to asset sales and related matters in operating costs and expenses	(11)	-	3	3	(5)
General and administrative costs	(56)	(52)	(47)	(54)	(209)
Operating income (GAAP) (c)	<u>\$ 1,695</u>	<u>\$ 1,492</u>	<u>\$ 1,513</u>	<u>\$ 1,403</u>	<u>\$ 6,103</u>

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	1Q 2022	2Q 2022	3Q 2022	4Q 2022	Total 2022
Gross operating margin by segment:					
NGL Pipelines & Services	\$ 1,225	\$ 1,327	\$ 1,296	\$ 1,294	\$ 5,142
Crude Oil Pipelines & Services	415	407	415	418	1,655
Natural Gas Pipelines & Services	220	229	278	315	1,042
Petrochemical & Refined Products Services	404	421	353	339	1,517
Offshore Pipelines & Services	-	-	-	-	-
Other Investments	-	-	-	-	-
Total segment gross operating margin (a)	2,264	2,384	2,342	2,366	9,356
Net adjustment for shipper make-up rights (b)	(6)	(22)	(21)	2	(47)
Total gross operating margin (non-GAAP) (c)	2,258	2,362	2,321	2,368	9,309
Adjustments to reconcile non-GAAP gross operating margin to GAAP operating income (addition or subtraction indicated by sign):					
Depreciation, amortization and accretion expense in operating costs and expenses (d)	(514)	(531)	(524)	(538)	(2,107)
Asset impairment charges in operating costs and expenses	(14)	(5)	(29)	(5)	(53)
Operating lease expenses paid by EPCO	-	-	-	-	-
Net gains or losses attributable to asset sales and related matters in operating costs and expenses	(2)	-	(1)	2	(1)
General and administrative costs	(62)	(62)	(55)	(62)	(241)
Operating income (GAAP) (c)	\$ 1,666	\$ 1,764	\$ 1,712	\$ 1,765	\$ 6,907

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