

Enable Midstream Partners, LP  
Form 424B5  
May 09, 2018  
Table of Contents

Filed pursuant to Rule 424(b)(5)  
Registration No. 333-224698

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities To Be Registered</b>	<b>Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee(1)(2)</b>
4.950% Senior Notes due 2028	\$800,000,000	\$99,600

- (1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.
- (2) This Calculation of Registration Fee table shall be deemed to update the Calculation of Registration Fee table in the Company's Registration Statement on Form S-3ASR (File No. 333-224698) in accordance with Rules 456(b) and 457(r)

**Table of Contents**

**PROSPECTUS SUPPLEMENT**

(To Prospectus dated May 7, 2018)

**\$800,000,000**

**Enable Midstream Partners, LP**

**4.950% Senior Notes due 2028**

This is an offering of \$800,000,000 aggregate principal amount of our 4.950% Senior Notes due 2028 (the notes). The notes will mature on May 15, 2028. Interest on the notes will be payable semi-annually on May 15 and November 15 of each year, commencing November 15, 2018. We may redeem the notes in whole at any time or in part from time to time at the applicable redemption price, plus accrued and unpaid interest, as described in this prospectus supplement in the section entitled Description of the Notes Optional Redemption.

The notes will be our senior unsecured obligations, ranking equally in right of payment with our other existing and future senior unsecured indebtedness. The notes will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

**Investing in the notes involves risks. See Risk Factors beginning on page S-6 of this prospectus supplement and on page 3 of the accompanying prospectus.**

	<b>Price to Public(1)</b>	<b>Underwriting Discount</b>	<b>Proceeds, Before Expenses, to Enable</b>
Per note	99.197%	0.650%	98.547%
Total	\$ 793,576,000	\$ 5,200,000	\$ 788,376,000

(1) Plus accrued interest, if any, from May 10, 2018, if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The notes are a new issue of securities with no established trading market. The notes will not be listed on any securities exchange.

Edgar Filing: Enable Midstream Partners, LP - Form 424B5

The notes will be ready for delivery in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, *société anonyme*, on or about May 10, 2018.

*Joint Book-Running Managers*

**BofA Merrill Lynch**  
**Citigroup**  
**Morgan Stanley**

**Mizuho Securities**  
**Credit Suisse**  
**MUFG**  
*Co-Managers*

**Wells Fargo Securities**  
**J.P. Morgan**  
**RBC Capital Markets**

**BBVA**  
**US Bancorp**

**KeyBanc Capital Markets**

**SunTrust Robinson Humphrey**  
**BOK Financial Securities, Inc.**

The date of this prospectus supplement is May 7, 2018.

Table of Contents

## TABLE OF CONTENTS

	Page
<b>Prospectus Supplement</b>	
<u>EXTENDED SETTLEMENT</u>	S-ii
<u>FORWARD-LOOKING STATEMENTS</u>	S-iii
<u>PROSPECTUS SUPPLEMENT SUMMARY</u>	S-1
<u>RISK FACTORS</u>	S-6
<u>USE OF PROCEEDS</u>	S-11
<u>CAPITALIZATION</u>	S-12
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	S-13
<u>DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS</u>	S-14
<u>DESCRIPTION OF THE NOTES</u>	S-16
<u>CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES</u>	S-27
<u>UNDERWRITING</u>	S-33
<u>LEGAL MATTERS</u>	S-38
<u>EXPERTS</u>	S-38
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	S-39
<b>Prospectus</b>	
<u>ABOUT THIS PROSPECTUS</u>	1
<u>ENABLE MIDSTREAM PARTNERS, LP</u>	2
<u>RISK FACTORS</u>	3
<u>FORWARD-LOOKING STATEMENTS</u>	4
<u>USE OF PROCEEDS</u>	6
<u>RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED UNIT DISTRIBUTIONS</u>	7
<u>DESCRIPTION OF THE SENIOR DEBT SECURITIES</u>	8
<u>DESCRIPTION OF THE COMMON UNITS</u>	19
<u>DESCRIPTION OF THE PREFERRED UNITS</u>	21
<u>DESCRIPTION OF OUR PARTNERSHIP AGREEMENT</u>	23
<u>CASH DISTRIBUTION POLICY</u>	36
<u>MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES</u>	48
<u>PLAN OF DISTRIBUTION</u>	64
<u>LEGAL MATTERS</u>	66
<u>EXPERTS</u>	66
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	67

**This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of notes. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering of notes. Generally, when we refer only to the prospectus, we are referring to both parts combined. If the information about the notes offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this**

**prospectus supplement.**

We have not, and the underwriters have not, authorized anyone to provide any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectuses we have prepared. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the

S-i

**Table of Contents**

solicitation of an offer to buy securities other than the notes described in this prospectus supplement or an offer to sell or the solicitation of an offer to buy any securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus supplement or the accompanying prospectus nor any sale made under this prospectus supplement or the accompanying prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of Enable Midstream Partners, LP since the date of this prospectus supplement or that the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is correct as of any time subsequent to the date of such information.

As used in this prospectus supplement, the terms Enable, we, us and our refer to Enable Midstream Partners, LP and its subsidiaries and the terms Enable GP and our general partner refer to Enable GP, LLC, a Delaware limited liability company and the general partner of Enable, unless the context indicates otherwise.

**EXTENDED SETTLEMENT**

It is expected that delivery of the notes will be made to investors on or about May 10, 2018, which will be the third business day following the date hereof (such settlement being referred to as T+3 ). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the notes on any date prior to two business days before delivery will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement and should consult their own advisors.

**Table of Contents**

**FORWARD-LOOKING STATEMENTS**

Some of the information in this prospectus supplement, the accompanying prospectus and the documents we incorporate by reference may contain forward-looking statements. Forward-looking statements give our current expectations, contain projections of results of operations or of financial condition, or forecasts of future events. Words such as could, will, should, may, assume, forecast, position, predict, strategy, expect, intend, believe, project, budget, potential, or continue, and similar expressions are used to identify forward-looking statements. Without limiting the generality of the foregoing, forward-looking statements contained in this prospectus supplement, the accompanying prospectus and the documents we incorporate by reference include our expectations of plans, strategies, objectives, growth and anticipated financial and operational performance, including revenue projections, capital expenditures and tax position. Forward-looking statements can be affected by assumptions used or by known or unknown risks or uncertainties. Consequently, no forward-looking statements can be guaranteed.

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We believe that we have chosen these assumptions or bases in good faith and that they are reasonable. However, when considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this prospectus supplement, the accompanying prospectus and the documents we have incorporated by reference, including those described in Item 1A Risk Factors in Part I of our Annual Report on Form 10-K for the year ended December 31, 2017, our Quarterly Report on Form 10-Q for the period ended March 31, 2018, and our future annual, quarterly and other reports that are incorporated by reference into this prospectus supplement, as such information may be amended or supplemented by any future filings with the SEC. Those risk factors and other factors noted throughout this prospectus supplement, the accompanying prospectus and the documents we have incorporated by reference could cause our actual results to differ materially from those disclosed in any forward-looking statement. You are cautioned not to place undue reliance on any forward-looking statements. You should also understand that it is not possible to predict or identify all such factors and should not consider the following list to be a complete statement of all potential risks and uncertainties. Factors that could cause our actual results to differ materially from the results contemplated by such forward-looking statements include:

changes in general economic conditions;

competitive conditions in our industry;

actions taken by our customers and competitors;

the supply and demand for natural gas, NGLs, crude oil and midstream services;

our ability to successfully implement our business plan;

our ability to complete internal growth projects on time and on budget;

the price and availability of debt and equity financing;

strategic decisions by CenterPoint Energy, Inc. ( CenterPoint Energy ) and OGE Energy Corp. ( OGE Energy ) regarding their ownership of us and our general partner;

operating hazards and other risks incidental to transporting, storing, gathering and processing natural gas, NGLs, crude oil and midstream products;

natural disasters, weather-related delays, casualty losses and other matters beyond our control;

S-iii



**Table of Contents**

interest rates;

labor relations;

large customer defaults;

changes in the availability and cost of capital;

changes in tax status;

the effects of existing and future laws and governmental regulations, including the recently-passed Tax Cuts and Jobs Act of 2017 in the United States;

changes in insurance markets impacting costs and the level and types of coverage available;

the timing and extent of changes in commodity prices;

the suspension, reduction or termination of our customers' obligations under our commercial agreements;

disruptions due to equipment interruption or failure at our facilities, or third-party facilities on which our business is dependent;

the effects of future litigation; and

other factors set forth in this prospectus supplement and our other filings with the SEC, including in our Annual Report on Form 10-K for the year ended December 31, 2017 and our Quarterly Report on Form 10-Q for the period ended March 31, 2018, that are incorporated by reference herein.

Forward-looking statements speak only as of the date on which they are made. We expressly disclaim any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

---

**Table of Contents**

**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights information included or incorporated by reference in this prospectus supplement and the accompanying prospectus. It does not contain all of the information that you should consider before investing in the notes. You should read carefully the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein for a more complete understanding of this offering. Please read Risk Factors beginning on page S-6 of this prospectus supplement, on page 3 of the accompanying prospectus and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and our Quarterly Report on Form 10-Q for the period ended March 31, 2018, which are incorporated by reference herein, for information regarding risks you should consider before making your investment decision.*

**Enable Midstream Partners, LP**

Enable Midstream Partners, LP (NYSE: ENBL) is a Delaware limited partnership formed in May 2013 by CenterPoint Energy, OGE Energy and ArcLight Capital Partners, LLC to own, operate and develop midstream energy infrastructure assets strategically located to serve our customers. Our assets and operations are organized into two reportable segments: (a) gathering and processing and (b) transportation and storage. Our gathering and processing segment primarily provides natural gas and crude oil gathering and natural gas processing services to our producer customers. Our transportation and storage segment provides interstate and intrastate natural gas pipeline transportation and storage services primarily to our producer, power plant, local distribution company and industrial end-user customers.

Our general partner, Enable GP, LLC, is a Delaware limited liability company and has ultimate responsibility for conducting our business and managing our operations.

Our primary business objective is to increase the cash available for distribution to our unitholders over time while maintaining our financial flexibility. Our business strategies for achieving this objective include (a) capitalizing on organic growth opportunities associated with our strategically located assets, (b) maintaining strong customer relationships to attract new volumes and expand beyond our existing asset footprint and business lines, (c) continuing to minimize direct commodity price exposure through fee-based contracts, and (d) growing through accretive acquisitions and disciplined development. As part of these efforts, we continuously engage in discussions with new and existing customers regarding the development of potential projects to develop new midstream assets to support their needs as well as discussions with potential counterparties regarding opportunities to purchase or invest in complementary assets in new operating areas or midstream business lines. These growth, acquisition and development efforts often involve assets which, if acquired or constructed, could have a material effect on our financial condition and results of operations.

**Recent Developments**

On April 6, 2018, we amended and restated our existing \$1.75 billion revolving credit facility dated as of June 18, 2015 (the Existing Facility ) in its entirety. The new amended and restated facility is a \$1.75 billion 5-year senior unsecured revolving credit facility (the revolving credit facility ) with Citibank, N.A., as administrative agent, Citigroup Global Markets, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, RBC Capital Markets, LLC, MUFG Bank, Ltd. (formerly known as The Bank of Tokyo-Mitsubishi UFJ, Ltd.) ( MUFG Bank ) and Wells Fargo Securities, as joint lead arrangers and joint bookrunners, Bank of America, N.A. and Wells Fargo Bank, N.A., as co-syndication agents, Royal Bank of Canada and MUFG Bank, as co-documentation agents, and the several lenders thereto. The revolving credit facility contains an option, which we may exercise up to two times, to extend the revolving credit facility for an additional one year term. Under certain circumstances, the revolving credit facility may

be increased from time to time up to an additional \$875 million, in aggregate. For further information regarding the revolving credit facility, please see [Description of Certain Other Indebtedness](#) [Revolving Credit Facility](#).

S-1

**Table of Contents**

**Our Principal Executive Offices**

Our principal executive offices are located at One Leadership Square, 211 North Robinson Avenue, Suite 150, Oklahoma City, Oklahoma 73102, and our telephone number is (405) 525-7788.

S-2

**Table of Contents**

**The Offering**

Issuer	Enable Midstream Partners, LP.
Notes Offered	\$800,000,000 aggregate principal amount of 4.950% Senior Notes due 2028 .
Maturity Date	The notes will mature on May 15, 2028.
Interest	<p>The notes will bear interest at the annual rate of 4.950%.</p> <p>Interest on the notes will accrue from May 10, 2018 and will be payable on May 15 and November 15 of each year, commencing on November 15, 2018.</p>
Ranking of the Notes	<p>The notes will be our senior unsecured obligations and will:</p> <ul style="list-style-type: none"><li>rank equally in right of payment with all of our existing and future senior unsecured indebtedness, including indebtedness under our revolving credit facility and our commercial paper program;</li><li>rank senior in right of payment to any subordinated indebtedness;</li><li>rank effectively junior to any of our future secured indebtedness to the extent of the value of the collateral securing such indebtedness; and</li><li>be structurally subordinated to all debt and other liabilities of our subsidiaries.</li></ul> <p>As of March 31, 2018, after giving effect to this offering and the application of the net proceeds therefrom as described under Use of Proceeds, we would have had approximately \$3.7 billion aggregate principal amount of indebtedness outstanding on a consolidated basis, of which \$250 million is indebtedness of our subsidiaries and none of which is secured. See Capitalization and Description of the Notes.</p>

Optional Redemption

Prior to February 15, 2028 (three months prior to the maturity date of the notes), we will have the right to redeem the notes, in whole or in part, at a redemption price equal to the greater of:

100% of the principal amount of the notes to be redeemed, and

the sum of the present values of the remaining scheduled payments of principal and interest on the notes that would have been due if the notes matured on February 15, 2028 (three months prior to the maturity date of the notes) (exclusive of interest accrued to the redemption date) discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 35 basis points,

S-3

**Table of Contents**

plus, in either case, accrued and unpaid interest, if any, on the principal amount being redeemed to, but not including, such redemption date.

At any time on or after February 15, 2028 (three months prior to the maturity date of the notes), we will have the right to redeem the notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest thereon to, but not including, the redemption date. See Description of the Notes Optional Redemption.

**Certain Covenants**

We will issue the notes as a new series of debt securities under a supplement to an indenture with U.S. Bank National Association, as trustee. The indenture governing the notes will contain certain restrictions, including, among others, limitations on our ability and the ability of our principal subsidiaries to:

consolidate or merge and sell all or substantially all of our and our subsidiaries' assets and properties;

create, or permit to be created or to exist, any lien upon any of our or our principal subsidiaries' principal property, or upon any shares of stock of any principal subsidiary, to secure any debt; and

enter into certain sale-leaseback transactions.

These covenants are subject to important exceptions and qualifications. See Description of the Notes Covenants.

**Use of Proceeds**

We estimate that the net proceeds we will receive from this offering will be approximately \$786.9 million, after deducting the underwriting discount and estimated expenses of the offering payable by us. We intend to use the net proceeds from this offering for general partnership purposes, including to repay all amounts outstanding under our 2015 term loan agreement, as well as amounts outstanding under our commercial paper program. Amounts repaid under our commercial paper program may be reborrowed under our revolving credit facility or our commercial paper program to fund our ongoing capital expenditure program and for working capital purposes. See Use of Proceeds.

Affiliates of certain of the underwriters are lenders under our revolving credit facility and our 2015 term loan agreement and, as a result, will receive a portion of the net proceeds of this offering. See Underwriting Other Relationships.

Form and Denomination

The notes will be available only in book-entry form and will be represented by one or more permanent global notes in fully registered form, without interest coupons, and will be deposited with the trustee as custodian for DTC and registered in the name of Cede & Co. or another nominee designated by DTC. The notes will be issued in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

S-4



**Table of Contents**

Further Issuances	We may, from time to time, without notice to or consent of the holders of the notes, issue additional notes having the same interest rate, maturity and other terms as the notes offered hereby. Any additional notes having such similar terms, together with the notes offered hereby, will constitute a single series under the indenture.
Trading Market	The notes will constitute a new issue of securities with no established trading market. The notes will not be listed on any securities exchange.
Trustee	U.S. Bank National Association will act as the trustee under the indenture.
Governing Law	The indenture and the notes will be governed by, and construed in accordance with, the laws of the State of New York.
Risk Factors	You should carefully read and consider the information set forth in Risk Factors beginning on page S-6 of this prospectus supplement and on page 3 of the accompanying prospectus, together with the documents and other cautionary statements contained or incorporated by reference herein or therein, before making your investment decision.

**Table of Contents**

**RISK FACTORS**

*Our business is subject to uncertainties and risks. Before making an investment in the notes, you should carefully consider the risk factors set forth below and those included in Part I, Item 1A, Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2017 and in our Quarterly Report on Form 10-Q for the period ended March 31, 2018, which are incorporated by reference herein, together with the other information contained in this prospectus supplement, the accompanying prospectus and the documents we have incorporated by reference. If any of the events or circumstances discussed in the foregoing documents or below actually occurs, our business, financial condition, results of operations, liquidity or ability to make distributions could suffer and you could lose all or part of your investment. Please also read Forward-Looking Statements.*

**Risks Related to Our Indebtedness and the Notes**

***Our existing indebtedness, and any future indebtedness, as well as the restrictions in our debt agreements may adversely affect our future financial and operating flexibility and our ability to service the notes.***

As of March 31, 2018, after giving effect to this offering and the application of the net proceeds therefrom as described in Use of Proceeds, we would have had approximately \$3.7 billion of long-term debt outstanding, excluding the premiums and discounts on senior notes. We currently have no borrowings outstanding under our revolving credit facility. Our commercial paper borrowings effectively reduce our borrowing capacity under our revolving credit facility. As of May 2, 2018, \$583 million was outstanding under our commercial paper program, a portion of which will be repaid with proceeds of this offering. As of May 2, 2018, \$450 million was outstanding under our 2015 term loan agreement, all of which will be repaid with proceeds of this offering.

Our existing indebtedness and the additional debt we may incur in the future for, among other things, working capital, capital expenditures, acquisitions or operating activities may adversely affect our liquidity and, therefore, our ability to make interest payments on the notes.

Among other things, our existing indebtedness may be viewed negatively by credit rating agencies, which could result in increased costs for us to access the capital markets. Any future downgrade of the debt issued by us could significantly increase our capital costs or adversely affect our ability to raise capital in the future.

Debt service obligations and restrictive covenants in our revolving credit facility and the indenture governing the notes may adversely affect our ability to finance future operations, pursue acquisitions and fund other capital needs. In addition, this leverage may make our results of operations more susceptible to adverse economic or operating conditions by limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate and may place us at a competitive disadvantage as compared to our competitors that have less debt.

The indenture governing the notes will permit us to incur additional debt, which would be equal in right of payment to the notes. If we incur any additional indebtedness, including trade payables, that ranks equally with the notes, the holders of that debt would be entitled to share ratably with you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of us. This may have the effect of reducing the amount of proceeds paid to you. If new debt is added to our current debt levels, the related risks that we now face could intensify.

***We will make only limited covenants in the indenture governing the notes and these limited covenants may not protect your investment.***

The indenture governing the notes will not:

require us to maintain any financial ratios or specific levels of net worth, revenues, income, cash flows or liquidity and, accordingly, will not protect holders of the notes in the event that we experience significant adverse changes in our financial condition or results of operations;

S-6

**Table of Contents**

limit our subsidiaries' ability to incur indebtedness which would structurally rank senior to the notes;

limit our ability to incur indebtedness that is equal in right of payment to the notes; or

restrict our ability to make investments or to pay distributions or make other payments in respect of our common units or other securities ranking junior to the notes.

The indenture will also permit us and our subsidiaries to incur additional indebtedness, including secured indebtedness, that could effectively rank senior to the notes, and to engage in leaseback arrangements, subject to certain limitations. Any of these actions could adversely affect our ability to make principal and interest payments on the notes.

***We derive a substantial portion of our operating income and cash flow from subsidiaries through which we hold a substantial portion of our assets.***

We derive a substantial portion of our operating income and cash flow from, and hold a substantial portion of our assets through, our subsidiaries. As a result, we depend on distributions from our subsidiaries in order to meet our payment obligations. In general, these subsidiaries are separate and distinct legal entities and have no obligation to provide us with funds for our payment obligations, whether by dividends, distributions, loans or otherwise. In addition, provisions of applicable law, such as those limiting the legal sources of dividends, limit our subsidiaries' ability to make payments or other distributions to us, and our subsidiaries could agree to contractual restrictions on their ability to make distributions.

Our right to receive any assets of any subsidiary, and therefore the right of our creditors to participate in those assets, will be effectively subordinated to the claims of that subsidiary's creditors, including trade creditors. In addition, even if we were a creditor of any subsidiary, our rights as a creditor would be subordinated to any security interest in the assets of that subsidiary and any indebtedness of the subsidiary senior to that held by us.

As a result, our ability to make required payments on the notes depends on the performance of our subsidiaries and their ability to distribute funds to us. If our subsidiaries are prevented from distributing funds to us, we may be unable to pay all the principal and interest on the notes when due.

***The notes will not be guaranteed by any of our subsidiaries and, as a result, the notes will be structurally subordinated to the debt and other liabilities of our subsidiaries.***

Our obligations under the notes will not be guaranteed by any of our existing or future subsidiaries. A substantial portion of our operating assets are owned by our subsidiaries. Creditors of our subsidiaries may have claims with respect to the assets of those subsidiaries that rank effectively senior to the notes. In the event of any distribution or payment of assets of those subsidiaries in any dissolution, winding up, liquidation, reorganization or bankruptcy proceeding, the claims of those creditors would be satisfied prior to making any such distribution or payment to us in respect of our equity interests in those subsidiaries. Consequently, after satisfaction of the claims of those creditors, there may be little or no amounts available to make payments on the notes. As of March 31, 2018, after giving effect to this offering and the application of the net proceeds therefrom as described in Use of Proceeds, our subsidiaries would have had \$250 million of debt outstanding. Those subsidiaries are not prohibited under the indenture governing the notes from incurring additional debt in the future.

***The notes will be our senior unsecured obligations and will be junior to secured indebtedness we may incur in the future to the extent of the value of the collateral securing that debt.***

The notes will be our senior unsecured obligations and rank equally in right of payment with all of our other existing and future senior unsecured debt. Because the notes are unsecured, holders of secured debt we may

S-7

## **Table of Contents**

incur in the future would have claims with respect to the assets constituting collateral for such debt. Consequently, any such secured debt would effectively be senior to the notes to the extent of the value of the collateral securing that debt. Currently, we do not have any secured debt. Although the indenture governing the notes will place some limitations on our ability to create liens securing indebtedness, there will be significant exceptions to these limitations that would allow us to secure significant amounts of debt without equally and ratably securing the notes. If we were to incur secured indebtedness and such indebtedness is either accelerated or becomes subject to a bankruptcy, liquidation or reorganization, our assets would be used to satisfy obligations with respect to the indebtedness secured thereby before any payment could be made on the notes. In that event, you may not be able to recover all the principal or interest you are due under the notes.

***We do not have the same flexibility as other types of organizations to accumulate cash, which may limit cash available to make payments on the notes.***

Unlike a corporation, our partnership agreement requires us, subject to distributions on our 10% Series A Fixed-to-Floating Non-Cumulative Redeemable Perpetual Preferred Units representing limited partner interests, to distribute, on a quarterly basis, 100% of our available cash to our common unitholders and our general partner. Available cash is generally defined as all of our (a) cash on hand as of the end of a quarter, after the payment of our expenses and the establishment of cash reserves, and (b) cash on hand resulting from working capital borrowings made after the end of the quarter. Our general partner will determine the amount and timing of our available cash distributions and has broad discretion to establish and make additions to our reserves or the reserves of our subsidiaries in amounts it determines to be necessary or appropriate to provide for the proper conduct of our business, comply with applicable law or any of our debt or other agreements and to provide funds for distributions to our unitholders for any one or more of the next four calendar quarters.

Although our payment obligations to our unitholders are subordinate to our payment obligations to noteholders, the value of our units may decrease with decreases in the amount that we distribute per unit. Accordingly, if we experience a liquidity problem in the future, the value of our units may decrease, and we may not be able to issue equity to recapitalize or otherwise improve our liquidity.

***We may not be able to generate sufficient cash to service all of our debt, including the notes and the indebtedness under our revolving credit facility and our commercial paper program, and we may be forced to take other actions to satisfy our obligations under our debt, which may not be successful.***

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We cannot assure you that we will maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including amounts outstanding under our revolving credit facility.

In addition, if our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets or operations, seek additional capital or restructure or refinance our debt, including the notes. We cannot assure you that we would be able to take any of these actions, that these actions would be successful and would permit us to meet our scheduled debt service obligations or that these actions would be permitted under the terms of our existing or future debt agreements. In the absence of such cash flows and capital resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. However, our revolving credit facility contains restrictions on our ability to dispose of assets. We may not be able to consummate those dispositions, and any proceeds may not be adequate to meet any debt service obligations then due. See Description of Certain Other

Indebtedness.

***Your ability to transfer the notes may be limited by the absence of an organized trading market.***

The notes are a new issue of securities with no established trading market. We do not currently intend to apply for listing of the notes on any securities exchange or have the notes quoted on any automated quotation

S-8

**Table of Contents**

system. Although certain of the underwriters have informed us that they currently intend to make a market in the notes, they are not obligated to do so. In addition, the underwriters may discontinue any such market making at any time without notice. The liquidity of any market for the notes will depend on the number of holders of the notes, the interest of securities dealers in making a market in the notes and other factors. Accordingly, we can give no assurance as to the development, continuation or liquidity of any market for the notes.

***An increase in market interest rates could result in a decrease in the market value of the notes.***

The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future, which could have an adverse effect on the market prices of the notes. In general, as market interest rates rise, debt securities bearing interest at fixed rates of interest decline in value. Consequently, if you purchase notes bearing interest at fixed rates of interest and market interest rates increase, the market value of those notes may decline. We cannot predict the future level of market interest rates.

***Changes in our credit rating or outlook or in the rating assigned by a rating agency to the notes could adversely affect the market price or liquidity of the notes.***

Credit rating agencies continually revise their ratings and outlook for the companies that they follow, including us. The credit rating agencies also evaluate our industry as a whole and may change their credit ratings or outlook for us based on their overall view of our industry. We cannot be sure that credit rating agencies will maintain their ratings on the notes. A negative change in our ratings or outlook could have an adverse effect on the price of the notes.

We expect that the notes will be rated by nationally recognized statistical rating agencies. We cannot assure you that any rating assigned will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, circumstances relating to the basis of the rating, such as adverse changes in our business, so warrant. Any lowering or withdrawal of a rating by a rating agency could reduce the liquidity or market value of the notes.

***Our tax treatment depends on our status as a partnership for federal income tax purposes. If the Internal Revenue Service, or the IRS, were to treat us as a corporation for federal income tax purposes or we were to become subject to additional amounts of entity level taxation for state tax purposes, then the amount of cash available for payment on the notes and our other debt obligations could be substantially reduced.***

Despite the fact that we are a limited partnership under Delaware law, it is possible in certain circumstances for a partnership such as ours to be treated as a corporation for federal income tax purposes. A change in our business or a change in current law could cause us to be treated as a corporation for federal income tax purposes or otherwise subject us to taxation as an entity. If we were treated as a corporation for federal income tax purposes, we would pay federal income tax on our taxable income at the corporate tax rate and would likely pay state and local income tax at varying rates.

Changes in current state law may subject us to additional entity level taxation by individual states. Because of widespread state budget deficits and other reasons, several states are evaluating ways to subject partnerships to entity-level taxation through the imposition of state income, franchise and other forms of taxation. Imposition of either U.S. corporate income tax or these entity-level state taxes on our income could substantially reduce the amount of cash available for payment on the notes and our other debt obligations.

***If the IRS makes audit adjustments to our income tax returns for tax years beginning after 2017, the IRS (and some states) may collect any resulting taxes (including any applicable penalties and interest) directly from us, in***



*which case our cash available for payment on the notes and our other debt obligations could be substantially reduced.*

Pursuant to the Bipartisan Budget Act of 2015, if the IRS makes audit adjustments to our income tax returns for tax years beginning after 2017, it may collect any resulting taxes (including any applicable penalties

S-9

**Table of Contents**

and interest) directly from us. We will generally have the ability to shift any such tax liability to our general partner and our unitholders in accordance with their interests in us during the year under audit, but there can be no assurance that we will be able to do so (and will choose to do so) under all circumstances, or that we will be able to (or choose to) effect corresponding shifts in state income or similar tax liability resulting from the IRS adjustment in states in which we do business in the year under audit or in the adjustment year. If we make payments of taxes, penalties and interest resulting from audit adjustments, our cash available for payment on the notes and our other debt obligations could be substantially reduced.

S-10

**Table of Contents**

**USE OF PROCEEDS**

We estimate that the net proceeds we will receive from this offering will be approximately \$786.9 million, after deducting the underwriting discount and estimated expenses of the offering payable by us. We intend to use the net proceeds from this offering for general partnership purposes, including to repay all amounts outstanding under our 2015 term loan agreement, as well as amounts outstanding under our commercial paper program. Amounts repaid under our commercial paper program may be reborrowed under our revolving credit facility or our commercial paper program to fund our ongoing capital expenditure program and for working capital purposes.

As of May 2, 2018, there were \$450 million of outstanding borrowings under our 2015 term loan agreement and \$583 million of outstanding borrowings under our commercial paper program. As of May 2, 2018, the weighted average interest rates applicable to borrowings under our 2015 term loan agreement and commercial paper program were 3.28% and 2.85%, respectively. As of May 2, there were no borrowings outstanding under our revolving credit facility.

We used the existing borrowings under our 2015 term loan for general corporate purposes and we fund our ongoing capital expenditure program and working capital needs with borrowings from our commercial paper program or revolving credit facility. For a detailed description of our 2015 term loan agreement, commercial paper program and our revolving credit facility, please read [Description of Certain Other Indebtedness](#) herein.

Affiliates of certain of the underwriters are lenders under our 2015 term loan agreement and revolving credit facility and, as a result, will receive a portion of the net proceeds of this offering. See [Underwriting Other Relationships](#).

**Table of Contents****CAPITALIZATION**

The following table sets forth our cash and cash equivalents and our capitalization as of March 31, 2018:

on a historical basis; and

as adjusted to reflect the sale of the notes in this offering and the application of the net proceeds therefrom as described in Use of Proceeds.

You should read this table in conjunction with our historical financial statements and notes that are incorporated by reference into this prospectus supplement and the accompanying prospectus for additional information about our capital structure.

	<b>As of March 31, 2018</b>	
	<b>Historical</b>	<b>As Adjusted</b>
	<b>(In millions)</b>	
Cash and cash equivalents	\$ 30	\$ 30
Total Debt:		
Commercial Paper Program (1)	596	259
Revolving Credit Facility (1)		
2015 Term Loan Agreement (1)	450	
2.400% Senior Notes due 2019	500	500
3.900% Senior Notes due 2024	600	600
4.400% Senior Notes due 2027	700	700
5.000% Senior Notes due 2044	550	550
EOIT 6.25% Senior Notes due 2020	250	250
4.950% Senior Notes due 2028 offered hereby		800
Total principal amount	\$ 3,646	\$ 3,659
Premium (discount) on total debt	7	1
Unamortized debt expense (2)	(14)	(21)
Total Debt	\$ 3,639	\$ 3,639
Partners' Equity:		
Series A Preferred Units	362	362
Common units	7,246	7,246
Noncontrolling interest	11	11
Total Partners' Equity	7,619	7,619

Total Capitalization	\$ 11,258	\$ 11,258
----------------------	-----------	-----------

- (1) As of May 2, 2018, we had \$583 million outstanding under our commercial paper program, no borrowings outstanding under our revolving credit facility and \$450 million outstanding under our 2015 term loan agreement.
- (2) As of March 31, 2018, there was an additional \$3 million of unamortized debt expense related to the revolving credit facility included in other long-term assets, not included above. Unamortized debt expense is amortized over the life of the respective debt.

S-12

**Table of Contents****RATIO OF EARNINGS TO FIXED CHARGES**

The table below sets forth the ratios of earnings to fixed charges, on a historical and pro forma basis, for us for each of the periods indicated.

	<b>Period Ended</b>	<b>Fiscal Year Ended December 31,</b>				
	<b>March 31,</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Ratio of earnings to fixed charges (1)	4.08	4.30	3.72	(2)	6.73	5.99
Pro forma ratio of earnings to fixed charges (3)		3.71				

- (1) For purposes of determining the ratio of earnings to fixed charges, earnings are defined as pretax income or loss from continuing operations before earnings from unconsolidated affiliates, plus fixed charges, plus amortization of capitalized interest, plus distributed earnings from unconsolidated affiliates, plus noncontrolling interest in pre-tax loss of subsidiaries, less capitalized interest, less noncontrolling interest in pre-tax income of subsidiaries. Fixed charges consist of interest expensed, capitalized interest, amortization of deferred loan costs and an estimate of the interest within rental expense.
- (2) Earnings were inadequate to cover fixed charges by \$761 million for the year ended December 31, 2015. As a result, the ratio of earnings to fixed charges was less than 1.0 for such period.
- (3) Pro forma ratio of earnings to fixed charges is calculated to give effect to this offering and the application of the net proceeds as described in Use of Proceeds.

**Table of Contents**

**DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS**

**Revolving Credit Facility**

On April 6, 2018, we amended and restated the existing facility in its entirety. The revolving credit facility is a \$1.75 billion 5-year senior unsecured revolving credit facility, which under certain circumstances may be increased from time to time up to an additional \$875 million, in aggregate. The revolving credit facility contains an option, which may be exercised up to two times, to extend the revolving credit facility for an additional one-year term. As of May 2, 2018, there were no principal advances and there was \$3 million in letters of credit outstanding under the revolving credit facility.

The revolving credit facility provides that outstanding borrowings bear interest at the Eurodollar rate and/or an alternate base rate, at our election, plus an applicable margin. The applicable margin will be based on our designated credit ratings. The applicable margin shall equal, in the case of interest rates determined by reference to the Eurodollar rate, between 1.00% and 1.75% per annum.

The revolving credit facility requires us to pay a quarterly fee on each lender's unused commitment amount during such preceding quarter which shall equal between 0.10% and 0.30% per annum, depending on our designated credit rating. The revolving credit facility provides for issuance of letters of credit of up to \$500 million dollars at any time outstanding. The Second and Amended Restated Revolving Credit Facility contains a financial covenant requiring us to maintain a ratio of consolidated funded debt to EBITDA as of the last day of each fiscal quarter of less than or equal to 5.00 to 1.00, although such ratio is increased to 5.50 to 1.00 for a certain period of time following an acquisition by us or certain of our subsidiaries with a purchase price that, when combined with the aggregate purchase price for all other such acquisitions in any rolling 12-month period, is equal to or greater than \$25 million.

The revolving credit facility also contains covenants that restrict us and certain of our subsidiaries in respect of, among other things, mergers and consolidations, sales of all or substantially all assets, incurrence of subsidiary indebtedness, incurrence of liens, transactions with affiliates, designation of subsidiaries as excluded subsidiaries, restricted payments, changes in the nature of their respective businesses and entering into certain restrictive agreements. The revolving credit facility is subject to acceleration upon the occurrence of certain defaults, including, among others, payment defaults on such facility, breach of representations, warranties and covenants, acceleration of indebtedness (other than intercompany and non-recourse indebtedness) of \$100 million or more in the aggregate, change of control, nonpayment of uninsured judgments in excess of \$100 million, and the occurrence of certain ERISA and bankruptcy events, subject where applicable to specified cure periods.

**Commercial Paper Program**

We commenced a commercial paper program in January 2014, pursuant to which we are authorized to issue up to \$1.4 billion of commercial paper. The commercial paper program is supported by our revolving credit facility, and outstanding commercial paper effectively reduces our borrowing capacity thereunder. As of May 2, 2018, \$583 million was outstanding under our commercial paper program. As of May 2, 2018, the weighted average interest rate applicable to borrowings under our commercial paper program was 2.85%. A portion of the proceeds of this offering will be used to repay the amounts outstanding under our revolving credit facility related to our commercial paper program. See Use of Proceeds.

**2015 Term Loan Agreement**

On July 31, 2015, we entered into a \$450 million, three-year unsecured term loan agreement, or the 2015 term loan agreement. The 2015 term loan agreement contains an option, which may be exercised up to two times, to extend the term of the 2015 term loan agreement, in each case, for an additional one year term. The

S-14



## **Table of Contents**

2015 term loan agreement provides an option to prepay, without penalty or premium, the amount outstanding, or any portion thereof, in a minimum amount of \$1 million, or any multiple of \$0.5 million in excess thereof. At May 2, 2018, \$450 million was outstanding under our 2015 term loan agreement.

Outstanding borrowings under the 2015 term loan agreement bear interest at the LIBOR and/or an alternate base rate, at our election, plus an applicable margin. The applicable margin is based on our applicable credit ratings. As of May 2, 2018, the applicable margin for LIBOR-based borrowings under the 2015 term loan agreement was 1.375% based on our credit ratings. As of May 2, 2018, the weighted average interest rate applicable to borrowings under our 2015 term loan agreement was 3.28%.

The 2015 term loan agreement contains substantially the same covenants as our revolving credit facility. The 2015 term loan will be repaid in full with a portion of the proceeds of this offering.

## **Senior Notes**

On March 9, 2017, we completed the public offering of \$700 million 4.400% Senior Notes due 2027 (the 2027 Notes ). We received net proceeds of approximately \$691 million. The proceeds were used for general partnership purposes, including to repay amounts outstanding under the revolving credit facility. The 2027 Notes had an unamortized discount of \$3 million and unamortized debt expense of \$5 million at March 31, 2018, resulting in an effective interest rate of 4.58% during the three months ended March 31, 2018.

In addition to the 2027 Notes, as of March 31, 2018, our debt included the \$500 million 2.400% senior notes due 2019 (the 2019 Notes ), \$600 million 3.900% senior notes due 2024 (the 2024 Notes ) and \$550 million 5.000% senior notes due 2044 (the 2044 Notes ). The 2019 Notes, 2024 Notes and 2044 Notes had \$9 million of unamortized debt expense at March 31, 2018, resulting in effective interest rates of 2.57%, 4.02% and 5.08%, respectively, during the three months ended March 31, 2018.

The indenture governing the 2019 Notes, 2024 Notes, 2027 Notes and 2044 Notes contains certain restrictions, including, among others, limitations on our ability and the ability of our principal subsidiaries to: (i) consolidate or merge and sell all or substantially all of our and our subsidiaries' assets and properties; (ii) create, or permit to be created or to exist, any lien upon any of our or our principal subsidiaries' principal property, or upon any shares of stock of any principal subsidiary, to secure any debt; and (iii) enter into certain sale-leaseback transactions. These covenants are subject to certain exceptions and qualifications.

As of March 31, 2018, our debt included Enable Oklahoma Intrastate Transmission, LLC's \$250 million 6.25% senior notes due March 2020 (the EOIT Senior Notes ). The EOIT Senior Notes had \$11 million of unamortized premium at March 31, 2018, resulting in an effective interest rate of 3.80% during the three months ended March 31, 2018. These senior notes do not contain any financial covenants other than a limitation on liens. This limitation on liens is subject to certain exceptions and qualifications.

As of March 31, 2018, we and EOIT were in compliance with all of our debt agreements, including financial covenants.

**Table of Contents**

**DESCRIPTION OF THE NOTES**

We will issue the notes under the indenture, dated as of May 27, 2014 (the **base indenture** ), between us and U.S. Bank National Association, as trustee, supplemented by a supplemental indenture we will enter into with the trustee in connection with the closing of this offering (together with the base indenture, the **indenture** ).

The following description is a summary of the material provisions of the notes and the indenture. This summary is not complete and is qualified in its entirety by reference to the indenture and the notes. We urge you to read the indenture because it, and not this description, defines your rights as a holder of notes. You may request copies of the indenture from us as set forth under **Additional Information**. The terms of the notes include those expressly set forth in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939, as amended. The registered holder of a note will be treated as the owner of the note for all purposes. Only registered holders will have rights under the indenture.

We may issue additional series of debt securities from time to time under the indenture, and there is no limitation on the amount of debt securities we may issue under the indenture. Our 2.400% Senior Notes due 2019, 3.900% Senior Notes due 2024, 4.400% Senior Notes due 2027, and 5.000% Senior Notes due 2044 are currently outstanding under the indenture.

The indenture does not contain any covenant or other specific provision affording protection to holders of the debt securities in the event of a highly leveraged transaction or a change in control of us, except to the limited extent described below under **Covenants Consolidation, Merger, Conveyance or Transfer**.

You can find the definitions of various terms used in this description under **Certain Definitions** below. In this description, the terms **Enable**, **we**, **us** and **our** refer only to Enable Midstream Partners, LP and not to any of its subsidiaries. This description of the notes supplements, and, to the extent inconsistent, supersedes, the description of the general terms and provisions of the debt securities under **Description of the Senior Debt Securities** in the accompanying base prospectus.

**General**

The notes will be our senior unsecured obligations and will:

rank equally in right of payment with all of our existing and future senior unsecured indebtedness, including indebtedness under our revolving credit facility and our commercial paper program;

rank senior in right of payment to any subordinated indebtedness;

rank effectively junior to any of our future secured indebtedness to the extent of the value of the collateral securing such indebtedness; and

be structurally subordinated to all debt and other liabilities of our subsidiaries.

The notes will not be guaranteed by any of our subsidiaries.

As of March 31, 2018, after giving effect to this offering and the application of the net proceeds therefrom, we would have had approximately \$3.7 billion aggregate principal amount of indebtedness outstanding on a consolidated basis, of which \$250 million is indebtedness of our subsidiaries.

**Further Issuances**

We may, from time to time after the closing of this offering, without notice to or the consent of the holders of the notes or the trustee, increase the principal amount of the notes under the indenture and issue such

## **Table of Contents**

increased principal amount (or any portion thereof), in which case any additional notes so issued will have the same form and terms (other than the date of issuance, the price to the public and, under certain circumstances, the date from which interest thereon will begin to accrue and the initial interest payment date), and will carry the same right to receive accrued and unpaid interest, as the notes previously issued, and such additional notes will form a single series with the notes previously issued for all purposes under the indenture; provided that if any additional notes are not fungible for U.S. federal income tax purposes with the notes previously issued, such additional notes will have a separate CUSIP number.

## **Principal, Maturity and Interest**

We will issue the notes in an initial aggregate principal amount of \$800 million. The notes will mature on May 15, 2028. The notes will bear interest at the annual rate of 4.950%. Interest on the notes will accrue from May 10, 2018 and will be payable semi-annually in arrears on May 15 and November 15 of each year, commencing on November 15, 2018. We will make each interest payment to the holders of record at the close of business on the May 1 and November 1 preceding such interest payment date (whether or not a business day). Interest will be computed and paid with respect to the notes on the basis of a 360-day year consisting of twelve 30-day months.

If any interest payment date, stated maturity date or redemption date falls on a day that is not a business day, the payment will be made on the next business day and no interest will accrue for the period from and after such interest payment date, stated maturity date or redemption date.

## **Form, Denomination and Registration of Notes**

The notes will be issued in registered form, without interest coupons, in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The notes will be represented by one or more global notes, as described below under Book-Entry System, Form and Delivery.

## **Transfer and Exchange**

A holder may transfer and exchange notes in accordance with the indenture. No service charge will be imposed in connection with any transfer or exchange of any note, but we, the registrar and the trustee may require such holder, among other things, to furnish appropriate endorsements and transfer documents, and we may require such holder to pay any taxes and fees required by law or permitted by the indenture. We are not required to transfer or exchange any notes selected for redemption. Also, we are not required to transfer or exchange any notes in respect of which a notice of redemption has been given or for a period of 15 days before a selection of the notes to be redeemed.

## **Paying Agent and Registrar**

The trustee will initially act as paying agent and registrar for the notes. We may change the paying agent or registrar without prior notice to the holders of the notes, and we or any of our subsidiaries may act as paying agent or registrar; provided, however, that we will be required to maintain at all times an office or agency in the Borough of Manhattan, The City of New York (which may be an office of the trustee or an affiliate of the trustee or the registrar or a co-registrar for the notes) where the notes may be presented for payment and where the notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon us in respect of the notes and the indenture may be served. We may also from time to time designate one or more additional offices or agencies where the notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations.

**Optional Redemption**

At any time prior to the Par Call Date, we will have the right to redeem the notes, in whole or in part, at a redemption price equal to the greater of (a) 100% of the principal amount of the notes to be redeemed and

S-17

---

**Table of Contents**

(b) the sum of the present values of the remaining scheduled payments of principal and interest on the notes that would have been due if the notes matured on the Par Call Date (exclusive of interest accrued to the redemption date) discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 35 basis points, plus accrued and unpaid interest, if any, on the principal amount being redeemed to, but not including, such redemption date. From and after the Par Call Date, we will have the right to redeem the notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest, if any, thereon to, but not including, the redemption date.

*Comparable Treasury Issue* means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of the notes to be redeemed, calculated as if the maturity date of the notes were the Par Call Date (the *Remaining Term*), that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Remaining Term of the notes; provided, however, that if no maturity is within three months before or after the Par Call Date, yields for the two published maturities most closely corresponding to such United States Treasury security will be determined and the Treasury Rate will be interpolated or extrapolated from those yields on a straight line basis rounding to the nearest month.

*Comparable Treasury Price* means, with respect to any redemption date for the notes, (a) the average of two Reference Treasury Dealer Quotations for such redemption date after excluding the highest and lowest of all of the Reference Treasury Dealer Quotations or (b) if the Quotation Agent obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

*Par Call Date* means, February 15, 2028 (three months prior to the maturity date of the notes).

*Quotation Agent* means the Reference Treasury Dealer appointed by us.

*Reference Treasury Dealer* means each of (a) Merrill Lynch, Pierce, Fenner & Smith Incorporated, Mizuho Securities USA LLC and Wells Fargo Securities, LLC, and their respective successors which are U.S. government securities dealers (a *Primary Treasury Dealer*); provided, however, that if the foregoing ceases to be a Primary Treasury Dealer, we will substitute therefor another Primary Treasury Dealer and (b) one other Primary Treasury Dealer selected by us.

*Reference Treasury Dealer Quotation* means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding the redemption date.

*Treasury Rate* means, with respect to any redemption date, the rate per year equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date. The Treasury Rate will be calculated on the third business day preceding any redemption date.

**Redemption Procedures**

If fewer than all of the notes are to be redeemed at any time, the notes will be selected for redemption by the trustee on a pro rata basis or by lot (whichever is consistent with the trustee's customary practice); provided, that if the notes are represented by global notes, interests in such global notes will be selected for redemption by The Depository Trust Company ( *DTC* ) in accordance with its customary procedures; provided further, that no partial redemption of any note

will occur if such redemption would reduce the principal amount of such note to less than \$2,000. Notices of redemption with respect to the notes will be sent not less than 10 but not more than 60 days before the redemption date to each holder of notes to be redeemed at such holder's registered address.

S-18

## **Table of Contents**

If any note is to be redeemed in part only, the notice of redemption that relates to such note will state the portion of the principal amount thereof to be redeemed. A new note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note. Notes called for redemption will become due on the date fixed for redemption. On and after the redemption date, interest will cease to accrue on the notes or portions of the notes called for redemption unless we default in the payment of the redemption price.

### **Open Market Purchases; No Mandatory Redemption or Sinking Fund**

We may at any time and from time to time repurchase notes in the open market or otherwise, in each case without any restriction under the indenture. We are not required to make mandatory redemption or sinking fund payments with respect to the notes.

### **Covenants**

The indenture will contain, among other things, the following covenants with respect to the notes:

#### ***Consolidation, Merger, Conveyance or Transfer***

The indenture will provide that Enable may not directly or indirectly consolidate with or merge with or into any other Person, or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the assets and properties of Enable and its Subsidiaries to a Person other than Enable or its Subsidiaries in one or more related transactions unless:

either: (a) in the case of a merger or consolidation, Enable is the survivor; or (b) the Person formed by or surviving any such consolidation or merger (if other than Enable) or to which such sale, assignment, transfer, lease, conveyance or other disposition has been made, is a Person formed, organized or existing under the laws of the United States, any state thereof or the District of Columbia;

the Person formed by or surviving any such consolidation or merger (if other than Enable) or the Person to which such sale, assignment, transfer, lease, conveyance or other disposition has been made, expressly assumes all of Enable's obligations under the notes and the indenture pursuant to a supplemental indenture or other agreement reasonably satisfactory to the trustee;

Enable or the successor Person delivers an officer's certificate and opinion of counsel to the trustee, each stating that such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition and any supplemental indenture or other agreement required in connection therewith comply with the indenture and that all conditions precedent set forth in the indenture have been complied with; and

immediately after giving effect to the transaction, no event of default or default under the indenture will have occurred and be continuing.

Upon the assumption of Enable's obligations under the indenture by a successor, Enable will be discharged from all obligations under the indenture (except in the case of a lease of all or substantially all of the assets and properties of Enable and its Subsidiaries).



***Limitation on Liens***

The indenture will provide that while any of the notes remain outstanding, Enable may not, and may not permit any Principal Subsidiary to, create, or permit to be created or to exist, any Lien upon any Principal

S-19

**Table of Contents**

Property of Enable or of a Principal Subsidiary, or upon any shares of stock of any Principal Subsidiary, whether such Principal Property is, or shares of stock are, owned on or acquired after the Issue Date, to secure any Debt, unless the notes then outstanding are equally and ratably secured by such Lien for so long as any such Debt is so secured, other than:

purchase money mortgages, or other purchase money Liens or capitalized leases of any kind upon property acquired by Enable or any Principal Subsidiary after the Issue Date, or Liens of any kind existing on any property or any shares of stock at the time of the acquisition thereof (including Liens that exist on any property or any shares of stock of a Person that is consolidated with or merged with or into Enable or any Principal Subsidiary or that transfers or leases all or substantially all of its properties to Enable or any Principal Subsidiary), or conditional sales agreements or other title retention agreements and leases in the nature of title retention agreements with respect to any property acquired after the date of the indenture, so long as no such Lien extends to or covers any other property of Enable or such Principal Subsidiary;

Liens upon any property of Enable or any Principal Subsidiary or upon any shares of stock of any Principal Subsidiary existing as of the Issue Date or upon the property or any shares of stock of any entity, which Liens existed at the time such entity became a Subsidiary of Enable;

Liens for taxes or assessments or other governmental charges or levies relating to amounts that are not yet delinquent (after giving effect to any applicable grace period) or are being contested in good faith by appropriate proceedings;

pledges or deposits to secure: (a) other governmental charges or levies; (b) obligations under worker's compensation laws, unemployment insurance, pension plans and other social security legislation, retirement benefits and/or other similar legislation; (c) performance in connection with bids, tenders, contracts (other than contracts for the payment of money or borrowed money) or leases to which Enable or any Principal Subsidiary is a party; (d) public or statutory obligations of Enable or any Principal Subsidiary; and/or (e) surety, stay, appeal, indemnity, customs, performance or return-of-money bonds or pledges or deposits in lieu thereof and other obligations of a like nature or arising as a result of progress payments under a contract;

any builders, materialmen, mechanics, carriers, warehousemen, workers, repairmen, operators, landlords, and/or other similar Liens which, if the Liens relate to obligations of Enable or any Principal Subsidiary, is not more than sixty (60) days past due or which is being contested in good faith by appropriate proceedings, and any undetermined Lien which is incidental to construction, development, improvement or repair;

Liens created by or resulting from any litigation, proceeding, decree or order of any court or governmental authority that at the time is being contested in good faith by appropriate proceedings, including Liens relating to judgments thereunder as to which Enable or any Principal Subsidiary has not

exhausted its appellate rights;

Liens on deposits, investments or other property or rights required by any Person (a) with whom Enable or any Principal Subsidiary enters into forward contracts, futures contracts, swap agreements or other commodities, derivative or other similar contracts (or, in each case, any credit support therefor) (i) in the ordinary course of business and (ii) in accordance with established risk management policies or practices or otherwise approved by the Board of Directors of Enable GP or a committee thereof and/or (b) to secure liability to insurance carriers under insurance or self-insurance arrangements;

Liens in connection with leases or subleases (other than capital leases) made by, or existing on property acquired, owned or leased by, Enable or any Principal Subsidiary;

S-20

**Table of Contents**

Liens securing obligations, neither assumed by Enable or any Principal Subsidiary nor on account of which Enable or any Principal Subsidiary customarily pays interest, upon real estate or under which Enable or any Principal Subsidiary has a right-of-way, easement, franchise or other servitude or of which Enable or any Principal Subsidiary is the lessee of the whole thereof or any interest therein for the purpose of locating pipe lines, substations, measuring stations, tanks, pumping or delivery equipment or other equipment or facilities;

easements (including, without limitation, reciprocal easement agreements and utility agreements), zoning restrictions, rights-of-way, covenants, consents, reservations, encroachments, variations and other restrictions on the use of property, survey exceptions or irregularities in title thereto, charges or encumbrances (whether or not recorded) affecting the use of real property and which are incidental to, and do not materially interfere with the use of such property in the operation of the business of Enable and its Subsidiaries, taken as a whole, or materially impair the value of such property for the purpose of such business;

Liens in favor of the United States of America, any State, any foreign country or any department, agency or instrumentality or political subdivision of any such jurisdiction, to secure partial, progress, advance or other payments pursuant to any contract or statute or to secure any Debt incurred for the purpose of financing all or any part of the purchase price or the cost of constructing or improving the property subject to such Liens, including, without limitation, Liens to secure Debt of the pollution control or industrial revenue bond type;

Liens of any kind upon any property acquired, constructed, developed, repaired or improved by Enable or any Principal Subsidiary (whether alone or in association with others) that are created prior to, at the time of, or within 12 months after such acquisition (or in the case of property constructed, developed, repaired or improved, after the completion of such construction, development, repair or improvement and commencement of full commercial operation of such property, whichever is later) to secure or provide for the payment of any part of the purchase price or cost thereof; provided that in the case of such construction, development, repair or improvement the Liens may not apply to any property theretofore owned by Enable or any Principal Subsidiary other than property which was the subject of such construction, development, repair or improvement;

Liens in favor of Enable, one or more Principal Subsidiaries, one or more wholly owned Subsidiaries of Enable or any of the foregoing in combination;

the replacement, extension or renewal (or successive replacements, extensions or renewals), as a whole or in part, of any Lien, or of any agreement, referred to in the clauses above, or the replacement, extension or renewal of the Debt secured thereby (not exceeding the principal amount of Debt secured thereby, other than to provide for the payment of any transaction expenses, underwriting or other fees related to any such replacement, extension or renewal, as well as any premiums owed on and accrued and unpaid interest payable in connection with any such replacement, extension or renewal); provided that such replacement, extension or renewal is limited to all or a part of the same property that secured the Lien replaced, extended or renewed (plus improvements thereon or additions or accessions thereto); or

any Lien not excepted by the foregoing clauses; provided that immediately after the creation or assumption of such Lien the aggregate principal amount of Debt of Enable or any Principal Subsidiary secured by all Liens created or assumed under the provisions of this clause, together with all net sale proceeds from any Sale-Leaseback Transactions, as defined under Limitation on Sale-Leaseback Transactions, subject to certain exceptions, does not exceed an amount equal to 15% of the Consolidated Net Tangible Assets for the fiscal quarter that was most recently

S-21

## **Table of Contents**

completed prior to the creation or assumption of such Lien. Notwithstanding the foregoing, for purposes of making the calculation set forth in this clause, with respect to any such secured indebtedness of a non-wholly owned Principal Subsidiary of Enable with no recourse to Enable or any wholly owned Principal Subsidiary thereof, only that portion of the aggregate principal amount of indebtedness for borrowed money reflecting Enable's pro rata ownership interest in such non-wholly owned Principal Subsidiary will be included in calculating compliance herewith.

### ***Limitation on Sale-Leaseback Transactions***

While the notes remain outstanding, Enable may not, and may not permit any Principal Subsidiary to, engage in a Sale-Leaseback Transaction, unless:

the Sale-Leaseback Transaction occurs within one year from the date of acquisition of the relevant Principal Property or the date of the completion of construction or commencement of full operations on such Principal Property, whichever is later, and Enable has elected to designate, as a credit against (but not exceeding) the purchase price or cost of construction of such Principal Property, an amount equal to all or a portion of the net sale proceeds from such Sale-Leaseback Transaction (with any such amount not being so designated to be applied as set forth in the third clause below);

Enable or such Principal Subsidiary would be entitled to incur Debt secured by a Lien on the Principal Property subject to the Sale-Leaseback Transaction in a principal amount equal to or exceeding the net sale proceeds from such Sale-Leaseback Transaction without equally and ratably securing the notes; or

Enable or such Principal Subsidiary, within 365 days after such Sale-Leaseback Transaction, applies or causes to be applied an amount not less than the net sale proceeds from such Sale-Leaseback Transaction to (a) the prepayment, repayment, redemption or retirement of any unsubordinated Debt of Enable or a Subsidiary of Enable (i) for borrowed money or (ii) evidenced by bonds, debentures, notes or other similar instruments, or (b) investment in another Principal Property.

### ***Reports***

So long as any notes are outstanding, we will file with the trustee, within 30 days after we have filed the same with the SEC, unless such reports are available on the SEC's Electronic Data Gathering, Analysis, and Retrieval (EDGAR) filing system (or any successor thereto), copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may from time to time by rules and regulations prescribe) that we are required to file with the SEC pursuant to Section 13 or Section 15(d) of the Exchange Act; or, if we are not required to file information, documents or reports pursuant to either of such Sections, then we will furnish to the trustee and file with the SEC, in accordance with rules and regulations prescribed from time to time by the SEC, such of the supplementary and periodic information, documents and reports that are required pursuant to Section 13 of the Exchange Act in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations.

### ***Discharge, Defeasance and Covenant Defeasance***

The indenture will provide that we may satisfy and discharge our obligations under the indenture with respect to the notes if:

- (a) (i) all notes previously authenticated and delivered, with certain exceptions, have been delivered to the trustee for cancellation; or

S-22

## **Table of Contents**

- (ii) the notes not delivered to the trustee for cancellation have become due and payable, or mature within one year, or if redeemable at our option, are to be called for redemption within one year under arrangements satisfactory to the trustee for giving the notice of redemption, and we deposit in trust with the trustee, as trust funds, for that purpose, money or governmental obligations or a combination thereof sufficient (in the opinion of a nationally recognized independent registered public accounting firm expressed in a written certification thereof delivered to the trustee) to pay the entire indebtedness on the notes not delivered to the trustee for cancellation;
- (b) we have paid all other sums payable by us under the indenture with respect to the outstanding notes; and
- (c) we have delivered to the trustee an officer's certificate and an opinion of counsel, in each case stating that all conditions precedent provided for in the indenture relating to the satisfaction and discharge of the indenture with respect to the notes have been complied with.

The defeasance provisions of the indenture described in the accompanying base prospectus will apply to the notes, and the indenture will be subject to discharge with respect to the notes as described in the accompanying base prospectus. See "Description of Senior Debt Securities" "Discharge, Defeasance and Covenant Defeasance" in the accompanying base prospectus.

## **Concerning the Trustee**

The trustee will perform only those duties that are specifically set forth in the indenture unless an event of default occurs and is continuing. If an event of default occurs and is continuing, the trustee will exercise the same degree of care and skill in the exercise of its rights and powers under the indenture as a prudent person would exercise in the conduct of his or her own affairs. The trustee is under no obligation to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the indenture, or in the exercise of any of its rights or powers.

## **Notice**

Notice to holders of the notes will be given by first-class mail at such holder's address as it appears in the security register or in the case of global notes, notice will be given in accordance with the depositary's applicable procedures.

## **Title**

We, the trustee and any of our or the trustee's agents may treat the person in whose name the notes are registered as the owner of the notes, whether or not such notes may be overdue, for the purpose of making payment and for all other purposes.

## **Governing Law**

The indenture and the notes will be governed by, and construed in accordance with, the laws of the State of New York.

## **Additional Information**



Edgar Filing: Enable Midstream Partners, LP - Form 424B5

Anyone who receives this prospectus supplement may obtain a copy of the base indenture and the supplemental indenture without charge by writing to Enable Midstream Partners, LP, One Leadership Square, 211 North Robinson Avenue, Suite 150, Oklahoma City, Oklahoma 73102, Attention: Investor Relations.

S-23

## **Table of Contents**

### **Book-Entry, Delivery and Form**

The notes will be issued in registered, global form in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. Notes will be issued at the closing of this offering only against payment in immediately available funds.

The notes initially will be represented by one or more notes in registered, global form without interest coupons (the Global Notes ). The Global Notes will be deposited upon issuance with the trustee as custodian for the DTC, in New York, New York, and registered in the name of DTC or its nominee, in each case, for credit to an account of a direct or indirect participant in DTC as described below.

The Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for definitive notes in registered certificated form ( Certificated Notes ) except in certain limited circumstances. Except in certain limited circumstances, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of notes in certificated form.

In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, société anonyme, Luxembourg), which may change from time to time. For further discussion, please see Description of the Senior Debt Securities Book-Entry, Delivery and Form in the accompanying prospectus.

### **Same Day Settlement and Payment**

We will make payments in respect of the notes represented by the Global Notes, including principal, premium, if any, and interest, if any, by wire transfer of immediately available funds to the accounts specified by DTC or its nominee. We will make all payments of principal, premium, if any, and interest, if any, with respect to Certificated Notes by wire transfer of immediately available funds to the accounts specified by the holders of the Certificated Notes or, if no such account is specified, by mailing a check to each such holder's registered address. The notes represented by the Global Notes are expected to be eligible to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in such notes will, therefore, be required by DTC to be settled in immediately available funds. We expect that secondary trading in any Certificated Notes will also be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a Participant will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised us that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a Participant will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

### **Certain Definitions**

*business day* means each day that is not a Saturday, Sunday or other day on which banking institutions in New York, New York or another place of payment are authorized or required by law, regulation or executive order to close.

*Consolidated Net Tangible Assets* means at any date of determination, the total amount of consolidated assets of Enable and its Subsidiaries after deducting therefrom (a) all current liabilities (excluding

**Table of Contents**

(i) any current liabilities that by their terms are extendable or renewable at the option of the obligor thereon to a time more than twelve months after the time as of which the amount thereof is being computed, and (ii) current maturities of long-term debt), and (b) the value (net of any applicable reserves and accumulated amortization) of all goodwill, trade names, trademarks, patents and other like intangible assets, all as set forth on the consolidated balance sheet of Enable and its Subsidiaries for the most recently completed fiscal quarter or fiscal year, as applicable.

*Debt* of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person in respect of letters of credit or other similar instruments (or reimbursement obligations with respect thereto), other than standby letters of credit, performance bonds and other obligations issued by or for the account of such Person in the ordinary course of business, to the extent not drawn or, to the extent drawn, if such drawing is reimbursed not later than the third business day following demand for reimbursement, (d) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, except trade and accounts payables and accrued expenses incurred in the ordinary course of business, (e) all capitalized lease obligations of such Person, (f) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person (provided that if the obligations so secured have not been assumed in full by such Person or are not otherwise such Person's legal liability in full, then such obligations will be deemed to be in an amount equal to the greater of (i) the lesser of (A) the full amount of such obligations and (B) the fair market value of such assets, as determined in good faith by the board of directors of such Person, which determination will be evidenced by a board resolution, and (ii) the amount of obligations as have been assumed by such Person or which are otherwise such Person's legal liability), and (g) all Debt of others (other than endorsements in the ordinary course of business) guaranteed by such Person to the extent of such guarantee.

*Enable GP* or our general partner mean Enable GP, LLC, a Delaware limited liability company, and its successors as the general partner of Enable.

*Issue Date* means the date on which the notes are originally issued.

*Lien* means any mortgage, lien, pledge, security interest, charge, adverse claim, or other encumbrance.

*Person* means any natural person, corporation, firm, joint venture, partnership, limited liability company, association, enterprise, trust or other entity or organization, or any government or political subdivision or any agency, department or instrumentality thereof.

*Principal Property* means, whether currently owned or leased or subsequently acquired, any pipeline, gathering system, terminal, storage facility, processing plant or other plant or facility owned or leased by Enable or its Subsidiaries and used in the transportation, distribution, terminalling, gathering, treating, processing, marketing or storage of natural gas, natural gas liquids, propane, crude oil, condensate or fresh or produced water except (a) any property or asset consisting of inventories, furniture, office fixtures and equipment (including data processing equipment), vehicles and equipment used on, or useful with, vehicles (but excluding vehicles that generate transportation revenues) and (b) any such property or asset, plant or terminal which, in the good faith opinion of the Board of Directors of Enable GP as evidenced by resolutions of the Board of Directors of Enable GP, is not material in relation to the activities of Enable and its Subsidiaries, taken as a whole.

*Principal Subsidiary* means any Subsidiary of Enable that owns or leases, directly or indirectly, a Principal Property.

*Sale-Leaseback Transaction* means the sale or transfer by Enable or any Principal Subsidiary of any Principal Property to a Person (other than a Principal Subsidiary) and the taking back by Enable or any Principal Subsidiary, as

the case may be, of a lease of such Principal Property.

S-25

**Table of Contents**

*Subsidiary* means, as to any Person, (a) any corporation, association or other business entity (other than a partnership or limited liability company) of which more than 50% of the outstanding capital stock having ordinary voting power is at the time owned or controlled, directly or indirectly, by such entity or one or more of the other Subsidiaries of such entity or (b) any general or limited partnership or limited liability company, (i) the sole general partner or member of which is the entity or a Subsidiary of the entity or (ii) if there is more than one general partner or member, either (A) the only managing general partners or managing members of such partnership or limited liability company are such entity or Subsidiaries of such entity or (B) such entity owns or controls, directly or indirectly, a majority of the outstanding general partner interests, member interests or other voting equities of such partnership or limited liability company, respectively.

**Table of Contents**

**CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES**

The following discussion summarizes certain U.S. federal income tax consequences that may be relevant to the acquisition, ownership and disposition of the notes. This discussion is based upon the provisions of the Internal Revenue Code of 1986, as amended (the Code), applicable U.S. Treasury regulations promulgated thereunder, judicial authority and administrative interpretations, all as of the date of this prospectus supplement, and all of which are subject to change, possibly with retroactive effect, or are subject to different interpretations. We cannot assure you that the Internal Revenue Service, or IRS, will not challenge one or more of the tax consequences described in this discussion, and we have not obtained, nor do we intend to obtain, a ruling from the IRS or an opinion of counsel with respect to the U.S. federal income tax consequences of acquiring, owning or disposing of the notes.

This discussion is limited to holders who purchase the notes in this offering for cash at a price equal to the issue price of the notes (i.e., the first price at which a substantial amount of the notes is sold for cash other than to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) and who hold the notes as capital assets (generally, property held for investment). This discussion does not address any U.S. federal tax considerations other than U.S. federal income tax considerations (such as estate and gift tax considerations), or the tax considerations arising under the laws of any foreign, state, local or other jurisdiction or any income tax treaty. In addition, this discussion does not address all tax considerations that may be important to a particular holder in light of the holder's circumstances, or to certain categories of investors that may be subject to special rules, such as:

dealers in securities or currencies;

traders in securities that have elected the mark-to-market method of accounting for their securities;

U.S. holders (as defined below) whose functional currency is not the U.S. dollar;

persons holding notes as part of a hedge, straddle, conversion or other synthetic security or integrated transaction;

former U.S. citizens or long-term residents of the United States;

financial institutions;

insurance companies;

regulated investment companies;

real estate investment trusts;

persons subject to the alternative minimum tax;

entities that are tax-exempt for U.S. federal income tax purposes; and

partnerships and other pass-through entities and holders of interests therein.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds notes, the U.S. federal income tax treatment of a partner of the partnership generally will depend upon the status of the partner and the activities of the partnership and upon certain determinations made at the partner level. If you are a partner of a partnership considering an investment in the notes, you are urged to consult your own tax advisor about the U.S. federal income tax consequences of acquiring, owning and disposing of the notes.

S-27



---

## **Table of Contents**

Under recently enacted legislation, U.S. holders that use an accrual method of accounting for U.S. federal income tax purposes may be required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements. Although the precise application of this rule is unclear at this time, it may require the accrual of income earlier than would be the case under the general tax rules described below. U.S. holders that use an accrual method of accounting are urged to consult their tax advisors regarding the potential applicability of this legislation to their particular situation.

**INVESTORS CONSIDERING THE PURCHASE OF NOTES ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE NOTES UNDER OTHER U.S. FEDERAL TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR FOREIGN JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.**

### **Certain Additional Payments**

In certain circumstances (see Description of the Notes Optional Redemption ), we may be obligated to pay amounts on the notes that are in excess of stated interest or principal on the notes. These potential payments may implicate the provisions of the U.S. Treasury regulations relating to contingent payment debt instruments. We do not intend to treat the possibility of paying such additional amounts as causing the notes to be treated as contingent payment debt instruments. It is possible that the IRS may take a different position, in which case, if such position is sustained, a holder might be required to accrue ordinary interest income at a higher rate than the stated interest rate and to treat as ordinary income rather than capital gain any gain realized on the taxable disposition of the notes. The remainder of this discussion assumes that the notes will not be treated as contingent payment debt instruments. You are encouraged to consult your own tax advisor regarding the possible application of the contingent payment debt instrument rules to the notes.

### **Tax Consequences to U.S. Holders**

The following summary will apply to you if you are a U.S. holder of the notes. You are a U.S. holder for purposes of this discussion if you are a beneficial owner of a note and you are for U.S. federal income tax purposes:

an individual who is a U.S. citizen or U.S. resident alien;

a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, that was created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

a trust (i) the administration of which is subject to the primary supervision of a U.S. court and that has one or more United States persons that have the authority to control all substantial decisions of the trust or (ii) that has made a valid election under applicable U.S. Treasury regulations to be treated as a United

States person.

***Interest on the Notes***

Interest on the notes generally will be taxable to you as ordinary income at the time it is received or accrued in accordance with your regular method of accounting for U.S. federal income tax purposes.

S-28

## **Table of Contents**

### ***Disposition of the Notes***

You will generally recognize capital gain or loss on the sale, redemption, exchange, retirement or other taxable disposition of a note equal to the difference, if any, between the amount realized on such disposition and your adjusted tax basis in the note. The amount realized will include the amount of any cash and the fair market value of any other property received for the note. To the extent that any portion of the amount realized on a sale, redemption, exchange, retirement or other taxable disposition of a note is attributable to accrued but unpaid interest on the note, this amount generally will be taxed in the same manner as described above in *Interest on the Notes*. Your adjusted tax basis in the note will generally equal the amount you paid for the note. Any gain or loss will be long-term capital gain or loss if you held the note for more than one year at the time of the sale, redemption, exchange, retirement or other taxable disposition. Long-term capital gains of individuals, estates and trusts currently are eligible for reduced rates of U.S. federal income tax. The deductibility of capital losses may be subject to limitation.

### ***Information Reporting and Backup Withholding***

Information reporting generally will apply to payments of interest on, and the proceeds of the sale or other disposition (including a redemption, exchange or retirement) of, notes held by you, and backup withholding will apply to such payments unless you provide to the applicable withholding agent your taxpayer identification number, certified under penalties of perjury, as well as certain other information or otherwise establish an exemption from backup withholding. Backup withholding is not an additional tax. Any amount withheld under the backup withholding rules is allowable as a credit against your U.S. federal income tax liability, if any, and a refund may be obtained from the IRS if the amounts withheld exceed your actual U.S. federal income tax liability and you timely provide the required information or appropriate claim form to the IRS.

### **Additional Tax on Net Investment Income**

An additional 3.8% tax is imposed on the net investment income of certain United States citizens and resident aliens, and on the undistributed net investment income of certain estates and trusts. Among other items, net investment income generally includes gross income from interest and net gain from the disposition of property, such as the notes, less certain deductions. You are encouraged to consult your tax advisor with respect to this additional tax and its applicability in your particular circumstances.

### **Tax Consequences to Non-U.S. Holders**

The following summary will apply to you if you are a non-U.S. holder of notes. You are a non-U.S. holder for purposes of this discussion if you are a beneficial owner of notes that is, for U.S. federal income tax purposes, an individual, corporation, estate or trust that is not a U.S. holder.

### ***Interest on the Notes***

Subject to the discussion below of backup withholding and FATCA withholding, payments to you of interest on the notes generally will not be subject to U.S. federal income tax and will be exempt from withholding of U.S. federal income tax under the portfolio interest exemption if you properly certify as to your foreign status, as described below, and:

you do not own, actually or constructively, 10% or more of our capital or profits interests;

you are not a controlled foreign corporation that is related to us (actually or constructively);

you are not a bank whose receipt of interest on the notes is in connection with an extension of credit made pursuant to a loan agreement entered into in the ordinary course of your trade or business; and

interest on the notes is not effectively connected with your conduct of a U.S. trade or business.

S-29

---

**Table of Contents**

The portfolio interest exemption generally applies only if you also appropriately certify as to your foreign status. You can generally meet the certification requirement by providing a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable or successor form) to the applicable withholding agent. If you hold the notes through a financial institution or other agent acting on your behalf, you may be required to provide appropriate certifications to the agent. Your agent will then generally be required to provide appropriate certifications to the applicable withholding agent, either directly or through other intermediaries. Special rules apply to foreign partnerships, estates and trusts, and in certain circumstances certifications as to the foreign status of partners, trust owners or beneficiaries may have to be provided to the applicable withholding agent. In addition, special rules apply to qualified intermediaries that enter into withholding agreements with the IRS.

If you cannot satisfy the requirements described above, payments of interest made to you will be subject to U.S. federal withholding tax at a 30% rate, unless (i) you provide the applicable withholding agent with a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable or successor form) claiming an exemption from (or a reduction of) withholding under the benefits of an income tax treaty, or (ii) the payments of such interest are effectively connected with your conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment maintained by you in the United States) and you meet the certification requirements described below. (See *Income or Gain Effectively Connected with a U.S. Trade or Business.* )

The certifications described above and below must be provided to the applicable withholding agent prior to the payment of interest and must be updated periodically. If you do not timely provide the applicable withholding agent with the required certification, but you qualify for a reduced rate under an applicable income tax treaty, you may obtain a refund of any excess amounts withheld if you timely provide the required information or appropriate claim form to the IRS.

***Disposition of the Notes***

Subject to the discussion below of backup withholding and FATCA withholding, you generally will not be subject to U.S. federal income tax on any gain realized on the sale, redemption, exchange, retirement or other taxable disposition of a note unless:

the gain is effectively connected with the conduct by you of a U.S. trade or business (and, if required by an applicable income tax treaty, you maintain a permanent establishment in the United States to which such gain is attributable); or

you are a non-resident alien individual who has been present in the United States for 183 days or more in the taxable year of disposition and certain other requirements are met.

If your gain is described in the first bullet point above, you generally will be subject to U.S. federal income tax in the manner described under *Income or Gain Effectively Connected with a U.S. Trade or Business.* If you are a non-U.S. holder described in the second bullet point above, you will be subject to a flat 30% (or lower applicable income tax treaty rate) U.S. federal income tax on the gain derived from the sale or other disposition, which may be offset by certain U.S. source capital losses. To the extent that any portion of the amount realized on a sale, redemption, exchange, retirement or other taxable disposition of a note is attributable to accrued but unpaid interest on the note, this amount generally will be taxed in the same manner as described above in *Interest on the Notes.*

***Income or Gain Effectively Connected with a U.S. Trade or Business***

If any interest on the notes or gain from the sale, redemption, exchange, retirement or other taxable disposition of the notes is effectively connected with a U.S. trade or business conducted by you (and, if required by an applicable income tax treaty, you maintain a permanent establishment in the United States to which such

S-30

## **Table of Contents**

interest or gain is attributable), then the interest income or gain will be subject to U.S. federal income tax at regular graduated income tax rates generally in the same manner as if you were a U.S. holder. Effectively connected interest income will not be subject to U.S. federal withholding tax if you satisfy certain certification requirements by providing to the applicable withholding agent a properly executed IRS Form W-8ECI (or successor form). In addition, if you are a corporation, that portion of your earnings and profits that is effectively connected with your U.S. trade or business may also be subject to a branch profits tax at a 30% rate, unless an applicable income tax treaty provides for a lower rate. For this purpose, interest received on a note and gain recognized on the disposition of a note will be included in earnings and profits if the interest or gain is effectively connected with the conduct by you of a U.S. trade or business.

### ***Information Reporting and Backup Withholding***

Payments to you of interest on a note, and amounts withheld from such payments, if any, generally will be required to be reported to the IRS and to you. Copies of the information returns reporting such interest payments and withholding may also be made available to the tax authorities of the country in which you reside or are established under the provisions of a specific treaty or agreement.

Backup withholding generally will not apply to payments to you of interest on a note if the certification described in *Tax Consequences to Non-U.S. Holders Interest on the Notes* is duly provided or you otherwise establish an exemption.

Payment of the proceeds from the disposition of a note effected by the U.S. office of a U.S. or foreign broker will be subject to information reporting requirements and backup withholding unless you properly certify under penalties of perjury as to your foreign status on IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable or successor form) and certain other conditions are met or you otherwise establish an exemption. Information reporting requirements and backup withholding generally will not apply to any payment of the proceeds from the disposition of a note effected outside the United States by a foreign office of a broker. However, unless such a broker has documentary evidence in its records that you are not a United States person and certain other conditions are met, or you otherwise establish an exemption, information reporting will apply to a payment of the proceeds of the disposition of a note effected outside the United States by such a broker if it has certain relationships with the United States.

Backup withholding is not an additional tax. Any amount withheld under the backup withholding rules is allowable as a credit against your U.S. federal income tax liability, if any, and a refund may be obtained from the IRS if the amounts withheld exceed your actual U.S. federal income tax liability and you timely provide the required information or appropriate claim form to the IRS.

### **Withholding on Payments to Certain Foreign Entities**

Sections 1471 through 1474 of the Code and the U.S. Treasury regulations and administrative guidance issued thereunder (referred to as *FATCA*) impose a 30% U.S. federal withholding tax on payments of interest on the notes and on the gross proceeds from the sale or other disposition of the notes (if such sale or other disposition occurs after December 31, 2018), if paid to a foreign financial institution or a non-financial foreign entity (each as defined in the Code) (including, in some cases, when such foreign financial institution or non-financial foreign entity is acting as an intermediary), unless: (i) in the case of a foreign financial institution, such institution enters into an agreement with the U.S. government to withhold on certain payments, and to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners); (ii) in the case of a non-financial foreign entity, such entity certifies that it does not have any substantial United States owners (as defined

in the Code) or provides the withholding agent with a certification identifying its direct and indirect substantial United States owners (generally by providing an IRS Form W-8BEN-E); or (iii) the foreign financial institution or non-financial foreign entity

S-31



**Table of Contents**

otherwise qualifies for an exemption from these rules and provides appropriate documentation (such as an IRS Form W-8BEN-E). Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States with respect to these rules may be subject to different rules. Under certain circumstances, a beneficial owner of notes might be eligible for refunds or credits of such taxes. You are urged to consult your tax advisor regarding the effects of FATCA on your investment in the notes.

**THE PRECEDING DISCUSSION OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. WE URGE YOU TO CONSULT YOUR OWN TAX ADVISOR REGARDING THE PARTICULAR U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF ACQUIRING, OWNING AND DISPOSING OF OUR NOTES, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAWS.**

S-32

**Table of Contents****UNDERWRITING**

Merrill Lynch, Pierce, Fenner & Smith Incorporated, Mizuho Securities USA LLC and Wells Fargo Securities, LLC are acting as joint book-running managers of the offering and as representatives of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the principal amount of notes set forth opposite the underwriter's name.

<b>Underwriters</b>	<b>Principal Amount of the Notes</b>
Merrill Lynch, Pierce, Fenner & Smith Incorporated	\$ 136,000,000
Mizuho Securities USA LLC	136,000,000
Wells Fargo Securities, LLC	136,000,000
Citigroup Global Markets Inc.	50,000,000
Credit Suisse Securities (USA) LLC	50,000,000
J.P. Morgan Securities LLC	50,000,000
Morgan Stanley & Co. LLC	50,000,000
MUFG Securities Americas Inc.	50,000,000
RBC Capital Markets, LLC	50,000,000
BBVA Securities Inc.	24,000,000
SunTrust Robinson Humphrey, Inc.	24,000,000
U.S. Bancorp Investments, Inc.	24,000,000
BOK Financial Securities, Inc.	10,000,000
KeyBanc Capital Markets Inc.	10,000,000
<b>Total</b>	<b>\$ 800,000,000</b>

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the notes sold under the underwriting agreement if any of these notes are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the underwriters and their controlling persons against certain liabilities in connection with this offering, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the notes, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

**Commissions and Discounts**

The representatives have advised us that the underwriters propose initially to offer the notes to the public at the public offering price set forth on the cover of this prospectus supplement and to certain dealers at such price less a concession not in excess of 0.400% of the principal amount of the notes. The underwriters may allow, and such other dealers may reallocate, a concession not in excess of 0.250% of the principal amount of the notes to certain other dealers. After the initial offering, the public offering price and other selling terms may be changed.

S-33

## **Table of Contents**

The expenses of the offering, not including the underwriting discount, are estimated at \$1,500,000 and are payable by us.

## **New Issue of Notes**

The notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any securities exchange or for inclusion on any automated dealer quotation system. We have been advised by the underwriters that they presently intend to make a market in the notes after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time and without any notice. We cannot assure the liquidity of the trading market of the notes or that an active public market for the notes will develop. If an active public trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected. If the notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

## **Short Positions**

In connection with the offering, the underwriters may purchase and sell notes in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater principal amount of notes than they are required to purchase in the offering. The underwriters must close out any short position by purchasing notes in the open market. A short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the notes in the open market after pricing that could adversely affect investors who purchase in the offering.

Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of the notes or preventing or retarding a decline in the market price of the notes. As a result, the price of the notes may be higher than the price that might otherwise exist in the open market.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

## **Other Relationships**

We will use a portion of the net proceeds from the offering to repay the total amount outstanding under our 2015 term loan agreement and amounts outstanding under our revolving credit facility related to borrowings used to fund our commercial paper program. Affiliates of certain of the underwriters are lenders, and in some case agents or managers for the lenders, under our 2015 term loan agreement and revolving credit facility and, as a result, will receive a portion of the net proceeds of this offering. U.S. Bancorp Investments, Inc., one of the underwriters, is an affiliate of the trustee.

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial

instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our

S-34

---

**Table of Contents**

affiliates. Certain of the underwriters or their affiliates that have a lending relationship with us routinely hedge, and certain other of those underwriters or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, such underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**Selling Restrictions*****Notice to Prospective Investors in the European Economic Area***

The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ( EEA ). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, MiFID II ); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the Insurance Mediation Directive ), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the Prospectus Directive ). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the PRIIPs Regulation ) for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This prospectus supplement and the accompanying prospectus have been prepared on the basis that any offer of notes in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of notes. This prospectus supplement and the accompanying prospectus are not a prospectus for the purposes of the Prospectus Directive.

***Notice to Prospective Investors in the United Kingdom***

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are qualified investors (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Order ) and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons ). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

***Notice to Prospective Investors in Hong Kong***

The notes may not be offered or sold in Hong Kong by means of any document other than (a) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (b) to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (c) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement,

invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong

S-35

**Table of Contents**

Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

***Notice to Prospective Investors in Japan***

The notes offered in this prospectus supplement have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Financial Instruments and Exchange Law). The notes have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (which term as used herein means any resident of Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and in compliance with, the Financial Instruments and Exchange Law and any other applicable requirements of Japanese law.

***Notice to Prospective Investors in Singapore***

This prospectus supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), (b) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where the notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the notes pursuant to an offer made under Section 275 of the SFA except

to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities



or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

where no consideration is or will be given for the transfer; or

where the transfer is by operation of law.

S-36

**Table of Contents**

***Notice to Prospective Investors in Switzerland***

This prospectus supplement does not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations and the notes will not be listed on the SIX Swiss Exchange. Therefore, this prospectus supplement may not comply with the disclosure standards of the listing rules (including any additional listing rules or prospectus schemes) of the SIX Swiss Exchange. Accordingly, the notes may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors who do not subscribe to the notes with a view to distribution. Any such investors will be individually approached by the underwriters from time to time.

***Notice to Prospective Investors in the Dubai International Financial Centre***

This prospectus supplement relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ( DFSA ). This prospectus supplement is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for the prospectus supplement. The notes to which this prospectus supplement relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the notes offered should conduct their own due diligence on the notes. If you do not understand the contents of this prospectus supplement you should consult an authorized financial advisor.

**Table of Contents**

**LEGAL MATTERS**

Vinson & Elkins L.L.P., Houston, Texas, will pass on the validity of the notes offered in this prospectus supplement. Latham & Watkins LLP, Houston, Texas, will pass upon some legal matters for the underwriters in connection with this offering.

**EXPERTS**

The consolidated financial statements incorporated in this Prospectus Supplement by reference from Enable Midstream Partners, LP's Annual Report on Form 10-K for the year ended December 31, 2017, and the effectiveness of Enable Midstream Partners, LP's internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such consolidated financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

**Table of Contents**

**WHERE YOU CAN FIND MORE INFORMATION**

We have filed a registration statement with the SEC under the Securities Act that registers the securities offered by this prospectus supplement. The registration statement, including the attached exhibits, contains additional relevant information about us. The rules and regulations of the SEC allow us to omit some information included in the registration statement from this prospectus supplement.

In addition, we file annual, quarterly and other reports and other information with the SEC. You may read and copy any document we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-732-0330 for further information on the operation of the SEC's public reference room. Our SEC filings are available on the SEC's web site at <http://www.sec.gov>. We also make available free of charge on our website at [www.enablemidstream.com](http://www.enablemidstream.com) all materials that we file electronically with the SEC, including our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, Section 16 reports and amendments to these reports as soon as reasonably practicable after such materials are electronically filed with, or furnished to, the SEC. Information contained on our website or any other website is not incorporated by reference into this prospectus supplement or the accompanying prospectus and does not constitute a part of this prospectus supplement or the accompanying prospectus.

The SEC allows us to incorporate by reference the information we have filed with the SEC. This means that we can disclose important information to you without actually including the specific information in this prospectus supplement by referring you to other documents filed separately with the SEC. These other documents contain important information about us, our financial condition and results of operations. The information incorporated by reference is an important part of this prospectus supplement. Information that we file later with the SEC will automatically update and may replace information in this prospectus supplement and information previously filed with the SEC.

We incorporate by reference in this prospectus supplement the documents listed below and any subsequent filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (excluding information deemed to be furnished and not filed with the SEC) until all offerings under this registration statement are completed:

our annual report on Form 10-K for the year ended December 31, 2017;

our quarterly report on Form 10-Q for the period ended March 31, 2018; and

our current reports on Form 8-K (in each case to the extent filed and not furnished) filed on February 9, 2018 and April 9, 2018.

You may obtain any of the documents incorporated by reference in this prospectus supplement from the SEC through the SEC's web site at the address provided above. You also may request a copy of any document incorporated by reference in this prospectus supplement (including exhibits to those documents specifically incorporated by reference in those documents), at no cost, by visiting our internet website at [www.enablemidstream.com](http://www.enablemidstream.com), or by writing or calling us at the following address:

Enable Midstream Partners, LP

Edgar Filing: Enable Midstream Partners, LP - Form 424B5

Attn: Investor Relations

One Leadership Square

211 North Robinson Ave., Suite 150

Oklahoma City, OK 73102

Telephone: (405) 558-4600

S-39

**Table of Contents**

**PROSPECTUS**

**Enable Midstream Partners, LP**

**COMMON UNITS**

**PREFERRED UNITS**

**SENIOR DEBT SECURITIES**

The following securities may be offered under this prospectus:

Common units representing limited partner interests in Enable Midstream Partners, LP;

Preferred units representing limited partner interests in Enable Midstream Partners, LP; and

Senior debt securities of Enable Midstream Partners, LP.

We may offer and sell these securities through one or more underwriters, dealers or agents, or directly to purchasers, on a continuous or delayed basis.

This prospectus describes some of the general terms that may apply to these securities. The specific terms of any securities we offer will be included in a supplement to this prospectus. You should read this prospectus and any prospectus supplement carefully before you invest. This prospectus will not be used to issue any securities unless it is attached to a prospectus supplement.

Our common units are traded on the New York Stock Exchange (the NYSE ) under the symbol ENBL. The last reported sales price of our common units on the NYSE on May 4, 2018 was \$14.15 per unit. We will provide information in the related prospectus supplement for the trading market, if any, for any other securities that may be offered.

**Investing in our securities involves risks. You should carefully consider the risk factors described under Risk Factors beginning on page 3 of this prospectus before you make any investment in our securities.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined whether this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is May 7, 2018**

Table of Contents

TABLE OF CONTENTS

<u>ABOUT THIS PROSPECTUS</u>	1
<u>ENABLE MIDSTREAM PARTNERS, LP</u>	2
<u>RISK FACTORS</u>	3
<u>FORWARD-LOOKING STATEMENTS</u>	4
<u>USE OF PROCEEDS</u>	6
<u>RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED UNIT DISTRIBUTIONS</u>	7
<u>DESCRIPTION OF THE SENIOR DEBT SECURITIES</u>	8
<u>DESCRIPTION OF THE COMMON UNITS</u>	19
<u>DESCRIPTION OF THE PREFERRED UNITS</u>	21
<u>DESCRIPTION OF OUR PARTNERSHIP AGREEMENT</u>	23
<u>CASH DISTRIBUTION POLICY</u>	36
<u>MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS</u>	48
<u>PLAN OF DISTRIBUTION</u>	64
<u>LEGAL MATTERS</u>	66
<u>EXPERTS</u>	66
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	67

**You should rely only on the information incorporated by reference or provided in this prospectus, any prospectus supplement or any other statement or free writing prospectus authorized by Enable Midstream Partners, LP in the future. We have not authorized anyone to provide any other information. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. No offer of these securities is being made in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the cover page of this prospectus or that any information we have incorporated by reference is accurate as of any date other than the date of the documents incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since those dates.**



**Table of Contents**

**ABOUT THIS PROSPECTUS**

This prospectus, including any information incorporated by reference herein, is part of a registration statement on Form S-3 that we have filed with the Securities and Exchange Commission (the SEC) using a shelf registration process. Under this shelf registration process, we may sell, in one or more offerings, any combination of securities described in this prospectus. This prospectus provides you with a general description of us and the securities offered under this prospectus.

Each time we sell securities under this prospectus, we will provide a prospectus supplement that will contain specific information about the terms of that offering and the securities being offered. The prospectus supplement also may add to, update or change information in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information in the prospectus supplement. You should read carefully this prospectus, any prospectus supplement and the additional information described below under the heading **Where You Can Find More Information**.

This prospectus contains summaries of certain provisions contained in some of the documents described herein, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by reference to the actual documents. For additional information about our business, operations and financial results, please read the documents incorporated by reference herein as described below in the section entitled **Where You Can Find More Information**.

We may sell the securities to or through underwriters, dealers or agents or directly to purchasers. The securities may be sold for U.S. dollars, foreign-denominated currency, currency units or composite currencies. Amounts payable with respect to any securities may be payable in U.S. dollars or foreign-denominated currency, currency units or composite currencies as specified in the applicable prospectus supplement. We and our agents reserve the sole right to accept or reject in whole or in part any proposed purchase of the securities. The prospectus supplement, which we will provide each time we offer the securities, will set forth the names of any underwriters, dealers or agents involved in the sale of the securities, and any related fee, commission or discount arrangements and the net proceeds to us. See **Plan of Distribution**. The prospectus supplement may also contain information about certain U.S. federal income tax consequences relating to the securities covered by the prospectus supplement.

As used in this prospectus, **we**, **us** and **our** and similar terms mean Enable Midstream Partners, LP and its subsidiaries, unless the context indicates otherwise.

**Table of Contents**

**ENABLE MIDSTREAM PARTNERS, LP**

Enable Midstream Partners, LP (NYSE: ENBL) is a Delaware limited partnership formed in May 2013 by CenterPoint Energy, Inc. ( CenterPoint Energy ), OGE Energy Corp. ( OGE Energy ), and ArcLight Capital Partners, LLC to own, operate and develop midstream energy infrastructure assets strategically located to serve our customers. Our assets and operations are organized into two reportable segments: (a) gathering and processing and (b) transportation and storage. Our gathering and processing segment primarily provides natural gas and crude oil gathering and natural gas processing services to our producer customers. Our transportation and storage segment provides interstate and intrastate natural gas pipeline transportation and storage services primarily to our producer, power plant, local distribution company and industrial end-user customers.

Our general partner, Enable GP, LLC, is a Delaware limited liability company and has ultimate responsibility for conducting our business and managing our operations.

Our executive offices are located at One Leadership Square, 211 North Robinson Avenue, Suite 150, Oklahoma City, Oklahoma 73102, and our telephone number is (405) 525-7788.

**Table of Contents**

**RISK FACTORS**

An investment in our securities involves a high degree of risk. Limited partner interests are inherently different from the capital stock of a corporation, although many of the business risks to which we are subject are similar to those that would be faced by a corporation engaged in a similar business. You should carefully consider the risks described in our filings with the SEC referred to under the heading *Where You Can Find More Information*, as well as the risks included and incorporated by reference in this prospectus, including the risk factors incorporated by reference herein from our Annual Report on Form 10-K for the year ended December 31, 2017 and our Quarterly Report on Form 10-Q for the period ended March 31, 2018, as updated by annual, quarterly and other reports and documents we file with the SEC after the date of this prospectus and that are incorporated by reference herein, as well as the risk factors and other information contained in any applicable prospectus supplement. If any of these risks were to occur, our business, financial condition or results of operations could be adversely affected. In that case, the trading price of our common units or debt securities could decline and you could lose all or part of your investment. When we offer and sell any securities pursuant to a prospectus supplement, we may include additional risk factors relevant to such securities in the prospectus supplement.

---

**Table of Contents**

**FORWARD-LOOKING STATEMENTS**

Some of the information included in this prospectus, any prospectus supplement and the documents we incorporate by reference may contain forward-looking statements. Forward-looking statements give our current expectations, contain projections of results of operations or of financial condition, or forecasts of future events. Words such as could, will, should, may, assume, forecast, position, predict, strategy, expect, intend, plan, estimate, anticipate, budget, potential, or continue, and similar expressions are used to identify forward-looking statements. Without limiting the generality of the foregoing, forward-looking statements contained in this prospectus, any prospectus supplements and the documents we incorporate by reference include our expectations of plans, strategies, objectives, growth and anticipated financial and operational performance, including revenue projections, capital expenditures and tax position. Forward-looking statements can be affected by assumptions used or by known or unknown risks or uncertainties. Consequently, no forward-looking statements can be guaranteed.

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We believe that we have chosen these assumptions or bases in good faith and that they are reasonable. However, when considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this prospectus and any prospectus supplement or incorporated by reference herein or therein, including those described in Item 1A Risk Factors in Part I of our Annual Report on Form 10-K for the year ended December 31, 2017 and in our Quarterly Report on Form 10-Q for the period ended March 31, 2018, and our future annual, quarterly and other reports that are incorporated by reference into this prospectus and any prospectus supplement, as such information may be amended or supplemented by any future filings with the SEC. Those risk factors and other factors noted in this prospectus or the documents we incorporate by reference herein could cause our actual results to differ materially from those disclosed in any forward-looking statement. You are cautioned not to place undue reliance on any forward-looking statements. You should also understand that it is not possible to predict or identify all such factors and should not consider the following list to be a complete statement of all potential risks and uncertainties. Factors that could cause our actual results to differ materially from the results contemplated by such forward-looking statements include:

changes in general economic conditions;

competitive conditions in our industry;

actions taken by our customers and competitors;

the supply and demand for natural gas, NGLs, crude oil and midstream services;

our ability to successfully implement our business plan;

our ability to complete internal growth projects on time and on budget;

the price and availability of debt and equity financing;

strategic decisions by CenterPoint Energy and OGE Energy regarding their ownership of us and our general partner;

operating hazards and other risks incidental to transporting, storing, gathering and processing natural gas, NGLs, crude oil and midstream products;

natural disasters, weather-related delays, casualty losses and other matters beyond our control;

interest rates;

labor relations;

large customer defaults;

changes in the availability and cost of capital;

changes in tax status;

**Table of Contents**

the effects of existing and future laws and governmental regulations;

changes in insurance markets impacting costs and the level and types of coverage available;

the timing and extent of changes in commodity prices;

the suspension, reduction or termination of our customers' obligations under our commercial agreements;

disruptions due to equipment interruption or failure at our facilities, or third-party facilities on which our business is dependent;

the effects of future litigation; and

other factors set forth in this prospectus and our other filings with the SEC, including in our most recent Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K that are incorporated by reference herein.

Forward-looking statements speak only as of the date on which they are made. We expressly disclaim any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

**Table of Contents**

**USE OF PROCEEDS**

Unless we specify otherwise in any prospectus supplement, we will use the net proceeds we receive from the sale of securities covered by this prospectus for general partnership purposes, which may include, among other things:

paying or refinancing all or a portion of our indebtedness outstanding at the time; and

funding working capital, capital expenditures or acquisitions.

The actual application of proceeds from the sale of any particular offering of securities using this prospectus will be described in the applicable prospectus supplement relating to such offering. The precise amount and timing of the application of these proceeds will depend upon our funding requirements and the availability and cost of other funds.

**Table of Contents****RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED UNIT DISTRIBUTIONS**

The table below sets forth the ratios of earnings to fixed charges and ratio of earnings to fixed charges and preferred unit distributions for us for each of the periods indicated.

	<b>Period Ended</b>					
	<b>March 31, 2018</b>	<b>Fiscal Year Ended December 31,</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	
Ratio of earnings to fixed charges	4.08	4.30	3.72	(1)	6.73	5.99
Ratio of earnings to fixed charges and preferred unit distributions(2)	3.28	3.38	3.12			

(1) Earnings were inadequate to cover fixed charges by \$761 million for the year ended December 31, 2015. As a result, the ratio of earnings to fixed charges was less than 1.0 for such period.

(2) No preferred units were outstanding for the years ended December 31, 2015, 2014, or 2013. No historical ratios of earnings to combined fixed charges and preferred unit distributions are presented for these years.

For purposes of determining these ratios, (i) earnings are defined as pretax income or loss from continuing operations before earnings from unconsolidated affiliates, plus fixed charges, plus amortization of capitalized interest, plus distributed earnings from unconsolidated affiliates, plus noncontrolling interest in pre-tax loss of subsidiaries, less capitalized interest, less noncontrolling interest in pre-tax income of subsidiaries, and (ii) fixed charges consist of interest expensed, capitalized interest, amortization of deferred loan costs and an estimate of the interest within rental expense.



**Table of Contents**

**DESCRIPTION OF THE SENIOR DEBT SECURITIES**

**General**

We may issue debt securities pursuant to this prospectus in one or more series from time to time under the indenture, dated as of May 27, 2014 (the "base indenture"), between us and U.S. Bank National Association, as trustee (the "trustee"). References in this prospectus to the "indenture" are to the base indenture, as supplemented by a supplemental indenture that establishes the form and terms of any series of debt securities. Any series of debt securities that we may issue will be governed by the provisions of the related indenture and those made part of that indenture by reference to the Trust Indenture Act of 1939.

This description is a summary of the material provisions of the debt securities and the indenture. We urge you to read the indenture applicable to any series of debt securities that we may offer under this prospectus, because that indenture, and not this description, will govern your rights as a holder of that series. The base indenture is filed as an exhibit to the registration statement of which this prospectus is a part. When we offer and sell any particular series of our debt securities under this prospectus, we will file the supplemental indenture establishing the form and terms of that series as an exhibit to a Current Report on Form 8-K. Capitalized terms used in this summary have the meanings specified in the indenture.

**Specific Terms of Each Series of Debt Securities in the Prospectus Supplement**

A prospectus supplement and a supplemental indenture or authorizing resolutions relating to any series of debt securities being offered will include specific terms relating to the offering. These terms will include some or all of the following:

the title of the debt securities;

the total principal amount of the debt securities;

the assets, if any, that are pledged as security for the payment of the debt securities;

whether we will issue the debt securities in individual certificates to each holder in registered form, or in the form of temporary or permanent global securities held by a depository on behalf of holders;

the prices at which we will issue the debt securities;

the portion of the principal amount that will be payable if the maturity of the debt securities is accelerated;

the currency or currency unit in which the debt securities will be payable, if not U.S. dollars;

the dates on which the principal of the debt securities will be payable;

the interest rate that the debt securities will bear and the interest payment dates for the debt securities;

any conversion or exchange provisions;

any optional redemption provisions;

any sinking fund or other provisions that would obligate us to repurchase or redeem the debt securities;

any changes to or additional events of default or covenants; and

any other terms of the debt securities.

We may offer and sell debt securities, including original issue discount debt securities, at a substantial discount below their principal amount. The prospectus supplement will describe special U.S. federal income tax and any other considerations applicable to those securities. In addition, the prospectus supplement may describe certain special U.S. federal income tax or other considerations applicable to any debt securities that are denominated in a currency other than U.S. dollars.

## **Table of Contents**

### **No Protection in the Event of a Change of Control**

The indenture does not contain any covenant or other specific provision affording protection to holders of the debt securities in the event of a highly leveraged transaction or a change in control of us, except to the limited extent described below under Consolidation, Merger, Conveyance or Transfer.

### **Modification and Waiver**

The indenture provides that we and the trustee may enter into one or more supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the indenture or for the purpose of modifying in any manner the rights of the holders of debt securities of any series under the indenture or the debt securities of such series, with the consent of the holders of not less than a majority (or such greater amount as is provided for with respect to such series) in principal amount of the outstanding debt securities of such series. No such supplemental indenture may, however, without the consent of the holder of each note affected thereby:

- (a) change the stated maturity of the principal of, or any premium, installment of interest on or additional amounts with respect to, the debt securities of either series, or reduce the principal amount thereof, or reduce the interest rate thereon or any additional amounts, or reduce any premium payable on redemption thereof or otherwise, or change our obligation to pay additional amounts with respect thereto, or reduce the amount of the principal of debt securities issued with original issue discount that would be due and payable upon an acceleration of the maturity thereof or the amount thereof provable in bankruptcy, or change the redemption provisions or adversely affect the right of repayment at the option of any holder, or change the place of payment for any note or the currency in which the principal of, or any premium, interest or additional amounts with respect to, any note is payable, or impair the right to institute suit for the payment of principal of, premium or interest on, or additional amounts with respect to, such debt securities after such payment is due;
- (b) reduce the percentage of outstanding debt securities of any series, the consent of the holders of which is required for any such supplemental indenture, or the consent of whose holders is required for any waiver, or reduce the requirements for a quorum or for voting;
- (c) modify any of the provisions of the sections of the indenture relating to amending the indenture, or waiving events of defaults and covenants, except to increase any necessary percentage of principal amount of debt securities of either series required for such actions, or to provide that certain other provisions of the indenture cannot be modified or waived without the consent of the holder of each outstanding note affected thereby; or
- (d) make any change that adversely affects the right to convert or exchange any note into or for common units or other securities, cash or other property in accordance with the terms of the applicable note.

The indenture provides that a supplemental indenture that changes or eliminates any covenant or other provision of the indenture that has expressly been included solely for the benefit of one or more particular series of debt securities, or that modifies the rights of the holders of debt securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under the indenture of the holders of debt securities of any other series.

The indenture provides that we and the trustee may, without the consent of the holders of the debt securities of either series, enter into one or more supplemental indentures for any of the following purposes:

- (a) to evidence the succession of another person to us and the assumption by any such successor of our covenants in the indenture and in the debt securities;
- (b) to add to our covenants or to surrender any right or power conferred on us pursuant to the indenture;

**Table of Contents**

- (c) to evidence and provide for a successor trustee under the indenture with respect to one or more series of debt securities or to add to or change any of the provisions of the indenture as are necessary to provide for or facilitate the administration of the trusts under the indenture by more than one trustee;
- (d) to cure any ambiguity, to correct or supplement any provision in the indenture that may be defective or inconsistent with any other provision of the indenture, to comply with any applicable mandatory provision of law, or to make any other provisions with respect to matters or questions arising under such indenture, so long as no such action adversely affects the interests of the holders of any series of then outstanding debt securities issued thereunder in any material respect;
- (e) to add to, delete from or revise the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue, authentication and delivery of debt securities under the indenture;
- (f) to add any additional events of default with respect to all or any series of the debt securities;
- (g) to supplement any of the provisions of the indenture as may be necessary for the defeasance and discharge of any series of the debt securities, so long as action does not adversely affect the interests of any holder of an outstanding note of such series or any other debt security in any material respect;
- (h) to make provisions with respect to the conversion or exchange rights of holders of the debt securities of any series;
- (i) to reflect the release of any guarantor otherwise permitted by the indenture;
- (j) to add guarantors in respect of one or more series of the debt securities and to provide for the terms and conditions of release thereof;
- (k) to pledge to the trustee as security for one or more series of the debt securities any property or assets and to provide for the terms and conditions of release thereof;
- (l) to change or eliminate any of the provisions of the indenture, provided that any such change or elimination will become effective only when there is no outstanding note of any series created prior to the execution of such supplemental indenture that is entitled to the benefit of such provision;
- (m) to provide for certificated securities in addition to or in place of global securities;
- (n)

with respect to any series of the debt securities, to conform the text of the indenture or the debt securities of such series to any provision of the description thereof in our prospectus relating to the initial offering of such debt securities, to the extent that such provision, in our good faith judgment, was intended to be a verbatim recitation of a provision of the indenture or such debt securities, so long as such change does not adversely affect the rights of holders of outstanding debt securities in any material respect; or

- (o) to make any other change that does not adversely affect the rights of holders of any outstanding debt securities issued under the indenture in any material respect.

**Certain Covenants**

The covenants set forth in the indenture include the following:

*Payment of Principal, any Premium, Interest or Additional Amounts.* We will duly and punctually pay the principal of, and premium and interest on or any additional amounts payable with respect to the debt securities in accordance with their terms and the terms of the indenture.

*Maintenance of Office or Agency.* We will maintain an office or agency in each place of payment for the debt securities for notice and demand purposes and for the purposes of presenting or surrendering the debt securities for payment, registration of transfer or exchange.

## Table of Contents

### **Events of Default**

Unless we inform you otherwise in the applicable prospectus supplement, the following are events of default under the indenture with respect to each series of the debt securities:

- (a) default for 30 days in the payment when due of interest on, or any additional amount in respect of, the debt securities of such series;
- (b) default in the payment of principal of or any premium or any additional amounts payable in respect of such principal or premium on the debt securities of such series when due;
- (c) default in the deposit of any sinking fund payment when and as due by the terms of any debt securities of such series, subject to any cure period specified in any debt securities of such series;
- (d) failure by us for 60 days after receipt of written notice from the trustee upon direction from holders of at least 25% in principal amount of the then outstanding debt securities of such series, to observe or perform any other applicable covenants or agreements in the indenture (other than those described in clauses (a) or (b) immediately above) and stating that such notice is a Notice of Default under the indenture; provided, that if such failure cannot be remedied within such 60-day period, such period shall be automatically extended by another 60 days so long as (i) such failure is subject to cure and (ii) we are using commercially reasonable efforts to cure such failure; and provided, further, that a failure to comply with any such other agreement in the indenture that results from a change in generally accepted accounting principles shall not be deemed to be an event of default;
- (e) certain events of bankruptcy, insolvency or reorganization of us or any guarantor of the series as more fully described in the indenture;
- (f) if the debt securities of that series are entitled to a guarantee, the guarantee ceases to be in full force and effect (except as otherwise provided in the indenture) or is declared null and void in a judicial proceeding or any of the subsidiary guarantors denies or disaffirms its obligations under the indenture or such subsidiary guarantee; or
- (g) any other event of default provided for that series of debt securities.

If an event of default described in clause (e) above occurs, then the principal amount of all of the debt securities outstanding shall automatically become due and payable immediately, without action or notice. If an event of default specified in any clause other than (e) above shall occur and be continuing, and we and the trustee receive written notice that holders of at least 25% in aggregate principal amount of the outstanding debt securities of such series have declared the principal of such series to be due and payable immediately, then upon any such declaration the same shall become and shall be immediately due and payable, anything contained in the indenture or in the debt securities of such series or established with respect to the debt securities of such series to the contrary notwithstanding. Any past or

existing default or event of default with respect to the debt securities of such series under the indenture may be waived by the holders of not less than a majority in aggregate principal amount of the outstanding debt securities of such series, except in each case a continuing default (a) in the payment of the principal of, any premium or interest on, or any additional amounts with respect to, any debt securities of such series, or (b) in respect of a covenant or provision of the indenture that, pursuant to the indenture, cannot be modified or amended without the consent of the holder of each outstanding note of such series affected thereby.

The indenture provides that within 90 days after the occurrence of a default under the indenture of which the trustee has actual knowledge, the trustee is to give notice of such default to the holders of the relevant series of debt securities, but the trustee may withhold notice to the holders of any default with respect to any series of debt securities (except in case of a default in the payment of principal of or interest or premium on the debt securities) if the trustee determines in good faith that it is in the best interest of holders to do so.

The indenture contains a provision disclaiming liability of the trustee in its individual capacity with respect to any action taken, suffered or omitted to be taken by the trustee in good faith in accordance with the indenture



## **Table of Contents**

and, to the extent not provided in the indenture, with respect to any act requiring the trustee to exercise its own discretion, relating to the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power confirmed upon the trustee, under the indenture or any debt securities, unless it is proven that, in connection with any such action taken, suffered or omitted or any such act, the trustee was negligent, acted in bad faith or engaged in willful misconduct. In addition, the indenture contains a provision disclaiming liability of the trustee with respect to any action taken, suffered or omitted to be taken by it or at the direction of the holders of a majority in aggregate principal amount of the outstanding debt securities relating to the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising or omitting to exercise any trust or power conferred upon the trustee, under the indenture. The indenture provides that the holders of a majority in aggregate principal amount of the then outstanding debt securities of any series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred upon the trustee with respect to the debt securities of such series; provided, however, that the trustee may decline to follow any such direction if, among other reasons, the trustee determines that the actions or proceedings as directed would be unduly prejudicial to the rights of holders of the debt securities of such series not joining in such actions or proceeding. The right of a holder to institute a proceeding with respect to the debt securities of any series is subject to certain conditions precedent including, without limitation, that in case of an event of default specified in any clause other than (e) of the first paragraph above under Events of Default, holders of at least 25% in aggregate principal amount of the outstanding debt securities of such series have made a written request to the trustee to institute proceedings in respect of such event of default in its own name as trustee, have offered to indemnify the trustee for the trustee's costs, expenses and liabilities to be incurred in compliance with such request, and the trustee has failed to institute a proceeding within 60 days after its receipt of such request and offer of indemnity.

Notwithstanding any other provision in the indenture, the holder of any note has an absolute right to receive the principal of, premium, if any, and interest on and additional amounts with respect to the debt securities when due and to institute suit for the enforcement thereof.

We are required to file each year with the trustee a written statement as to our compliance with the covenants contained in the indenture.

## **Discharge, Defeasance and Covenant Defeasance**

The indenture provides that we may satisfy and discharge our obligations under the indenture with respect to any series of the debt securities if:

- (a) (i) all debt securities of such series previously authenticated and delivered, with certain exceptions, have been delivered to the trustee for cancellation; or
- (ii) the debt securities of such series not delivered to the trustee for cancellation have become due and payable, or mature within one year, or if redeemable at our option, are to be called for redemption within one year under arrangements satisfactory to the trustee for giving the notice of redemption, and we deposit in trust with the trustee, as trust funds, for that purpose, money or governmental obligations or a combination thereof sufficient (in the opinion of a nationally recognized independent registered public accounting firm expressed in a written certification thereof delivered to the trustee) to pay the entire indebtedness on the debt securities of such series not delivered to the trustee for cancellation;

- (b) we have paid all other sums payable by us under the indenture with respect to the outstanding debt securities of such series; and
  
- (c) we have delivered to the trustee an officer's certificate and an opinion of counsel, in each case stating that all conditions precedent provided for in the indenture relating to the satisfaction and discharge of the indenture with respect to the debt securities of such series have been complied with.

---

**Table of Contents**

Notwithstanding such satisfaction and discharge, our obligations to compensate and indemnify the trustee, to pay additional amounts, if any, in respect of the debt securities in certain circumstances and to transfer, convert or exchange the debt securities pursuant to the terms thereof, and our obligations and the obligations of the trustee to hold funds in trust and to apply such funds pursuant to the terms of the indenture, with respect to issuing temporary debt securities, with respect to the registration, transfer and exchange of debt securities, with respect to the replacement of mutilated, destroyed, lost or stolen debt securities and with respect to the maintenance of an office or agency for payment, shall in each case survive such satisfaction and discharge.

The indenture provides that (a) we will be deemed to have paid and will be discharged from any and all obligations in respect of the debt securities of any series issued thereunder, and the provisions of such indenture will, except as noted below, no longer be in effect with respect to the debt securities of such series ( defeasance ) and (b) (i) we may omit to comply with the covenant under Covenants Consolidation, Merger, Conveyance or Transfer and any other additional covenants established pursuant to the terms of such series, and such omission shall be deemed not to be an event of default under clause (c) or (e) of the first paragraph under Events of Default and (ii) the occurrence of any event described in clause (e) of the first paragraph under Events of Default shall not be deemed to be an event of default, in each case with respect to the outstanding debt securities of such series ((i) and (ii) of this clause (b), covenant defeasance ); provided that the following conditions shall have been satisfied with respect to the debt securities of such series:

- (a) we have irrevocably deposited in trust with the trustee, as trust funds solely for the benefit of the holders of the debt securities of such series, for the purpose of making the following payments, an amount in money or government obligations or a combination thereof sufficient (in the opinion of a nationally recognized independent registered public accounting firm expressed in a written certification thereof delivered to the trustee) without consideration of any reinvestment, to pay and discharge the principal of, premium, if any, and accrued interest and additional amounts on, the outstanding debt securities of such series to maturity or earlier redemption date (irrevocably provided for under arrangements satisfactory to the trustee), as the case may be;
- (b) such defeasance or covenant defeasance will not result in a breach or violation of, or constitute a default under, the indenture or any other material agreement or instrument to which we are a party or by which we are bound;
- (c) no event of default or event that with notice or lapse of time would become an event of default with respect to such debt securities shall have occurred and be continuing on the date of such deposit;
- (d) we shall have delivered to such trustee an opinion of counsel as described in the indenture to the effect that the holders of the debt securities of such series will not recognize income, gain or loss for federal income tax purposes as a result of such defeasance or covenant defeasance and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such defeasance or covenant defeasance had not occurred, and in the case of defeasance, such opinion of counsel shall be based on (i) a letter ruling we have received from the IRS or a Revenue Ruling published by the IRS, or (ii) a change in the applicable federal income tax law since the date of execution of the indenture;

(e) we shall have delivered to the trustee an officers certificate and an opinion of counsel, in each case stating that all conditions precedent provided for in the indenture relating to the defeasance or covenant defeasance contemplated have been complied with; and

(f) if the debt securities are to be redeemed prior to their maturity, notice of such redemption shall have been duly given or provision therefor satisfactory to the trustee shall have been made.

Notwithstanding a defeasance or covenant defeasance, among other obligations, our obligations, and the rights of the holders, with respect to the following will survive with respect to the debt securities of such series until otherwise terminated or discharged under the terms of the indenture:

(a) the rights of holders of outstanding debt securities of such series to receive payments in respect of the principal of, interest on or premium or additional amounts, if any, payable in respect of, such debt

## **Table of Contents**

securities when such payments are due and any rights of such holders to convert or exchange such debt securities for other securities, cash or other property;

- (b) our obligations and those of the trustee with respect to the issuance of temporary debt securities, the registration, transfer and exchange of the debt securities, the replacement of mutilated, destroyed, lost or stolen debt securities and the maintenance of an office or agency for payment and holding payments in trust;
- (c) the rights, powers, trusts, duties and immunities of the trustee; and
- (d) the defeasance or covenant defeasance provisions of the indenture.

## **No Limit on Amount of Debt Securities**

The indenture will not limit the amount of debt securities that we may issue, unless we indicate otherwise in a prospectus supplement. The indenture will allow us to issue debt securities of any series up to the aggregate principal amount that we authorize.

## **Registration of Debt securities**

The debt securities will be issued in registered form, without interest coupons.

## **Form, Denomination and Registration of Debt Securities**

Unless the prospectus supplement states otherwise, the debt securities will be issued only in denominations of \$2,000 or any integral multiple of \$1,000 in excess thereof. Debt securities not denominated in U.S. dollars shall be issuable in such denominations as are established with respect to such debt securities in or pursuant to the indenture.

## **Limitation of Liability**

Our unitholders, our general partner and its directors, officers and members will not be liable for our obligations under the debt securities or the indenture, or for any claim based on, or in respect of, such obligations. By accepting a note, each holder of that debt security will have agreed to this provision and waived and released any such liability on the part of our unitholders, our general partner and its directors, officers and members. This waiver and release are part of the consideration for our issuance of the debt securities. It is the view of the SEC that a waiver of liabilities under the federal securities laws is against public policy and unenforceable.

## **Book-Entry, Delivery and Form**

The debt securities will initially be represented by one or more debt securities in registered, global form without interest coupons (the "Global Notes"). The Global Notes will be deposited upon issuance with the trustee as custodian for the DTC, in New York, New York, and registered in the name of DTC or its nominee, in each case, for credit to an account of a direct or indirect participant in DTC as described below.

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for definitive debt securities in registered certificated form ("Certificated Debt securities") except in the limited

circumstances described below. See Exchange of Global Notes for Certificated Debt securities. Except in the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of debt securities in certificated form.

In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear Bank S.A./

## Table of Contents

N.V., as operator of the Euroclear System ( Euroclear ), and Clearstream Banking, société anonyme, Luxembourg ( Clearstream ), which may change from time to time.

### **Depository Procedures**

The following description of the operations and procedures of DTC, Euroclear and Clearstream is provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. We take no responsibility for these operations and procedures and urge investors to contact the system or their participants directly to discuss these matters.

DTC has advised us that DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the Participants ) and to facilitate the clearance and settlement of transactions in those securities between the Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the underwriters), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the Indirect Participants ). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants.

The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

DTC has also advised us that, pursuant to procedures established by it:

- (a) upon deposit of the Global Notes, DTC will credit the accounts of the Participants designated by the underwriters with portions of the principal amount of the Global Notes; and
- (b) ownership of these interests in the Global Notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interest in the Global Notes).

Investors in the Global Notes who are Participants may hold their interests therein directly through DTC. Investors in the Global Notes who are not Participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) which are Participants. All interests in a Global Note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems. The laws of some states require that certain Persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such Persons will be limited to that extent. Because DTC can act only on behalf of the Participants, which in turn act on behalf of the Indirect Participants, the ability of a Person having beneficial interests in a Global Note to pledge such interests to Persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

**Except as described below, owners of interests in the Global Notes will not have debt securities registered in their names, will not receive physical delivery of debt securities in certificated form and will not be considered**

**the registered owners or holders thereof under the indenture for any purpose.**

Payments in respect of the principal of, premium on, if any, and, if any, on, a Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered holder under the indenture. Under the terms of the indenture, we and the trustee will treat the Persons in whose names the debt securities, including the Global Notes, are registered as the owners of the debt securities for the purpose of receiving payments and for all other purposes.



**Table of Contents**

Consequently, neither we, the trustee nor any agent of Enable or the trustee has or will have any responsibility or liability for:

- (a) any aspect of DTC's records or any Participant's or Indirect Participant's records relating to or payments made on account of beneficial ownership interest in the Global Notes or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes; or
- (b) any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

DTC has advised us that its current practice, upon receipt of any payment in respect of securities such as the debt securities (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date unless DTC has reason to believe that it will not receive payment on such payment date. Each relevant Participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the Participants and the Indirect Participants to the beneficial owners of debt securities will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the trustee or Enable. Neither Enable nor the trustee will be liable for any delay by DTC or any of the Participants or the Indirect Participants in identifying the beneficial owners of the debt securities, and Enable and the trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Transfers between the Participants will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Cross-market transfers between the Participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by their respective depositories; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

DTC has advised us that it will take any action permitted to be taken by a holder of debt securities of any series only at the direction of one or more Participants to whose account DTC has credited the interests in the Global Notes and only in respect of such portion of the aggregate principal amount of the debt securities as to which such Participant or Participants has or have given such direction. However, if there is an event of default under an applicable series of debt securities, DTC reserves the right to exchange the Global Notes for legended debt securities in certificated form, and to distribute such debt securities to its Participants.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Global Notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and may discontinue such procedures at any time. None of Enable, the trustee and any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

## **Table of Contents**

### **Exchange of Global Notes for Certificated Debt securities**

A Global Note is exchangeable for Certificated Debt securities if:

- (a) DTC (a) notifies Enable that it is unwilling or unable to continue as depository for the Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in either case, Enable fails to appoint a successor depository;
- (b) Enable, at its option, notifies the trustee in writing that it elects to cause the issuance of the Certificated Debt securities; or
- (c) there has occurred and is continuing a Default or Event of Default with respect to the debt securities.

In addition, beneficial interests in a Global Note may be exchanged for Certificated Debt securities upon prior written notice given to the trustee by or on behalf of DTC in accordance with the indenture. In all cases, Certificated Debt securities delivered in exchange for any Global Note or beneficial interests in Global Notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depository (in accordance with its customary procedures).

### **Concerning the Trustee**

The trustee will perform only those duties that are specifically set forth in the indenture unless an event of default occurs and is continuing. If an event of default occurs and is continuing, the trustee will exercise the same degree of care and skill in the exercise of its rights and powers under the indenture as a prudent person would exercise in the conduct of his or her own affairs. The trustee is under no obligation to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the indenture, or in the exercise of any of its rights or powers.

### **Resignation or Removal of Trustee**

If the trustee has or acquires a conflicting interest within the meaning of the Trust Indenture Act, the trustee must either eliminate its conflicting interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and the indenture. Any resignation will require the appointment of a successor trustee in accordance with the terms and conditions of the indenture.

The trustee may resign or be removed by us with respect to one or more series of debt securities and a successor trustee may be appointed to act with respect to any such series. The holders of a majority in aggregate principal amount of the outstanding debt securities of any series may remove the trustee with respect to the debt securities of such series.

### **Limitations on Trustee if it is Our Creditor**

The indenture will contain certain limitations on the right of the trustee, in the event that it becomes a creditor of us, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise.

**Annual Trustee Report to Holders of Debt Securities**

The trustee will submit, within 60 days after May 15 of each year, a brief report dated as of such May 15 with respect to any of the events specified in Section 313(a) of the Trust Indenture Act that have occurred since the immediately preceding May 15.

**Certificates and Opinions to be Furnished to Trustee**

The indenture provides that, in addition to other certificates or opinions that may be specifically required by other provisions of the indenture, every application by us for action by the trustee shall be accompanied by a

**Table of Contents**

certificate of certain of our officers and an opinion of counsel (who may be our counsel) stating that, in the opinion of the signers, all conditions precedent to such action have been complied with by us.

**Notice**

Notice to holders of the debt securities will be given by first-class mail at such holder's address as it appears in the security register or in the case of Global Notes, notice will be given in accordance with the depositary's applicable procedures.

**Title**

We, the trustee and any of our or the trustee's agents may treat the person in whose name the debt securities are registered as the owner of the debt securities, whether or not such debt securities may be overdue, for the purpose of making payment and for all other purposes.

**Governing Law**

The indenture and all of the debt securities will be governed by the laws of the State of New York.

---

**Table of Contents**

**DESCRIPTION OF THE COMMON UNITS**

**The Common Units**

The common units represent limited partner interests in us. The holders of common units, along with the holders of preferred units, are entitled to participate in partnership distributions and exercise the rights or privileges available to such holders under our partnership agreement. Unless the context otherwise requires, in this Description of the Common Units, references to unitholders include holders of our common units only and exclude holders of our preferred units, and references to units include our common units only and exclude our preferred units. For a description of the relative rights and preferences of holders of common units and preferred units in and to partnership distributions, please read this section and Cash Distribution Policy in this prospectus. For a general discussion of the expected U.S. federal income tax consequences of owning and disposing of common units, see Material U.S. Federal Income Tax Considerations. References in this Description of the Common Units to we, us and our mean Enable Midstream Partners, LP. For a description of the rights and privileges of limited partners under our partnership agreement, including voting rights, please read Description of Our Partnership Agreement. Our outstanding common units are traded on the New York Stock Exchange under the symbol ENBL.

**Transfer Agent and Registrar**

*Duties*

Equiniti Trust Company serves as the registrar and transfer agent for the common units. We will pay all fees charged by the transfer agent for transfers of common units, except the following that must be paid by unitholders:

surety bond premiums to replace lost or stolen certificates, taxes and other governmental charges;

special charges for services requested by a common unitholder; and

other similar fees or charges.

There will be no charge to unitholders for disbursements of our cash distributions. We will indemnify the transfer agent, its agents and each of their stockholders, directors, officers and employees against all claims and losses that may arise out of acts performed or omitted for its activities in that capacity, except for any liability due to any gross negligence or intentional misconduct of the indemnified person or entity.

*Resignation or Removal*

The transfer agent may resign, by notice to us, or be removed by us. The resignation or removal of the transfer agent will become effective upon our appointment of a successor transfer agent and registrar and its acceptance of the appointment. If no successor has been appointed and has accepted the appointment within 30 days after notice of the resignation or removal, our general partner may act as the transfer agent and registrar until a successor is appointed.

**Transfer of Common Units**

By transfer of common units in accordance with our partnership agreement, each transferee of common units shall be admitted as a limited partner with respect to the common units transferred when such transfer and admission are reflected in our register and such limited partner becomes the record holder of the common units so transferred. Each transferee:

will become bound and will be deemed to have agreed to be bound by the terms and conditions of our partnership agreement;

**Table of Contents**

represents that the transferee has the capacity, power and authority to enter into our partnership agreement;  
and

makes the consents, acknowledgements and waivers contained in our partnership agreement  
all with or without executing our partnership agreement.

We are entitled to treat the nominee holder of a common unit as the absolute owner in the event such nominee is the record holder of such common unit. In that case, the beneficial holder's rights are limited solely to those that it has against the nominee holder as a result of any agreement between the beneficial owner and the nominee holder.

Common units are securities and are transferable according to the laws governing transfers of securities. Until a common unit has been transferred on our register, we and the transfer agent may treat the record holder of the unit as the absolute owner for all purposes, except as otherwise required by law or stock exchange regulations.



---

**Table of Contents**

**DESCRIPTION OF THE PREFERRED UNITS**

Our partnership agreement authorizes us to issue an unlimited number of additional limited partner interests and other equity securities for the consideration and with the designations, preferences, rights, powers and duties established by our general partner without the approval of any of our limited partners. In accordance with Delaware law and the provisions of our partnership agreement, we may issue additional partnership interests that have special voting rights to which our common units are not entitled.

On February 18, 2016, we completed a private placement to CenterPoint Energy of 14,520,000 Series A Preferred Units for a cash purchase price of \$25.00 per Series A Preferred Unit, resulting in proceeds of \$362 million, net of issuance costs. As a result, as of the date of this prospectus, there are 14,520,000 Series A Preferred Units outstanding.

Our Series A Preferred Units rank senior to our common units with respect to the payment of distributions and distribution of assets upon liquidation, dissolution and winding up. The Series A Preferred Units have no stated maturity and are not subject to any sinking fund and will remain outstanding indefinitely unless repurchased or redeemed by us or converted into its common units in connection with a change of control.

At any time on or after five years after the original issue date, we may redeem the Series A Preferred Units, in whole or in part, from any source of funds legally available for such purpose, by paying \$25.50 per unit plus an amount equal to all accumulated and unpaid distributions thereon to the date of redemption, whether or not declared. In addition, we (or a third-party with our prior written consent) may redeem the Series A Preferred Units following certain changes in the methodology employed by ratings agencies, changes of control or fundamental transactions as set forth in our partnership agreement. If, upon a change of control or certain fundamental transactions, we (or a third-party with our prior written consent) do not exercise this option, then the holders of the Series A Preferred Units have the option to convert the Series A Preferred Units into a number of common units per Series A Preferred Unit as set forth in our partnership agreement. The Series A Preferred Units are also required to be redeemed in certain circumstances if they are not eligible for trading on the New York Stock Exchange.

Holders of Series A Preferred Units have no voting rights except for limited voting rights with respect to potential amendments to our partnership agreement that have a material adverse effect on the existing terms of the Series A Preferred Units, the issuance by us of certain securities, approval of certain fundamental transactions and as required by law. Please read [Description of Our Partnership Agreement Meetings; Voting](#).

Holders of the Series A Preferred Units receive, on a non-cumulative basis and if and when declared by our general partner, a quarterly cash distribution, subject to certain adjustments, equal to an annual rate of 10% on the stated liquidation preference from the date of original issue to, but not including, the five year anniversary of the original issue date and an annual rate of LIBOR plus a spread of 850 bps on the stated liquidation preference thereafter. Upon the transfer of any Series A Preferred Unit to a non-affiliate of CenterPoint Energy, the Series A Preferred Units will automatically convert into a new series of preferred units (the [Series B Preferred Units](#) and, together with the Series A Preferred Units, the [Preferred Units](#) ) on the later of the date of transfer and the second anniversary of the date of issue. The Series B Preferred Units will have the same terms as the Series A Preferred Units except that unpaid distributions on the Series B Preferred Units will accrue on a cumulative basis until paid. In certain circumstances, the Series A Preferred Units could convert into one or more new series of preferred units (the [New Preferred Units](#) ) with the same terms as the Series B Preferred Units except with respect to the date from which distributions accumulate. Please read [Cash Distribution Policy Distributions on Preferred Stock](#).

Should we offer preferred units under this prospectus, a prospectus supplement relating to the particular series of preferred units offered will include the specific terms of those preferred units, including, among other things, the

following:

the designation, stated value and liquidation preference of the preferred units and the number of preferred units offered;

**Table of Contents**

the price at which the preferred units will be issued;

the conversion or exchange provisions of the preferred units;

any redemption or sinking fund provisions of the preferred units;

the distribution rights of the preferred units, if any;

a discussion of any additional material U.S. federal income tax consequences relating to the preferred units;  
and

any additional rights, preferences, privileges, limitations and restrictions of the preferred units.

**Table of Contents**

**DESCRIPTION OF OUR PARTNERSHIP AGREEMENT**

The following is a summary of the material provisions of our partnership agreement. Our partnership agreement is included as an exhibit to the registration statement of which this prospectus constitutes a part. We will provide prospective investors with a copy of our partnership agreement upon request at no charge. Unless the context otherwise requires, in this Description of our Partnership Agreement, references to unitholders include holders of our common units only, and exclude holders of our preferred units, and references to units include our common units only, and exclude our preferred units.

We summarize the following provisions of our partnership agreement elsewhere in this prospectus:

with regard to distributions of available cash, please read Cash Distribution Policy ;

with regard to the transfer of common units, please read Description of the Common Units Transfer of Common Units ; and

with regard to allocations of taxable income and taxable loss, please read Material U.S. Federal Income Tax Considerations.

**Organization and Duration**

Our partnership was formed as a limited liability company on December 31, 2010. We converted from a limited liability company to a limited partnership and adopted the partnership agreement on May 1, 2013. We will have a perpetual existence unless terminated pursuant to the terms of our partnership agreement.

**Purpose**

Our purpose under the partnership agreement is limited to any business activity that is approved by our general partner and that lawfully may be conducted by a limited partnership organized under Delaware law; provided, that our general partner shall not cause us to engage, directly or indirectly, in any business activity that our general partner determines would be reasonably likely to cause us to be treated as an association taxable as a corporation or otherwise taxable as an entity for U.S. federal income tax purposes.

Although our general partner has the ability to cause us and our subsidiaries to engage in activities other than the business of gathering, processing, transporting and storing natural gas and the gathering of crude oil, our general partner has no current plans to do so and may decline to do so free of any duty or obligation whatsoever to us or the limited partners, including any duty to act in the best interests of us or the limited partners, other than the implied contractual covenant of good faith and fair dealing. Our general partner is authorized in general to perform all acts it determines to be necessary or appropriate to carry out our purposes and to conduct our business.

**Capital Contributions**

Unitholders are not obligated to make additional capital contributions, except as described below under Limited Liability.

## **Voting Rights**

The following is a summary of the unitholder vote required for the matters specified below. Matters requiring the approval of a unit majority require the approval of a majority of the outstanding common units.

In voting their common units, our general partner and its affiliates will have no duty or obligation whatsoever to us or the limited partners, including any duty to act in the best interests of us or the limited partners, other than the implied covenant of good faith and fair dealing.

**Table of Contents**

The incentive distribution rights may be entitled to vote in certain circumstances. Please read [Transfer of Incentive Distribution Rights](#).

Issuance of additional units                      No approval right by common unitholders; certain issuances require approval by 66  $\frac{2}{3}$ % of the holders of our Preferred Units and any New Preferred Units, voting as a single class. Please read [Issuance of Additional Partnership Interests](#).

Amendment of the partnership agreement      Certain amendments may be made by our general partner without the approval of the unitholders, and certain other amendments that would materially adversely affect the holders of our Preferred Units require the approval of 66  $\frac{2}{3}$ % of such holders. Other amendments generally require the approval of a unit majority. Please read [Amendment of the Partnership Agreement](#).

Merger of our partnership or the sale of all or substantially all of our assets      Unit majority and approval by 66  $\frac{2}{3}$ % of the holders of our Preferred Units and any New Preferred Units, voting as a single class in certain circumstances. Please read [Merger, Consolidation, Conversion, Sale or Other Disposition of Assets](#).

Dissolution of our partnership                      Unit majority. Please read [Termination and Dissolution](#).

Continuation of our business upon dissolution      Unit majority. Please read [Termination and Dissolution](#).

Withdrawal of the general partner                      Under most circumstances, the approval of unitholders holding at least a majority of the outstanding common units, excluding common units held by our general partner and its affiliates, is required for the withdrawal of our general partner prior to June 30, 2024 in a manner that would cause a dissolution of our partnership. Please read [Withdrawal or Removal of the General Partner](#).

Removal of the general partner                      Not less than 75% of the outstanding units, voting as a single class, including units held by our general partner and its affiliates. Please read [Withdrawal or Removal of the General Partner](#).

Transfer of the general partner interest                      Our general partner may transfer any or all of its general partner interest in us without a vote of our unitholders but must obtain prior approval of all members of the board of directors. Please read [Transfer of General](#)

Partner Interests.

Transfer of incentive distribution rights	Our general partner may transfer any or all of the incentive distribution rights without a vote of our unitholders. Please read <a href="#">Transfer of Incentive Distribution Rights</a> .
Reset of incentive distribution levels	No unitholder approval required.
Transfer of ownership interests in our general partner	No unitholder approval required. Please see <a href="#">Transfer of Ownership Interests in the General Partner</a> .

## **Table of Contents**

### **Applicable Law; Forum, Venue and Jurisdiction**

Our partnership agreement is governed by Delaware law. Our partnership agreement requires that any claims, suits, actions or proceedings:

arising out of or relating in any way to the partnership agreement (including any claims, suits or actions to interpret, apply or enforce the provisions of the partnership agreement or the duties, obligations or liabilities among limited partners or of limited partners to us, or the rights or powers of, or restrictions on, the limited partners or us);

brought in a derivative manner on our behalf;

asserting a claim of breach of a duty (including a fiduciary duty) owed by any director, officer, or other employee of us or our general partner, or owed by our general partner, to us or the limited partners;

asserting a claim arising pursuant to any provision of the Delaware Act; or

asserting a claim governed by the internal affairs doctrine shall be exclusively brought in the Court of Chancery of the State of Delaware (or, if such court does not have subject matter jurisdiction thereof, any other court located in the State of Delaware with subject matter jurisdiction), regardless of whether such claims, suits, actions or proceedings sound in contract, tort, fraud or otherwise, are based on common law, statutory, equitable, legal or other grounds, or are derivative or direct claims. By purchasing a common unit, a limited partner is irrevocably consenting to these limitations and provisions regarding claims, suits, actions or proceedings and submitting to the exclusive jurisdiction of the Court of Chancery of the State of Delaware (or such other Delaware courts) in connection with any such claims, suits, actions or proceedings. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation or similar governing documents have been challenged in legal proceedings, and it is possible that, in connection with any action, a court could find the choice of forum provisions contained in our partnership agreement to be inapplicable or unenforceable in such action.

### **Limited Liability**

Assuming that a limited partner does not participate in the control of our business within the meaning of the Delaware Act and that it otherwise acts in conformity with the provisions of our partnership agreement, its liability under the Delaware Act will be limited, subject to possible exceptions, to the amount of capital it is obligated to contribute to us for its common units plus its share of any undistributed profits and assets. If it were determined, however, that the right, or exercise of the right, by the limited partners as a group:

to remove or replace our general partner;



to approve some amendments to our partnership agreement; or

to take other action under our partnership agreement

constituted participation in the control of our business for the purposes of the Delaware Act, then the limited partners could be held personally liable for our obligations under the laws of Delaware, to the same extent as our general partner. This liability would extend to persons who transact business with us who reasonably believe that the limited partner is a general partner. Neither the partnership agreement nor the Delaware Act specifically provides for legal recourse against our general partner if a limited partner were to lose limited liability through any fault of our general partner. While this does not mean that a limited partner could not seek legal recourse, we know of no precedent for this type of a claim in Delaware case law.

Under the Delaware Act, a limited partnership may not make a distribution to a partner if, after the distribution, all liabilities of the limited partnership, other than liabilities to partners on account of their limited partner interests and liabilities for which the recourse of creditors is limited to specific property of Enable

## **Table of Contents**

Midstream Partners, LP, would exceed the fair value of the assets of the limited partnership, except that the fair value of property that is subject to a liability for which the recourse of creditors is limited is included in the assets of the limited partnership only to the extent that the fair value of that property exceeds that liability. For the purpose of determining the fair value of the assets of a limited partnership, the Delaware Act provides that the fair value of property subject to liability for which recourse of creditors is limited shall be included in the assets of the limited partnership only to the extent that the fair value of that property exceeds the non-recourse liability. The Delaware Act provides that a limited partner who receives a distribution and knew at the time of the distribution that the distribution was in violation of the Delaware Act shall be liable to the limited partnership for the amount of the distribution for three years.

Our subsidiaries conduct business in several states and we may have subsidiaries that conduct business in other states in the future. Maintenance of our limited liability as a limited partner or member of our operating subsidiaries may require compliance with legal requirements in the jurisdictions in which our operating subsidiaries conduct business, including qualifying our subsidiaries to do business there.

Limitations on the liability of limited partners or members for the obligations of a limited partnership or limited liability company have not been clearly established in many jurisdictions. If, by virtue of our limited partner interest in our operating company or otherwise, it were determined that we were conducting business in any state without compliance with the applicable limited partnership or limited liability company statute, or that the right or exercise of the right by the limited partners as a group to remove or replace our general partner, to approve some amendments to our partnership agreement, or to take other action under the partnership agreement constituted participation in the control of our business for purposes of the statutes of any relevant jurisdiction, then the limited partners could be held personally liable for our obligations under the law of that jurisdiction to the same extent as our general partner under the circumstances. We will operate in a manner that our general partner considers reasonable and necessary or appropriate to preserve the limited liability of the limited partners.

## **Issuance of Additional Partnership Interests**

Our partnership agreement authorizes us to issue an unlimited number of additional partnership interests for the consideration and on the terms and conditions determined by our general partner without the approval of the unitholders.

It is possible that we will fund acquisitions through the issuance of additional common units or other partnership interests. Holders of any additional common units we issue will be entitled to share equally with the then-existing holders of common units in our distributions of available cash. In addition, the issuance of additional common units or other partnership interests may dilute the value of the interests of the then-existing holders of common units in our net assets.

In accordance with Delaware law and the provisions of our partnership agreement, we may also issue additional partnership interests that, as determined by our general partner, may have special voting rights to which the common units are not entitled. Our partnership agreement restricts our ability to issue any securities senior to or on parity with our Preferred Units with respect to distributions on such securities without the affirmative vote of 66  $\frac{2}{3}$ % of the outstanding Preferred Units and any New Preferred Units, voting as a single class, except that we may issue (i) parity securities in an aggregate amount equal to or less than \$700 million and (ii) Series B Preferred Units or New Preferred Units issued upon conversion of the Series A Preferred Units without such approval. However, our partnership agreement does not prohibit the issuance by our subsidiaries of equity interests, which may effectively rank senior to the common units.

Each affiliate of our general partner will have the right, which it may from time to time assign in whole or in part to any of its affiliates, to purchase common units, preferred units or other partnership interests whenever, and on the same terms that, we issue those interests to persons other than our general partner and its affiliates, to the extent necessary to maintain the percentage interest of such person, including such interest represented by

## **Table of Contents**

common units and preferred units, that existed immediately prior to each issuance. The other holders of our partnership interests will not have preemptive rights to acquire additional common units, preferred units or other partnership interests.

### **Amendment of the Partnership Agreement**

#### ***General***

Amendments to our partnership agreement may be proposed only by our general partner. However, our general partner will have no duty or obligation to propose any amendment and may decline to do so free of any duty or obligation whatsoever to us or the limited partners, including any duty to act in the best interests of us or the limited partners, other than the implied contractual covenant of good faith and fair dealing. In order to adopt a proposed amendment, other than the amendments discussed below, our general partner is required to seek written approval of the holders of the number of units required to approve the amendment or call a meeting of the limited partners to consider and vote upon the proposed amendment. Except as described below, an amendment must be approved by a unit majority.

#### ***Prohibited Amendments***

No amendment may be made that would:

enlarge the obligations of any limited partner without its consent, unless it is deemed to have occurred as a result of an amendment approved by at least a majority of the type or class of limited partner interests so affected; or

enlarge the obligations of, restrict in any way any action by or rights of, or reduce in any way the amounts distributable, reimbursable or otherwise payable by us to our general partner or any of its affiliates without its consent, which consent may be given or withheld at its option.

The provisions of our partnership agreement preventing the amendments having the effects described in any of the clauses above can be amended upon the approval of the holders of at least 90% of the outstanding units voting together as a single class (including units owned by our general partner and its affiliates).

#### ***No Unitholder Approval***

Subject to the voting rights of the Preferred Units, our general partner may generally make amendments to our partnership agreement without the approval of any limited partner to reflect:

a change in our name, the location of our principal office, our registered agent or our registered office;

the admission, substitution, withdrawal or removal of partners in accordance with our partnership agreement;

a change that our general partner determines to be necessary or appropriate to qualify or continue our qualification as a limited partnership or a partnership in which the limited partners have limited liability under the laws of any state or to ensure that neither we nor any of our subsidiaries will be treated as an association taxable as a corporation or otherwise taxed as an entity for U.S. federal income tax purposes;

a change in our fiscal year or taxable year and any other changes that our general partner determines to be necessary or appropriate as a result of such change;

an amendment that is necessary, in the opinion of our counsel, to prevent us or our general partner or its directors, officers, agents or trustees from in any manner being subjected to the provisions of the Investment Company Act of 1940, the Investment Advisors Act of 1940, or plan asset regulations adopted under the Employee Retirement Income Security Act of 1974, as amended, or ERISA, whether or not substantially similar to plan asset regulations currently applied or proposed by the U.S. Department of Labor;

**Table of Contents**

an amendment that our general partner determines to be necessary or appropriate for the authorization or issuance of additional partnership interests;

any amendment expressly permitted in our partnership agreement to be made by our general partner acting alone;

an amendment effected, necessitated or contemplated by a merger agreement that has been approved under the terms of our partnership agreement;

any amendment that our general partner determines to be necessary or appropriate to reflect and account for the formation by us of, or our investment in, any corporation, partnership or other entity, in connection with our conduct of activities permitted by our partnership agreement;

conversions into, mergers with or conveyances to another limited liability entity that is newly formed and has no assets, liabilities or operations at the time of the conversion, merger or conveyance other than those it receives by way of the conversion, merger or conveyance; or

any other amendments substantially similar to any of the matters described in the clauses above.

In addition, subject to the voting rights of the Preferred Units, our general partner may make amendments to our partnership agreement without the approval of any limited partner if our general partner determines that those amendments:

do not adversely affect in any material respect the limited partners considered as a whole or any particular class of partnership interests as compared to other classes of partnership interests;

are necessary or appropriate to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state statute;

are necessary or appropriate to facilitate the trading of limited partner interests (including the division of any class or classes of outstanding units into different classes to facilitate uniformity of tax consequence within such class of units) or to comply with any rule, regulation, guideline or requirement of any securities exchange on which the limited partner interests are or will be listed or admitted to trading;

are necessary or appropriate for any action taken by our general partner relating to splits or combinations of units under the provisions of our partnership agreement; or

are required to effect the intent expressed in the prospectus relating to our initial public offering or the intent of the provisions of our partnership agreement or are otherwise contemplated by our partnership agreement. In addition to the above restrictions, the affirmative vote of 66  $\frac{2}{3}$ % of any series of outstanding Preferred Units, voting as a single class, is necessary to amend our partnership agreement in any manner that would or could reasonably be expected to have a material adverse effect on the rights, preferences, obligations or privileges of such series of Preferred Units.

***Opinion of Counsel and Unitholder Approval***

Amendments to our partnership agreement that require unitholder approval will require the approval of holders of at least 90% of the outstanding units voting as a single class unless we first obtain an opinion of counsel to the effect that an amendment will not affect the limited liability of any limited partner under Delaware law. For amendments of the type not requiring unitholder approval, our general partner will not be required to obtain such an opinion.

In addition to the above restrictions, any amendment that would have a material adverse effect on the rights or preferences of any type or class of partnership interests in relation to other classes of partnership interests will

## **Table of Contents**

require the approval of at least a majority of the type or class of partnership interests so affected. Any amendment that would reduce the percentage of units required to take any action, other than to remove our general partner or call a meeting of unitholders, must be approved by the affirmative vote of limited partners whose aggregate outstanding units constitute not less than the percentage sought to be reduced. Any amendment that would increase the percentage of units required to remove our general partner must be approved by the affirmative vote of limited partners whose aggregate outstanding units constitute not less than 90% of outstanding units. Any amendment that would increase the percentage of units required to call a meeting of unitholders must be approved by the affirmative vote of limited partners whose aggregate outstanding units constitute at least a majority of the outstanding units.

## **Merger, Consolidation, Conversion, Sale or Other Disposition of Assets**

A merger, consolidation or conversion of us requires the prior consent of our general partner. However, our general partner will have no duty or obligation to consent to any merger, consolidation or conversion and may decline to do so free of any duty or obligation whatsoever to us or the limited partners, including any duty to act in the best interest of us or the limited partners, other than the implied contractual covenant of good faith and fair dealing.

In addition, the partnership agreement generally prohibits our general partner without the prior approval of the holders of a unit majority, from causing us to, among other things, merge, sell, exchange or otherwise dispose of all or substantially all of our assets in a single transaction or a series of related transactions. Our general partner may, however, mortgage, pledge, hypothecate or grant a security interest in all or substantially all of our assets without that approval. Our general partner may also sell any or all of our assets under a foreclosure or other realization upon those encumbrances without that approval. Finally, our general partner may consummate any merger with another limited liability entity without the prior approval of our unitholders if we are the surviving entity in the transaction, our general partner has received an opinion of counsel regarding limited liability and tax matters, the transaction would not result in an amendment to the partnership agreement requiring unitholder approval, each of our units will be an identical unit of our partnership following the transaction, and the partnership interests to be issued by us in such merger do not exceed 20% of our outstanding partnership interests immediately prior to the transaction. In any merger, sale, exchange or other disposition of all or substantially all of our assets requiring approval of a unit majority that is not a Series A Change of Control or a Series B Change of Control (each as defined in the partnership agreement), the partnership agreement also requires approval of 66  $\frac{2}{3}$ % of the outstanding Preferred Units and any New Preferred Units, voting as a single class, unless we agree to redeem such units.

If the conditions specified in the partnership agreement are satisfied, our general partner may convert us or any of our subsidiaries into a new limited liability entity or merge us or any of our subsidiaries into, or convey all of our assets to, a newly formed entity if the sole purpose of that conversion, merger or conveyance is to effect a mere change in our legal form into another limited liability entity, our general partner has received an opinion of counsel regarding limited liability and tax matters and the general partner determines that the governing instruments of the new entity provide the limited partners and the general partner with the same rights and obligations as contained in the partnership agreement. The unitholders are not entitled to dissenters' rights of appraisal under the partnership agreement or applicable Delaware law in the event of a conversion, merger or consolidation, a sale of all or substantially all of our assets or any other similar transaction or event.

## **Termination and Dissolution**

We will continue as a limited partnership until dissolved and terminated under our partnership agreement. We will dissolve upon:



the election of our general partner to dissolve us, if approved by the holders of units representing a unit majority;

## **Table of Contents**

there being no limited partners, unless we are continued without dissolution in accordance with applicable Delaware law;

the entry of a decree of judicial dissolution of our partnership; or

the withdrawal or removal of our general partner or any other event that results in its ceasing to be our general partner other than by reason of a transfer of its general partner interest in accordance with our partnership agreement or withdrawal or removal followed by approval and admission of a successor.

Upon a dissolution under the last clause above, the holders of a unit majority may also elect, within specific time limitations, to continue our business on the same terms and conditions described in our partnership agreement by appointing as a successor general partner an entity approved by the holders of units representing a unit majority, subject to our receipt of an opinion of counsel to the effect that:

the action would not result in the loss of limited liability of any limited partner; and

neither our partnership nor any of our subsidiaries would be treated as an association taxable as a corporation or otherwise be taxable as an entity for U.S. federal income tax purposes upon the exercise of that right to continue (to the extent not already so treated or taxed).

## **Liquidation and Distribution of Proceeds**

Upon our dissolution, unless we are continued as a new limited partnership, the liquidator authorized to wind up our affairs will, acting with all of the powers of our general partner that are necessary or appropriate, liquidate our assets and apply the proceeds of the liquidation as described in [Cash Distribution Policy](#) [Distributions of Cash Upon Liquidation](#). The liquidator may defer liquidation or distribution of our assets for a reasonable period of time or distribute assets to partners in kind if it determines that a sale would be impractical or would cause undue loss to our partners.

## **Withdrawal or Removal of the General Partner**

Except as described below, our general partner has agreed not to withdraw voluntarily as our general partner prior to June 30, 2024 without obtaining the approval of the holders of at least a majority of the outstanding common units, excluding common units held by the general partner and its affiliates, and furnishing an opinion of counsel regarding limited liability and tax matters. On or after June 30, 2024, our general partner may withdraw as general partner without first obtaining approval of any unitholder by giving 90 days' written notice, and that withdrawal will not constitute a violation of our partnership agreement. Notwithstanding the information above, our general partner may withdraw without unitholder approval upon 90 days' notice to the limited partners if at least 50% of the outstanding units are held or controlled by one person and its affiliates other than the general partner and its affiliates. In addition, the partnership agreement permits the general partner to sell or otherwise transfer all of its general partner interest in us without the approval of the unitholders. Please read [Transfer of General Partner Interests](#) and [Transfer of Incentive Distribution Rights](#).

Upon voluntary withdrawal of our general partner by giving written notice to the other partners, the holders of a unit majority may select a successor to that withdrawing general partner. If a successor is not elected, or is elected but an

opinion of counsel regarding limited liability and tax matters cannot be obtained, we will be dissolved, wound up and liquidated, unless within a specified period after that withdrawal, the holders of a unit majority agree to continue our business by appointing a successor general partner. Please see Termination and Dissolution.

Our general partner may not be removed unless that removal is approved by the vote of the holders of not less than 75% of the outstanding units, voting together as a single class, including units held by our general partner and its affiliates, and we receive an opinion of counsel regarding limited liability and tax matters. Any removal of our general partner is also subject to the approval of a successor general partner by the vote of the

## **Table of Contents**

holders of a majority of the outstanding common units. The ownership of more than 25% of the outstanding units by our general partner and its affiliates would give them the practical ability to prevent our general partner's removal.

Our partnership agreement also provides that if our general partner is removed as our general partner under circumstances where cause does not exist and units held by the general partner and its affiliates are not voted in favor of that removal, our general partner will have the right to convert its general partner interest and its incentive distribution rights into common units or to receive cash in exchange for those interests based on the fair market value of those interests as of the effective date of its removal.

In the event of removal of a general partner under circumstances where cause exists or withdrawal of a general partner where that withdrawal violates our partnership agreement, a successor general partner will have the option to purchase the general partner interest and incentive distribution rights of the departing general partner for a cash payment equal to the fair market value of those interests. Under all other circumstances where a general partner withdraws or is removed by the limited partners, the departing general partner will have the option to require the successor general partner to purchase the general partner interest of the departing general partner and its incentive distribution rights for fair market value. In each case, this fair market value will be determined by agreement between the departing general partner and the successor general partner. If no agreement is reached, an independent investment banking firm or other independent expert selected by the departing general partner and the successor general partner will determine the fair market value. Or, if the departing general partner and the successor general partner cannot agree upon an expert, then an expert chosen by agreement of the experts selected by each of them will determine the fair market value.

If the option described above is not exercised by either the departing general partner or the successor general partner, the departing general partner will become a limited partner and its general partner interest and its incentive distribution rights will automatically convert into common units pursuant to a valuation of those interests as determined by an investment banking firm or other independent expert selected in the manner described in the preceding paragraph.

In addition, we will be required to reimburse the departing general partner for all amounts due the departing general partner, including, without limitation, all employee-related liabilities, including severance liabilities, incurred for the termination of any employees employed by the departing general partner or its affiliates for our benefit.

### **Transfer of General Partner Interests**

Our general partner may transfer all or any of its general partner interest without the approval of our unitholders, but any such transfer requires the approval of all members of the board of directors. As a condition of this transfer, the transferee must assume, among other things, the rights and duties of our general partner, agree to be bound by the provisions of our partnership agreement, and furnish an opinion of counsel regarding limited liability and tax matters.

### **Transfer of Ownership Interests in the General Partner**

OGE Energy or CenterPoint Energy and their subsidiaries may sell or transfer their membership interest in our general partner to an affiliate or third party without the approval of our unitholders; provided that each of OGE Energy and CenterPoint Energy have rights of first offer and rights of first refusal with respect to proposed sales by the other party of such party's membership interest to a third party.

### **Transfer of Common Units by Sponsors**

Each of OGE Energy and CenterPoint Energy has a right of first offer and a right of first refusal with respect to proposed sales by the other party of 5% or more of such party's common units.

## **Table of Contents**

### **Transfer of Incentive Distribution Rights**

At any time, our general partner may transfer its incentive distribution rights to an affiliate or third party without the approval of our unitholders. If less than a majority of the incentive distribution rights are held by our general partner or its affiliates, the holders of incentive distribution rights will be entitled to vote on all matters submitted to a vote of unitholders, other than amendments to the partnership agreement and other matters that our general partner determines do not adversely affect the holders of the incentive distribution rights in any material respect. On any matter in which the holders of incentive distribution rights are entitled to vote, such holders will vote together with the common units, and such incentive distribution rights shall be treated in all respects as common units when sending notices of a meeting of our limited partners to vote on any matter (unless otherwise required by law), calculating required votes, determining the presence of a quorum or for other similar purposes under our partnership agreement. The relative voting power of the holders of the incentive distribution rights and the common units will be set in the same proportion as cumulative cash distributions, if any, in respect of the incentive distribution rights for the four consecutive quarters prior to the record date for the vote bears to the cumulative cash distributions in respect of such class of units for such four quarters.

### **Change of Management Provisions**

Our partnership agreement contains specific provisions that are intended to discourage a person or group from attempting to remove Enable GP, LLC (our general partner) as our general partner or otherwise change our management. If any person or group other than our general partner and its affiliates acquires beneficial ownership of 20% or more of any class of units, that person or group loses voting rights on all of its units. This loss of voting rights does not apply to any person or group that acquires the units from our general partner or its affiliates and any transferees of that person or group who are notified by our general partner that they will not lose their voting rights to any person or group who acquires the units with the prior approval of the board of directors of our general partner or to any person or group with respect to the Preferred Units and any New Preferred Units.

Our partnership agreement also provides that if our general partner is removed as our general partner under circumstances where cause does not exist and units held by our general partner and its affiliates are not voted in favor of that removal, our general partner will have the right to convert its general partner units and its incentive distribution rights into common units or to receive cash in exchange for those interests based on the fair market value of those interests as of the effective date of its removal.

### **Limited Call Right**

If at any time our general partner and its affiliates own more than 90% of the then-issued and outstanding limited partner interests of any class, our general partner will have the right, which it may assign in whole or in part to any of its affiliates or to us, to acquire all, but not less than all, of the limited partner interests of such class held by unaffiliated persons as of a record date to be selected by our general partner, on at least 10 but not more than 60 days notice. If our general partner and its affiliates reduce their ownership percentage to below 70% of the outstanding limited partner interests of any class, the ownership threshold to exercise the call right will be permanently reduced to 80%. The purchase price in the event of this purchase is the greater of:

the highest cash price paid by either of our general partner or any of its affiliates for any limited partner interests of the class purchased within the 90 days preceding the date on which our general partner first mails notice of its election to purchase those limited partner interests; and

the current market price calculated in accordance with our partnership agreement as of the date three business days before the date the notice is mailed.

As a result of our general partner's right to purchase outstanding limited partner interests, a holder of limited partner interests may have his limited partner interests purchased at a price that may be lower than market prices

## **Table of Contents**

at various times prior to such purchase or lower than a unitholder may anticipate the market price to be in the future. The tax consequences to a unitholder of the exercise of this call right are the same as a sale by that unitholder of his common units in the market. Please read [Material U.S. Federal Income Tax Considerations](#) [Disposition of Units](#).

Notwithstanding the foregoing, the limited call right described above does not apply to the Preferred Units.

## **Meetings; Voting**

Except as described below regarding a person or group owning 20% or more of any class of units then outstanding, record holders of units on the record date will be entitled to notice of, and to vote at, meetings of our limited partners and to act upon matters for which approvals may be solicited.

Our general partner does not anticipate that any meeting of unitholders will be called in the foreseeable future. Any action that is required or permitted to be taken by the unitholders may be taken either at a meeting of the unitholders or, if authorized by our general partner, without a meeting if consents in writing describing the action so taken are signed by holders of the number of units that would be necessary to authorize or take that action at a meeting where all limited partners were present and voted. Meetings of the unitholders may be called by our general partner or by unitholders owning at least 20% of the outstanding units of the class for which a meeting is proposed. Unitholders may vote either in person or by proxy at meetings. The holders of a majority of the outstanding units of the class or classes for which a meeting has been called represented in person or by proxy will constitute a quorum unless any action by the unitholders requires approval by holders of a greater percentage of the units, in which case the quorum will be the greater percentage.

Each record holder of a unit has a vote according to its percentage interest in us; however, the holders of our Preferred Units have special voting rights, and additional limited partner interests having special voting rights could be issued. Please read [Issuance of Additional Partnership Interests](#).

If at any time any person or group, other than our general partner and its affiliates, a direct transferee of our general partner and its affiliates, a transferee of such direct transferee who is notified by our general partner that it will not lose its voting rights, or any person or group with respect to the Preferred Units and any New Preferred Units, acquires, in the aggregate, beneficial ownership of 20% or more of any class of units then outstanding, that person or group will lose voting rights on all of its units and the units may not be voted on any matter and will not be considered to be outstanding when sending notices of a meeting of unitholders, calculating required votes, determining the presence of a quorum or for other similar purposes. Common units held in nominee or street name account will be voted by the broker or other nominee in accordance with the instruction of the beneficial owner unless the arrangement between the beneficial owner and its nominee provides otherwise.

Any notice, demand, request, report or proxy material required or permitted to be given or made to record holders of common units under our partnership agreement will be delivered to the record holder by us or by the transfer agent.

## **Status as Limited Partner**

By transfer of common units in accordance with our partnership agreement, each transferee of common units shall be admitted as a limited partner with respect to the common units transferred when such transfer and admission is reflected in our register. Except as described under [Limited Liability](#), the common units will be fully paid, and unitholders will not be required to make additional contributions.

## **Ineligible Holders; Redemption**



Under our partnership agreement, an Eligible Holder is a limited partner whose (a) U.S. federal income tax status is not reasonably likely to have a material adverse effect on the rates that can be charged by us on

## **Table of Contents**

assets that are subject to regulation by FERC or an analogous regulatory body and (b) nationality, citizenship or other related status would not create a substantial risk of cancellation or forfeiture of any property in which we have an interest, in each case as determined by our general partner with the advice of counsel.

If at any time our general partner determines, with the advice of counsel, that one or more limited partners are not Eligible Holders (any such limited partner, an Ineligible Holder), then our general partner may request any limited partner to furnish to the general partner an executed certification or other information about his U.S. federal income tax status and/or nationality, citizenship or related status. If a limited partner fails to furnish such certification or other requested information within 30 days (or such other period as the general partner may determine) after a request for such certification or other information, or our general partner determines after receipt of the information that the limited partner is not an Eligible Holder, the limited partner may be treated as an Ineligible Holder. An Ineligible Holder does not have the right to direct the voting of his units and may not receive distributions in kind upon our liquidation.

Furthermore, we have the right to redeem all of the common units of any holder that our general partner concludes is an Ineligible Holder or fails to furnish the information requested by our general partner. The redemption price in the event of such redemption for each unit held by such unitholder will be the current market price of such unit (the date of determination of which shall be the date fixed for redemption). The redemption price will be paid, as determined by our general partner, in cash or by delivery of a promissory note. Any such promissory note will bear interest at the rate of 5.0% annually and be payable in three equal annual installments of principal and accrued interest, commencing one year after the redemption date.

## **Indemnification**

Under our partnership agreement, in most circumstances, we will indemnify the following persons, to the fullest extent permitted by law, from and against all losses, claims, damages or similar events:

our general partner;

any departing general partner;

any person who is or was an affiliate of a general partner or any departing general partner;

any person who is or was a director, officer, managing member, manager, general partner, fiduciary or trustee of our subsidiaries, us or any entity set forth in the preceding three bullet points;

any person who is or was serving as director, officer, managing member, manager, general partner, fiduciary or trustee of another person owing a fiduciary duty to us or any of our subsidiaries at the request of our general partner or any departing general partner or any of their affiliates; and

any person designated by our general partner.

Any indemnification under these provisions will only be out of our assets. Unless it otherwise agrees, our general partner will not be personally liable for, or have any obligation to contribute or lend funds or assets to us to enable us to effectuate, indemnification. We will purchase insurance against liabilities asserted against and expenses incurred by persons for our activities, regardless of whether we would have the power to indemnify the person against such liabilities under our partnership agreement.

### **Reimbursement of Expenses**

Our partnership agreement requires us to reimburse our general partner for all payments it makes on our behalf and all other expenses allocable to us or otherwise incurred by our general partner in connection with operating our business. These payments and expenses include salary, bonus, incentive compensation and other amounts paid to any person who is an employee of our general partner and manages our business and affairs and overhead and general and administrative expenses allocated to our general partner by its affiliates. The general partner is entitled to determine in good faith the expenses that are allocable to us.

## **Table of Contents**

### **Books and Reports**

Our general partner is required to keep appropriate books of our business at our principal offices. The books will be maintained for financial reporting purposes on an accrual basis. For tax and fiscal reporting purposes, our fiscal year is the calendar year.

We will mail or make available to record holders of partnership interests, within 105 days after the close of each fiscal year, an annual report containing audited financial statements and a report on those financial statements by our independent public accountants. Except for our fourth quarter, we will also mail or make available summary financial information within 50 days after the close of each quarter.

We will furnish each record holder of a unit with information reasonably required for tax reporting purposes within 90 days after the close of each calendar year. This information is expected to be furnished in summary form so that some complex calculations normally required of partners can be avoided. Our ability to furnish this summary information to unitholders will depend on the cooperation of unitholders in supplying us with specific information. Every unitholder will receive information to assist him in determining his federal and state tax liability and filing his federal and state income tax returns, regardless of whether he supplies us with information.

### **Right to Inspect Our Books and Records**

Our partnership agreement provides that a limited partner can, for a purpose reasonably related to his interest as a limited partner, upon reasonable written demand stating the purpose of such demand and at his own expense, have furnished to him:

a current list of the name and last known address of each record holder;

copies of our partnership agreement and our certificate of limited partnership and all amendments thereto;  
and

certain information regarding the status of our business and financial condition.

Our general partner may, and intends to, keep confidential from the limited partners trade secrets or other information the disclosure of which our general partner in good faith believes is not in our best interests or that we are required by law or by agreements with third parties to keep confidential. Our partnership agreement limits the right to information that a limited partner would otherwise have under Delaware law.

**Table of Contents**

**CASH DISTRIBUTION POLICY**

References in this Cash Distribution Policy to we, us and our mean Enable Midstream Partners, LP. Unless the context otherwise requires, in this Cash Distribution Policy references to unitholders include holders of our common units only, and exclude holders of our preferred units, and references to units include our common units only, and exclude our preferred units.

**Distributions of Available Cash**

***General***

Subject to the payment of distributions on the Preferred Units (as defined below), our partnership agreement requires that, within 60 days after the end of each quarter, we distribute all of our available cash to unitholders of record on the applicable record date.

***Definition of Available Cash***

Available cash generally means, for any quarter, all cash and cash equivalents on hand at the end of that quarter:

*less*, the amount of cash reserves established by our general partner to:

provide for the proper conduct of our business (including cash reserves for our future capital expenditures, future acquisitions, and anticipated future debt service requirements and refunds of collected rates reasonably likely to be refunded as a result of a settlement or hearing related to Federal Energy Regulatory Commission rate proceedings or rate proceedings under applicable law subsequent to that quarter);

comply with applicable law, any of our debt instruments or other agreements;

provide funds for distributions to our unitholders and to our general partner for any one or more of the next four quarters (provided that our general partner may not establish cash reserves for distributions if the effect of the establishment of such reserves will prevent us from distributing the minimum quarterly distribution on all common units for the current quarter); or

provide funds for distributions on our Preferred Units;

*plus*, if our general partner so determines, all or any portion of the cash on hand on the date of determination of available cash for the quarter resulting from working capital borrowings made subsequent to the end of such quarter.

The purpose and effect of the last bullet point above is to allow our general partner, if it so decides, to use cash from working capital borrowings made after the end of the quarter, but on or before the date of determination of available

cash for that quarter, to pay distributions to unitholders. Under our partnership agreement, working capital borrowings are generally borrowings that are made under a credit facility, commercial paper facility or similar financing arrangement, and in all cases are used solely for working capital purposes or to pay distributions to partners, and with the intent of the borrower to repay such borrowings within 12 months with funds other than from additional working capital borrowings.

***Intent to Distribute the Minimum Quarterly Distribution***

We intend to make a minimum quarterly distribution to the holders of our common units of at least \$0.2875 per unit, or \$1.15 per unit on an annualized basis, to the extent we have sufficient cash from our operations after the establishment of cash reserves and the payment of costs and expenses, including reimbursements of expenses to our general partner. However, there is no guarantee that we will pay the minimum quarterly distribution on our

## **Table of Contents**

units in any quarter. Even if our cash distribution policy is not modified or revoked, the amount of distributions paid under our policy and the decision to make any distribution is determined by our general partner, in accordance with the terms of our partnership agreement.

### ***Distributions on Preferred Units***

Holders of the Series A Preferred Units receive, on a non-cumulative basis and if and when declared by our general partner, a quarterly cash distribution, subject to certain adjustments, equal to an annual rate of 10% on the stated liquidation preference from the date of original issue to, but not including, the five year anniversary of the original issue date and an annual rate of LIBOR plus a spread of 850 bps on the stated liquidation preference thereafter.

Upon the transfer of any Series A Preferred Unit to a non-affiliate of CenterPoint Energy, the Series A Preferred Units will automatically convert into the Series B Preferred Units on the later of the date of transfer and the second anniversary of the date of issue. The Series B Preferred Units will have the same terms as the Series A Preferred Units except that unpaid distributions on the Series B Preferred Units will accrue on a cumulative basis until paid. In certain circumstances, the Series A Preferred Units could convert into the New Preferred Units with the same terms as the Series B Preferred Units except with respect to the date from which distributions accumulate.

### ***General Partner Interest and Incentive Distribution Rights***

Our general partner owns a non-economic general partner interest in us and thus will not be entitled to distributions that we make prior to our liquidation in respect of such general partner interest. Our general partner currently holds incentive distribution rights that entitle it to receive increasing percentages, up to a maximum of 50.0%, of the cash we distribute from operating surplus (as defined below) in excess of \$0.330625 per unit per quarter. The maximum distribution of 50.0% does not include any distributions that our general partner or its affiliates may receive on common units that they own. Please read [Incentive Distribution Rights](#) for additional information.

## **Operating Surplus and Capital Surplus**

### ***General***

All cash distributed to unitholders will be characterized as either being paid from [operating surplus](#) or [capital surplus](#). We treat distributions of available cash from operating surplus differently than distributions of available cash from capital surplus.

### ***Operating Surplus***

We define operating surplus as:

\$300 million; *plus*

all of our cash receipts after the closing of our initial public offering, excluding cash from interim capital transactions (as defined below) and the termination of hedge contracts, provided that cash receipts from the termination of a commodity hedge or interest rate hedge prior to its specified termination date shall be included in operating surplus in equal quarterly installments over the remaining scheduled life of such

commodity hedge or interest rate hedge; *plus*

working capital borrowings made after the end of a quarter but on or before the date of determination of operating surplus for that quarter; *plus*

cash distributions (including incremental distributions on incentive distribution rights) paid in respect of equity issued, other than equity issued in our initial public offering, to finance all or a portion of



**Table of Contents**

expansion capital expenditures in respect of the period from the date that we enter into a binding obligation to commence the construction, development, replacement, improvement or expansion of a capital asset and ending on the earlier to occur of the date the capital asset commences commercial service and the date that it is abandoned or disposed of; *plus*

cash distributions (including incremental distributions on incentive distribution rights) paid in respect of equity issued, other than equity issued in our initial public offering, to pay interest and related fees on debt incurred, or to pay distributions on equity issued, to finance the expansion capital expenditures referred to in the prior bullet; *less*

all of our operating expenditures (as defined below) after April 16, 2014, the closing of our initial public offering; *less*

the amount of cash reserves established by our general partner to provide funds for future operating expenditures; *less*

all working capital borrowings not repaid within 12 months after having been incurred or repaid within such twelve-month period with the proceeds of additional working capital borrowings; *less*

any cash loss realized on disposition of an investment capital expenditure.

As described above, operating surplus does not reflect actual cash on hand that is available for distribution to our unitholders and is not limited to cash generated by our operations. For example, it includes a provision that will enable us, if we choose, to distribute as operating surplus up to \$300 million of cash we receive in the future from non-operating sources such as asset sales, issuances of securities and long-term borrowings that would otherwise be distributed as capital surplus. In addition, the effect of including, as described above, certain cash distributions on equity interests in operating surplus will be to increase operating surplus by the amount of any such cash distributions. As a result, we may also distribute as operating surplus up to the amount of any such cash that we receive from non-operating sources.

The proceeds of working capital borrowings increase operating surplus and repayments of working capital borrowings are generally operating expenditures (as described below) and thus reduce operating surplus when repayments are made. However, if working capital borrowings, which increase operating surplus, are not repaid during the 12-month period following the borrowing, they will be deemed repaid at the end of such period, thus decreasing operating surplus at such time. When such working capital borrowings are in fact repaid, they will not be treated as a further reduction in operating surplus because operating surplus will have been previously reduced by the deemed repayment.

We define interim capital transactions as (i) borrowings, refinancings or refundings of indebtedness (other than working capital borrowings and items purchased on open account or for a deferred purchase price in the ordinary course of business) and sales of debt securities, (ii) issuances of equity securities, (iii) sales or other dispositions of assets, other than sales or other dispositions of inventory, accounts receivable and other assets in the ordinary course of business and sales or other dispositions of assets as part of normal asset retirements or replacements and (iv) capital contributions received by a group member.

We define operating expenditures as all of our cash expenditures, including, but not limited to, taxes, reimbursements of expenses of our general partner and its affiliates, director, officer and employee compensation, debt service payments, payments made in the ordinary course of business under interest rate hedge contracts and commodity hedge contracts (provided that payments made in connection with the termination of any interest rate hedge contract or commodity hedge contract prior to the expiration of its settlement or termination date specified therein will be included in operating expenditures in equal quarterly installments over the remaining scheduled life of such interest rate hedge contract or commodity hedge contract and amounts paid in connection with the initial purchase of a rate hedge contract or a commodity hedge contract will be amortized at the life of such rate hedge contract or commodity hedge contract), maintenance capital

**Table of Contents**

expenditures (as discussed in further detail below) and repayment of working capital borrowings; provided, however, that operating expenditures will not include:

repayments of working capital borrowings where such borrowings have previously been deemed to have been repaid (as described above);

payments (including prepayments and prepayment penalties) of principal of and premium on indebtedness other than working capital borrowings;

expansion capital expenditures;

investment capital expenditures;

payment of transaction expenses (including taxes) relating to interim capital transactions;

distributions to our partners;

repurchases of partnership interests (excluding repurchases we make to satisfy obligations under employee benefit plans); or

any expenditures made to fund certain demand fees using a portion of the proceeds of our initial public offering.

***Capital Surplus***

Capital surplus is defined in our partnership agreement as any distribution of available cash in excess of our cumulative operating surplus. Accordingly, except as described above, capital surplus would generally be generated by:

borrowings other than working capital borrowings;

sales of our equity and debt securities;

sales or other dispositions of assets, other than inventory, accounts receivable and other assets sold in the ordinary course of business or as part of ordinary course retirement or replacement of assets; and

capital contributions received.

***Characterization of Cash Distributions***

Our partnership agreement requires that we treat all available cash distributed as coming from operating surplus until the sum of all available cash distributed since the closing of our initial public offering equals the operating surplus from the closing of our initial public offering through the end of the quarter immediately preceding that distribution. Our partnership agreement requires that we treat any amount distributed in excess of operating surplus, regardless of its source, as capital surplus. Our partnership agreement treats a distribution of capital surplus as the repayment of the initial unit price from our initial public offering and as a return of capital. We do not anticipate that we will make any distributions from capital surplus.

**Capital Expenditures**

Expansion capital expenditures are cash expenditures incurred for acquisitions or capital improvements that we expect will increase our asset base, operating income or operating capacity over the long term. Examples of expansion capital expenditures include the acquisition of equipment and the construction, development or acquisition of additional pipeline, storage, gathering or processing capacity, including well connections, to the extent such capital expenditures are expected to expand our asset base, operating capacity or our operating income. Expansion capital expenditures include interest payments (and related fees) on debt incurred to finance all or a portion of expansion capital expenditures in respect of the period from the date that we enter into a binding obligation to commence the construction, development, replacement, improvement or expansion of a capital asset and ending on the earlier to occur of the date that such capital improvement commences commercial service and the date that such capital improvement is abandoned or disposed of.

## **Table of Contents**

Maintenance capital expenditures are cash expenditures (including expenditures for the construction or development of new capital assets or the replacement, improvement or expansion of existing capital assets) made to maintain, over the long term, our asset base, operating capacity or operating income. Examples of maintenance capital expenditures are expenditures to repair, refurbish and replace pipelines, to maintain equipment reliability, integrity and safety and to address environmental laws and regulations. Maintenance capital expenditures are included in operating expenditures and thus will reduce operating surplus.

Investment capital expenditures are those capital expenditures that are neither maintenance capital expenditures nor expansion capital expenditures. Investment capital expenditures largely will consist of capital expenditures made for investment purposes. Examples of investment capital expenditures include traditional capital expenditures for investment purposes, such as purchases of securities, as well as other capital expenditures that might be made in lieu of such traditional investment capital expenditures, such as the acquisition of a capital asset for investment purposes or development of facilities that are in excess of the maintenance of our existing operating capacity or operating income, but that are not expected to expand our asset base, operating capacity or operating income over the long term.

Capital expenditures that are made in part for maintenance capital purposes, investment capital purposes and/or expansion capital purposes will be allocated as maintenance capital expenditures, investment capital expenditures or expansion capital expenditure by our general partner.

## **Distributions of Available Cash from Operating Surplus**

Subject to the payment of distributions on the Preferred Units, we will make distributions of available cash from operating surplus to our common unitholders for any quarter in the following manner:

*first*, to all unitholders, pro rata, until we distribute for each outstanding unit an amount equal to the minimum quarterly distribution for that quarter; and

*thereafter*, in the manner described in **Incentive Distribution Rights** below.

The preceding discussion is based on the assumption that we do not issue additional classes of equity securities.

## **Incentive Distribution Rights**

Incentive distribution rights represent the right to receive an increasing percentage (15.0%, 25.0% and 50.0%) of quarterly distributions of available cash from operating surplus after the minimum quarterly distribution and the target distribution levels have been achieved. Our general partner currently holds the incentive distribution rights, but may transfer these rights separately from its general partner interest, subject to restrictions in our partnership agreement.

The following discussion assumes that our general partner continues to own the incentive distribution rights.

If for any quarter:

we have distributed available cash from operating surplus to the holders of our Preferred Units to the extent of the distribution preference on the Preferred Units; and

we have distributed available cash from operating surplus to the common unitholders in an amount equal to the minimum quarterly distribution.  
then, we will distribute any additional available cash from operating surplus for that quarter among the unitholders and our general partner in the following manner:

*first*, to all unitholders, pro rata, until each unitholder receives a total of \$0.330625 per unit for that quarter (the first target distribution);

**Table of Contents**

*second*, 85.0% to all unitholders, pro rata, and 15.0% to our general partner, until each unitholder receives a total of \$0.359375 per unit for that quarter (the second target distribution);

*third*, 75.0% to all unitholders, pro rata, and 25.0% to our general partner, until each unitholder receives a total of \$0.431250 per unit for that quarter (the third target distribution); and

thereafter, 50.0% to all unitholders, pro rata, and 50.0% to our general partner.

**Percentage Allocations of Available Cash from Operating Surplus**

The following table illustrates the percentage allocations of available cash from operating surplus (after payment of the distribution preference on the Preferred Units) between the common unitholders and our general partner (through the incentive distribution rights) based on the specified target distribution levels. The amounts set forth under

Marginal Percentage Interest in Distributions are the percentage interests of our general partner and the common unitholders in any available cash from operating surplus we distribute up to and including the corresponding amount in the column Total Quarterly Distribution Per Unit Target Amount. The percentage interests shown for our unitholders for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution. The percentage interests set forth below for our general partner assume that our general partner has not transferred its incentive distribution rights.

	Total Quarterly Distribution Per Unit Target Amount	Marginal Percentage Interest in Distributions	
		Common Unitholders	General Partner
Minimum Quarterly Distribution	\$0.287500	100.0%	0.0%
First Target Distribution	up to \$0.330625	100.0%	0.0%
Second Target Distribution	above \$0.330625		
	up to \$0.359375	85.0%	15.0%
Third Target Distribution	above \$0.359375		
	up to \$0.431250	75.0%	25.0%
Thereafter	above \$0.431250	50.0%	50.0%

**General Partner's Right to Reset Incentive Distribution Levels**

Our general partner, as the initial holder of our incentive distribution rights, has the right under our partnership agreement, subject to certain conditions, to elect to relinquish the right to receive incentive distribution payments based on the initial target distribution levels and to reset, at higher levels, the minimum quarterly distribution amount and target distribution levels upon which the incentive distribution payments to our general partner would be set. If our general partner transfers all or a portion of our incentive distribution rights in the future, then the holder or holders of a majority of our incentive distribution rights will be entitled to exercise this right. The following discussion assumes that our general partner holds all of the incentive distribution rights at the time that a reset election is made. Our general partner's right to reset the minimum quarterly distribution amount and the target distribution levels upon which the incentive distributions payable to our general partner are based may be exercised, without approval of our

unitholders or the conflicts committee, at any time if we have made cash distributions to the holders of the incentive distribution rights at the highest level of incentive distribution for each of the four consecutive fiscal quarters immediately preceding such time and the amount of each such distribution did not exceed adjusted operating surplus for such quarter, respectively. If our general partner and its affiliates are not the holders of a majority of the incentive distribution rights at the time an election is made to reset the minimum quarterly distribution amount and the target distribution levels, then the proposed reset will be subject to the prior written concurrence of the general partner that the conditions described above have been satisfied. The reset minimum quarterly distribution amount and target distribution levels will be higher than the minimum quarterly distribution amount and the target distribution levels prior to the reset such that our general partner will not receive any incentive distributions under the reset target distribution levels until



**Table of Contents**

cash distributions per unit following this event increase as described below. We anticipate that our general partner would exercise this reset right in order to facilitate acquisitions or internal growth projects that would otherwise not be sufficiently accretive to cash distributions per common unit, taking into account the existing levels of incentive distribution payments being made to our general partner.

In connection with the resetting of the minimum quarterly distribution amount and the target distribution levels and the corresponding relinquishment by our general partner of incentive distribution payments based on the target distributions prior to the reset, our general partner will be entitled to receive a number of newly issued common units based on a predetermined formula described below that takes into account the cash parity value of the average cash distributions related to the incentive distribution rights received by our general partner for the two quarters immediately preceding the reset event as compared to the average cash distributions per common unit during that two-quarter period.

The number of common units that our general partner would be entitled to receive from us in connection with a resetting of the minimum quarterly distribution amount and the target distribution levels then in effect would be equal to the quotient determined by dividing (x) the average amount of cash distributions received by our general partner in respect of its incentive distribution rights during the two consecutive fiscal quarters ended immediately prior to the date of such reset election by (y) the average of the amount of cash distributed per common unit during each of these two quarters.

Following a reset election, the minimum quarterly distribution amount will be reset to an amount equal to the average cash distribution amount per common unit for the two fiscal quarters immediately preceding the reset election (which amount we refer to as the reset minimum quarterly distribution) and the target distribution levels will be reset to be correspondingly higher such that we would distribute all of our available cash from operating surplus (after payment of the distribution preference on the Preferred Units) for each quarter thereafter as follows:

*first*, to all unitholders, pro rata, until each unitholder receives an amount equal to 115.0% of the reset minimum quarterly distribution for that quarter;

*second*, 85.0% to all unitholders, pro rata, and 15.0% to our general partner, until each unitholder receives an amount per unit equal to 125.0% of the reset minimum quarterly distribution for the quarter;

*third*, 75.0% to all unitholders, pro rata, and 25.0% to our general partner, until each unitholder receives an amount per unit equal to 150.0% of the reset minimum quarterly distribution for the quarter; and

*thereafter*, 50.0% to all unitholders, pro rata, and 50.0% to our general partner.

**Table of Contents**

The following table illustrates the percentage allocations of available cash from operating surplus (after payment of the distribution preference on the Preferred Units) between the common unitholders and our general partner at various cash distribution levels (i) pursuant to the cash distribution provisions of our partnership agreement as of the date of this prospectus, as well as (ii) following a hypothetical reset of the minimum quarterly distribution and target distribution levels based on the assumption that the average quarterly cash distribution amount per common unit during the two fiscal quarters immediately preceding the reset election was \$0.45.

	Quarterly Distribution per Unit Prior to Reset	Marginal Percentage Interest in Distributions		Quarterly Distribution per Unit Following Hypothetical Reset
		Common Unitholders	General Partner	
Minimum Quarterly Distribution	\$0.287500	100.0%	0.0%	\$0.4500
First Target Distribution	up to \$0.330625	100.0%	0.0%	up to \$0.5175(1)
Second Target Distribution	above \$0.330625	85.0%	15.0%	above \$0.5175
	up to \$0.359375			up to \$0.5625(2)
Third Target Distribution	above \$0.359375	75.0%	25.0%	above \$0.5625
	up to \$0.431250			up to \$0.6750(3)
Thereafter	above \$0.431250	50.0%	50.0%	above \$0.6750(3)

(1) This amount is 115.0% of the hypothetical reset minimum quarterly distribution.

(2) This amount is 125.0% of the hypothetical reset minimum quarterly distribution.

(3) This amount is 150.0% of the hypothetical reset minimum quarterly distribution.

The following table illustrates the total amount of available cash from operating surplus (after payment of the distribution preference on the Preferred Units) that would be distributed to the common unitholders and our general partner, in respect of incentive distribution rights, or IDRs, based on an average of the amounts distributed for the two quarters immediately prior to the reset. The table assumes that immediately prior to the reset there would be 433,074,409 common units outstanding and that the average distribution to each common unit would be \$0.45 for the two consecutive non-overlapping quarters prior to the reset.

	Quarterly Distribution per Unit	Common Unitholders Cash Distributions (1)	Prior to Reset General Partner Cash Distributions			Total Distribution
			Common Units	IDRs	Total	
Minimum Quarterly Distribution	\$0.287500	\$ 25,367,557	\$ 99,141,336	\$	\$ 99,141,336	\$ 124,508,893
First Target Distribution	up to \$0.330625	3,805,134	14,871,200		14,871,200	18,676,334
Second Target Distribution	above \$0.330625	2,536,755	9,914,133	2,197,216	12,111,349	14,648,104

	up to \$0.359375					
Third Target Distribution	above \$0.359375					
	up to \$0.431250	6,341,890	24,785,334	10,375,741	35,161,075	41,502,965
Thereafter	above \$0.431250	1,654,405	6,465,740	8,120,145	14,585,885	16,240,290
		\$ 39,705,741	\$ 155,177,743	\$ 20,693,102	\$ 175,870,845	\$ 215,576,586

(1) Includes 40,000 restricted units issued to certain directors, officers and employees pursuant to their compensation arrangements and our long term incentive plan.

The following table illustrates the total amount of available cash from operating surplus (after payment of the distribution preference on the Preferred Units) that would be distributed to the common unitholders and the general partner, in respect of IDRs, with respect to the quarter after the reset occurs. The table reflects that as a result of the reset there would be an additional 45,984,418 common units outstanding, and that the average distribution to each common unit would be \$0.45. The number of common units issued as a result of the reset was calculated by dividing (x) \$20,692,988 as the average of the amounts received by the general partner in respect of its IDRs for the two consecutive non-overlapping quarters prior to the reset as shown in the table above

**Table of Contents**

by (y) the average of the cash distributions made on each common unit per quarter for the two consecutive non-overlapping quarters prior to the reset as shown in the table above, or \$0.45.

	Quarterly Distribution per Unit	Common Unitholders Cash Distributions (1)	After Reset General Partner Cash Distributions			Total Distribution
			Common Units	IDRs	Total	
Minimum Quarterly Distribution	\$0.4500	\$ 39,705,741	\$ 175,870,845	\$	\$ 175,870,845	\$ 215,576,586
First Target Distribution	up to \$0.5175					
Second Target Distribution	above \$0.5175					
	up to \$0.5625					
Third Target Distribution	above \$0.5625					
	up to \$0.6750					
Thereafter	above \$0.6750					
		\$ 39,705,741	\$ 175,870,845	\$	\$ 175,870,845	\$ 215,576,586

(1) Includes 40,000 restricted units issued to certain directors, officers and employees pursuant to their compensation arrangements and our long term incentive plan.

Our general partner will be entitled to cause the minimum quarterly distribution amount and the target distribution levels to be reset on more than one occasion, provided that it may not make a reset election except at a time when it has received incentive distributions for the immediately preceding four consecutive fiscal quarters based on the highest level of incentive distributions that it is entitled to receive under our partnership agreement.

**Distributions from Capital Surplus*****How Distributions from Capital Surplus Will Be Made***

Subject to the payment of distributions on the Preferred Units, we will make distributions of available cash from capital surplus, if any, in the following manner:

*first*, to all unitholders, pro rata, until the minimum quarterly distribution is reduced to zero, as described below under Effect of a Distribution from Capital Surplus ; and

*thereafter*, as if such distributions were from operating surplus.

The preceding discussion is based on the assumption that we do not issue additional classes of equity securities.

***Effect of a Distribution from Capital Surplus***

Our partnership agreement treats a distribution of capital surplus as the repayment of the initial unit price from our initial public offering, which is a return of capital. The initial public offering price less any distributions of capital surplus per unit is referred to as the unrecovered initial unit price. Each time a distribution of capital surplus is made, the minimum quarterly distribution and the target distribution levels will be reduced in the same proportion as the corresponding reduction in the unrecovered initial unit price. Because distributions of capital surplus will reduce the minimum quarterly distribution after any of these distributions are made, it may be easier for our general partner to receive incentive distributions. However, any distribution of capital surplus before the unrecovered initial unit price is reduced to zero cannot be applied to the payment of the minimum quarterly distribution.

Once we distribute capital surplus on a unit issued in our initial public offering in an amount equal to the initial unit price, we will reduce the minimum quarterly distribution and the target distribution levels to zero. Then, we will then make all future distributions from operating surplus, with 50.0% being paid to the unitholders, pro rata, and 50.0% to the holder of our incentive distribution rights.

## **Table of Contents**

### **Adjustment to the Minimum Quarterly Distribution and Target Distribution Levels**

In addition to adjusting the minimum quarterly distribution and target distribution levels to reflect a distribution of capital surplus, if we combine our units into fewer units or subdivide our units into a greater number of units, we will proportionately adjust:

the minimum quarterly distribution;

target distribution levels; and

the unrecovered initial unit price.

For example, if a two-for-one split of the common units should occur, the minimum quarterly distribution, the target distribution levels and the unrecovered initial unit price would each be reduced to 50.0% of its initial level. We will not make any adjustment by reason of the issuance of additional units for cash or property (including the issuance of additional units under any compensation or benefit plans).

In addition, if legislation is enacted or if the official interpretation of existing law is modified by a governmental authority, so that we become taxable as a corporation or otherwise subject to taxation as an entity for federal, state or local income tax purposes, our partnership agreement specifies that the minimum quarterly distribution and the target distribution levels for each quarter shall be reduced by multiplying each distribution level by a fraction, the numerator of which is available cash for that quarter (reduced by the amount of the estimated tax liability for such quarter payable by reason of such legislation or interpretation) and the denominator of which is the sum of available cash for that quarter (reduced by the amount of the estimated tax liability for such quarter payable by reason of such legislation or interpretation) plus our general partner's estimate of our aggregate liability for the quarter for such income taxes payable by reason of such legislation or interpretation. To the extent that the actual tax liability differs from the estimated tax liability for any quarter, the difference may be accounted for in subsequent quarters.

### **Distributions of Cash Upon Liquidation**

#### ***General***

If we dissolve in accordance with our partnership agreement, we will sell or otherwise dispose of our assets in a process called liquidation. We will first apply the proceeds of liquidation to the payment of our creditors. We will distribute any remaining proceeds to the unitholders and our general partner, in accordance with their capital account balances, as adjusted to reflect any gain or loss upon the sale or other disposition of our assets in liquidation; provided, however, that in preference to the holders of our other securities, we will distribute to the holders of Preferred Units an amount equal to any unpaid distributions on such Preferred Units and the positive value in the capital account of each such Preferred Unit holder in respect of such Preferred Units.

#### ***Manner of Adjustments for Gain***

The manner of the adjustment for gain is set forth in our partnership agreement. We will allocate any gain to our partners in the following manner:

*first*, to our general partner to the extent of any negative balance in its capital account;

*second*, to the preferred unitholders, until the capital account balance of such holders equals the stated liquidation preference with respect to such holders Preferred Units;

*third*, to the common unitholders, pro rata, until the capital account for each common unit is equal to the sum of: (1) the unrecovered initial unit price; and (2) the amount of the minimum quarterly distribution for the quarter during which our liquidation occurs;

**Table of Contents**

*fourth*, to all common unitholders, pro rata, until we allocate under this paragraph an amount per unit equal to: (1) the sum of the excess of the first target distribution per unit over the minimum quarterly distribution per unit for each quarter of our existence; less (2) the cumulative amount per unit of any distributions of available cash from operating surplus in excess of the minimum quarterly distribution per unit that we distributed to the common unitholders, pro rata, for each quarter of our existence;

*fifth*, 85.0% to all common unitholders, pro rata, and 15.0% to our general partner, until we allocate under this paragraph an amount per unit equal to: (1) the sum of the excess of the second target distribution per unit over the first target distribution per unit for each quarter of our existence; less (2) the cumulative amount per unit of any distributions of available cash from operating surplus in excess of the first target distribution per unit that we distributed 85.0% to the common unitholders, pro rata, and 15.0% to our general partner for each quarter of our existence;

*sixth*, 75.0% to all common unitholders, pro rata, and 25.0% to our general partner, until we allocate under this paragraph an amount per unit equal to: (1) the sum of the excess of the third target distribution per unit over the second target distribution per unit for each quarter of our existence; less (2) the cumulative amount per unit of any distributions of available cash from operating surplus in excess of the second target distribution per unit that we distributed 75.0% to the common unitholders, pro rata, and 25.0% to our general partner for each quarter of our existence; and

*thereafter*, 50.0% to all common unitholders, pro rata, and 50.0% to our general partner.

The percentages set forth above are based on the assumption that our general partner has not transferred its incentive distribution rights and that we do not issue additional classes of equity securities.

If certain losses were allocated to holders of our Preferred Units in a taxable period preceding liquidation, such holders will be allocated gain upon liquidation to the extent the stated liquidation preference exceeds the capital account balance of such holders with respect to the Preferred Units.

***Manner of Adjustments for Losses***

After making allocations of loss to the general partner and the unitholders in a manner intended to offset in reverse order the allocations of gains that have previously been allocated, we will generally allocate any loss to our general partner and unitholders in the following manner:

*first*, to the holders of common units in proportion to the positive balances in their capital accounts until the capital accounts of the common unitholders have been reduced to zero;

*second*, to the holders of Preferred Units in proportion to the positive balances in their capital accounts until the capital accounts of the holders of the Preferred Units have been reduced to zero; and

*thereafter*, 100.0% to our general partner.



*Adjustments to Capital Accounts*

Our partnership agreement requires that we make adjustments to capital accounts upon the issuance of additional units (including as a result of the conversion of our Preferred Units into common units). In this regard, our partnership agreement specifies that we allocate any unrealized and, for tax purposes, unrecognized gain resulting from the adjustments to the unitholders (including holders of our outstanding Preferred Units) and the general partner in the same manner as we allocate gain upon liquidation. In the event that we make positive adjustments to the capital accounts upon the issuance of additional units, our partnership agreement requires that we generally allocate any later negative adjustments to the capital accounts resulting from the issuance of additional units or upon our liquidation in a manner which results, to the extent possible, in the partners' capital account balances equaling the amount which they would have been if no earlier positive adjustments to the capital accounts had been made. In contrast to the allocations of gain, and except as provided above, we generally

**Table of Contents**

will allocate any unrealized and unrecognized loss resulting from the adjustments to capital accounts upon the issuance of additional units to the unitholders and our general partner based on their respective percentage ownership of us. If we make negative adjustments to the capital accounts as a result of such loss, future positive adjustments resulting from the issuance of additional units will be allocated in a manner designed to reverse the prior negative adjustments, and special allocations will be made upon liquidation in a manner that results, to the extent possible, in our unitholders' capital account balances equaling the amounts they would have been if no earlier adjustments for loss had been made.

---

**Table of Contents****MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS**

This section summarizes certain U.S. federal income tax consequences that may be relevant to prospective unitholders and is based upon current provisions of the Internal Revenue Code of 1986, as amended (the Code), existing and proposed Treasury Regulations thereunder (the Treasury Regulations), and current administrative rulings and court decisions, all of which are subject to change. Changes in these authorities may cause the U.S. federal income tax consequences to a prospective unitholder to vary substantially from those described below, possibly on a retroactive basis. Unless the context otherwise requires, references in this section to we, us or the Partnership are references to Enable Midstream Partners, LP and its subsidiaries.

Legal conclusions contained in this section, unless otherwise noted, are the opinion of Vinson & Elkins L.L.P. and are based on the accuracy of representations made by us to them for this purpose. However, this section does not address all U.S. federal income tax matters that affect us or our unitholders, such as the application of the alternative minimum tax. This section also does not address local taxes, state taxes, non-U.S. taxes, or other taxes that may be applicable, except to the limited extent that such tax considerations are addressed below under State Local and Other Tax Considerations. Furthermore, this section focuses on unitholders who are individual citizens or residents of the United States (for U.S. federal income tax purposes), who have the U.S. dollar as their functional currency, who use the calendar year as their taxable year, who purchase units in this offering, who do not materially participate in the conduct of our business activities and who hold such units as capital assets (generally, property that is held for investment). This section has limited applicability to corporations (including other entities treated as corporations for U.S. federal income tax purposes), partnerships (including other entities treated as partnerships for U.S. federal income tax purposes), estates, trusts, non-resident aliens or other unitholders subject to specialized tax treatment, such as tax-exempt institutions, non-U.S. persons, persons subject to special tax accounting rules as a result of any item of gross income with respect to our common units being taken into account in an applicable financial statement, individual retirement accounts (IRAs), employee benefit plans, banks, insurance companies and other financial institutions, real estate investment trusts or mutual funds.

***Accordingly, we encourage each prospective unitholder to consult the unitholder's own tax advisor in analyzing the federal, state, local and non-U.S. tax consequences particular to that unitholder resulting from ownership or disposition of our units and potential changes in applicable tax laws, including the impact of recently enacted U.S. tax legislation.***

We have requested and received a private letter ruling from the IRS to the effect that certain of our income constitutes qualifying income, as described further below. In addition, we are relying on opinions and advice of Vinson & Elkins L.L.P. with respect to the matters described herein. An opinion of counsel represents only that counsel's best legal judgment and does not bind the Internal Revenue Service (the IRS) or a court. Accordingly, the opinions and statements made herein may not be sustained by a court if contested by the IRS. Any such contest of the matters described herein may materially and adversely impact the market for units and the prices at which our units trade. In addition, our costs of any contest with the IRS will be borne indirectly by our unitholders because the costs will reduce our cash available for distribution. Furthermore, the tax consequences of an investment in us, may be significantly modified by future legislative or administrative changes or court decisions, which may be retroactively applied.

For the reasons described below, Vinson & Elkins L.L.P. has not rendered an opinion with respect to the following U.S. federal income tax issues:

the treatment of a unitholder whose units are the subject of a securities loan (e.g., a loan to a short seller to cover a short sale of units) (please read Tax Consequences of Unit Ownership Allocation of Income, Gain, Loss and Deduction Treatment of Securities Loans );

whether our monthly convention for allocating taxable income and losses is permitted by existing Treasury Regulations (please read Disposition of Units Allocations Between Transferors and Transferees );

---

**Table of Contents**

whether our method for taking into account Section 743 adjustments is sustainable in certain cases (please read Tax Consequences of Unit Ownership Allocation of Income, Gain, Loss and Deduction Section 754 Election and Uniformity of Units ); and

whether our use of simplifying conventions for making adjustments to book basis and relevant allocations is permitted by existing Treasury Regulations (please read Tax Consequences of Unit Ownership Allocation of Income, Gain, Loss and Deduction and Uniformity of Units ).

**Taxation of the Partnership**

***Partnership Status***

We are treated as a partnership for U.S. federal income tax purposes and, therefore, subject to the discussion below under Administrative Matters Information Returns and Audit Procedures, generally will not be liable for entity-level U.S. federal income taxes. Instead, as described below, each of our unitholders will take into account its respective share of our items of income, gain, loss and deduction in computing its U.S. federal income tax liability as if the unitholder had earned such income directly, even if we make no cash distributions to the unitholder. Distributions we make to a unitholder will not give rise to income or gain taxable to such unitholder, unless the amount of cash distributed exceeds the unitholder's adjusted tax basis in its units. Please read Tax Consequences of Unit Ownership Treatment of Distributions and Disposition of Units ).

Section 7704 of the Code generally provides that publicly-traded partnerships will be treated as corporations for U.S. federal income tax purposes. However, if 90% or more of a partnership's gross income for every taxable year it is publicly-traded consists of qualifying income, the Partnership may continue to be treated as a partnership for U.S. federal income tax purposes (the Qualifying Income Exception ). Qualifying income includes income and gains derived from the exploration, development, production, transportation, storage, processing and marketing of certain natural resources, including crude oil, natural gas and products thereof, as well as other types of income such as interest (other than from a financial business), dividends, gains from the sale of real property and gains from the sale or other disposition of capital assets held for the production of income that otherwise constitutes qualifying income. We estimate that less than 5% of our current gross income is not qualifying income; however, this estimate could change from time to time.

No ruling has been or will be requested from the IRS regarding our treatment as a partnership for U.S. federal income tax purposes. Instead, we are relying on opinions and advice of Vinson & Elkins L.L.P. with respect to matters described herein. Based upon factual representations made by us and our general partner, Vinson & Elkins L.L.P. is of the opinion that we will be treated as a partnership for U.S. federal income tax purposes and each of our partnership or limited liability company operating subsidiaries, other than those that have been identified as corporations to Vinson & Elkins L.L.P., will be treated as a partnership or will be disregarded as an entity separate from us for U.S. federal income tax purposes. The representations made by us and our general partner upon which Vinson & Elkins L.L.P. has relied in rendering its opinion include, without limitation:

(a) Neither we nor any of our partnership or limited liability company operating subsidiaries, other than those that have been identified as corporations to Vinson & Elkins L.L.P., has elected or will elect to be treated as a corporation for U.S. federal income tax purposes; and

(b) For each taxable year since and including the year of our initial public offering, more than 90% of our gross income has been and will be income of a character that Vinson & Elkins L.L.P. has opined is qualifying income within the meaning of Section 7704(d) of the Code.

(c) Each hedging transaction that we treat as resulting in qualifying income has been and will be appropriately identified as a hedging transaction pursuant to applicable Treasury Regulations, and has been and will be associated with oil, natural gas or products thereof that are held or to be held by us in activities that Vinson & Elkins L.L.P. has opined or will opine result in qualifying income.

---

## **Table of Contents**

We believe that these representations are true and will be true in the future.

If we fail to meet the Qualifying Income Exception, other than a failure that is determined by the IRS to be inadvertent and that is cured within a reasonable time after discovery (in which case the IRS may also require us to make adjustments with respect to our unitholders or pay other amounts), we will be treated as transferring all of our assets, subject to liabilities, to a newly formed corporation, on the first day of the year in which we fail to meet the Qualifying Income Exception, in return for stock in that corporation and then as distributing that stock to our unitholders in liquidation. This deemed contribution and liquidation should not result in the recognition of taxable income by our unitholders or us so long as our liabilities do not exceed the tax basis of our assets. Thereafter, we would be treated as an association taxable as a corporation for U.S. federal income tax purposes.

The present U.S. federal income tax treatment of publicly traded partnerships, including us, or an investment in our common units may be modified by administrative or legislative action or judicial interpretation at any time. For example, from time to time, members of the U.S. Congress and the President propose and consider substantive changes to the existing U.S. federal income tax laws that affect publicly traded partnerships, including the elimination of the Qualifying Income Exception upon which we rely for our treatment as a partnership for U.S. federal income tax purposes.

In addition, on January 24, 2017, final regulations regarding which activities give rise to qualifying income (the Final Regulations ) were published in the Federal Register. The Final Regulations were effective as of January 19, 2017, and apply to taxable years beginning on or after January 19, 2017. We do not believe the Final Regulations affect our ability to qualify as a publicly traded partnership.

At the state level, several states have been evaluating ways to subject partnerships to entity-level taxation through the imposition of state income, franchise, or other forms of taxation. Imposition of a similar tax on us in the jurisdictions in which we operate or in other jurisdictions to which we may expand could substantially reduce our cash available for distribution to our unitholders.

It is possible that a change in law could affect us and may be applied retroactively. Any such changes could negatively impact the value of an investment in our units. If for any reason we are taxable as a corporation in any taxable year, our items of income, gain, loss and deduction would be taken into account by us in determining the amount of our liability for U.S. federal income tax, rather than being passed through to our unitholders. Our taxation as a corporation would materially reduce the cash available for distribution to unitholders and thus would likely substantially reduce the value of our units. Any distribution made to a unitholder at a time we are treated as a corporation would be (i) a taxable dividend to the extent of our current or accumulated earnings and profits, then (ii) a nontaxable return of capital to the extent of the unitholder's tax basis in its units, and thereafter (iii) taxable capital gain.

The remainder of this discussion is based on the opinion of Vinson & Elkins L.L.P. that we will be treated as a partnership for U.S. federal income tax purposes.

## **Tax Consequences of Unit Ownership**

### ***Limited Partner Status***

Unitholders of the Partnership who are admitted as limited partners of the Partnership, and unitholders whose units are held in street name or by a nominee and who have the right to direct the nominee in the exercise of all substantive rights attendant to the ownership of their units will be treated as partners of the Partnership for U.S. federal income tax purposes.

In addition, a beneficial owner of units whose units have been transferred to a short seller to complete a short sale would appear to lose status as a partner with respect to such units for U.S. federal income tax purposes. Please read Tax Consequences of Unit Ownership Treatment of Securities Loans.



---

**Table of Contents**

Income, gain, deductions or losses would not appear to be reportable by a unitholder who is not a partner for U.S. federal income tax purposes, and any cash distributions received by a unitholder who is not a partner for U.S. federal income tax purposes would therefore appear to be fully taxable as ordinary income. A unitholder who is not treated as a partner in us as described above is urged to consult its own tax advisors with respect to the tax consequences applicable to such unitholder under its particular circumstances.

***Flow-Through of Taxable Income***

Subject to the discussion below under **Entity-Level Collections of Unitholder Taxes** and **Administrative Matters Information Returns and Audit Procedures** with respect to payments we may be required to make on behalf of our unitholders, we will not pay any U.S. federal income tax. Rather, each unitholder will be required to report on its U.S. federal income tax return each year its share of our income, gains, losses and deductions for our taxable year or years ending with or within its taxable year. Except as described below under **Treatment of Distributions**, participants in our distribution reinvestment plan ( **DRIP** ) will be allocated taxable income and loss in the same manner as all other unitholders even if they elect to reinvest their entire cash distribution. Consequently, we may allocate income to a unitholder even if that unitholder has not received a cash distribution. The income we allocate to unitholders will generally be taxable as ordinary income. Each unitholder will be required to include in income his allocable share of our income, gains, losses and deductions for our taxable year ending with or within his taxable year. Our taxable year ends on December 31.

***Basis of Units***

A unitholder's tax basis in its units initially will be the amount paid or treated as paid for those units increased by the unitholder's initial allocable share of our nonrecourse liabilities. That basis generally will be (i) increased by the unitholder's share of our income, any increases in such unitholder's share of our nonrecourse liabilities and, on the disposition of a common unit, such unitholder's share of certain items related to business interest not yet deductible by the unitholder due to applicable limitations (please read **Limitations on Deduction of Interest** ), and (ii) decreased, but not below zero, by the amount of all distributions to the unitholder, the unitholder's share of our losses, the unitholder's share of certain items related to the limitations on the deduction of business interest and any decreases in the unitholder's share of our nonrecourse liabilities and its share of our expenditures that are neither deductible nor required to be capitalized. The IRS has ruled that a partner who acquires interests in a partnership in separate transactions must combine those interests and maintain a single adjusted tax basis for all of those interests.

***Treatment of Distributions***

Distributions made by us to a unitholder generally will not be taxable to the unitholder, unless such distributions are of cash or marketable securities that are treated as cash and exceed the unitholder's tax basis in its units, in which case the unitholder generally will recognize gain taxable in the manner described below under **Disposition of Units**.

If, and to the extent that, a unitholder participates in our DRIP, such unitholder will receive common units in lieu of all or a portion of any cash distributions it would otherwise receive from us. The tax consequences of such participation are generally expected to be the same to the DRIP participants as if they had received their cash distributions paid to the unitholders and then used these cash distributions to purchase additional common units either from us or on the open market, depending on how we instruct the DRIP administrator to reinvest the distributions subject to our DRIP. If a participant in our DRIP is deemed to have purchased additional common units at a discount, it may be necessary to allocate income to such participant in our DRIP in order to preserve the uniformity of our units. Accordingly, a participant in our DRIP may recognize income in the amount of the discount.

Any reduction in a unitholder's share of our nonrecourse liabilities (liabilities for which no partner bears the economic risk of loss) will be treated as a distribution by us of cash to that unitholder. A decrease in a

**Table of Contents**

unitholder's percentage interest in us because of our issuance of additional units may decrease such unitholder's share of our nonrecourse liabilities. For purposes of the foregoing, a unitholder's share of our nonrecourse liabilities generally will be based upon that unitholder's share of the unrealized appreciation (or depreciation) in our assets, to the extent thereof, with any excess liabilities allocated based on the unitholder's share of our profits. Please read

**Disposition of Units.**

A non-pro rata distribution of money or property (including a deemed distribution as a result of the reallocation of our liabilities described above) may cause a unitholder to recognize ordinary income, if the distribution reduces the unitholder's share of our unrealized receivables, including depreciation recapture and substantially appreciated inventory items, both as defined in Section 751 of the Code (Section 751 Assets). To the extent of such reduction, the unitholder would be deemed to receive its proportionate share of the Section 751 Assets and exchange such assets with us in return for a portion of the non-pro rata distribution. This deemed exchange generally will result in the unitholder's recognition of ordinary income in an amount equal to the excess of (1) the non-pro rata portion of that distribution over (2) the unitholder's tax basis (generally zero) in the Section 751 Assets deemed to be relinquished in the exchange.

***Limitations on Deductibility of Losses***

A unitholder may not be entitled to deduct the full amount of loss we allocate to it because its share of our losses will be limited to the lesser of (i) the unitholder's adjusted tax basis in its units, and (ii) in the case of a unitholder that is an individual, estate, trust or certain types of closely-held corporations, the amount for which the unitholder is considered to be at risk with respect to our activities. A unitholder will be at risk to the extent of its adjusted tax basis in its units, reduced by (1) any portion of that basis attributable to the unitholder's share of our nonrecourse liabilities, (2) any portion of that basis representing amounts otherwise protected against loss because of a guarantee, stop loss agreement or similar arrangement, and (3) any amount of money the unitholder borrows to acquire or hold its units, if the lender of those borrowed funds owns an interest in us, is related to another unitholder or can look only to the units for repayment. A unitholder subject to the at risk limitation must recapture losses deducted in previous years to the extent that distributions (including distributions deemed to result from a reduction in a unitholder's share of nonrecourse liabilities) cause the unitholder's at risk amount to be less than zero at the end of any taxable year.

Losses disallowed to a unitholder or recaptured as a result of the basis or at risk limitations will carry forward and will be allowable as a deduction in a later year to the extent that the unitholder's adjusted tax basis or at risk amount, whichever is the limiting factor, is subsequently increased. Upon a taxable disposition of units, any gain recognized by a unitholder can be offset by losses that were previously suspended by the at risk limitation but not losses suspended by the basis limitation. Any loss previously suspended by the at risk limitation in excess of that gain can no longer be used, and will not be available to offset a unitholder's salary or active business income.

In addition to the basis and at risk limitations, a passive activity loss limitation limits the deductibility of losses incurred by individuals, estates, trusts, some closely-held corporations and personal service corporations from passive activities (such as, trade or business activities in which the taxpayer does not materially participate). The passive loss limitations are applied separately with respect to each publicly-traded partnership. Consequently, any passive losses we generate will be available to offset only passive income generated by us. Passive losses that exceed a unitholder's share of passive income we generate may be deducted in full when the unitholder disposes of all of its units in a fully taxable transaction with an unrelated party. The passive activity loss rules are applied after other applicable limitations on deductions, including the at risk and basis limitations.

A unitholder's share of our net income may be offset by any of our suspended passive losses, but it may not be offset by any other current or carryover losses from other passive activities, including those attributable to other publicly

traded partnerships.

---

**Table of Contents**

For taxpayers other than corporations in taxable years beginning after December 31, 2017, and before January 1, 2026, an excess business loss limitation further limits the deductibility of losses by such taxpayers. An excess business loss is the excess (if any) of a taxpayer's aggregate deductions for the taxable year that are attributable to the trades or businesses of such taxpayer (determined without regard to the excess business loss limitation) over the aggregate gross income or gain of such taxpayer for the taxable year that is attributable to such trades or businesses plus a threshold amount. The threshold amount is equal to \$250,000 or \$500,000 for taxpayers filing a joint return.

Disallowed excess business losses are treated as a net operating loss carryover to the following tax year. Any losses we generate that are allocated to a unitholder and not otherwise limited by the basis, at risk, or passive loss limitations will be included in the determination of such unitholder's aggregate trade or business deductions. Consequently, any losses we generate that are not otherwise limited will only be available to offset a unitholder's other trade or business income plus an amount of non-trade or business income equal to the applicable threshold amount. Thus, except to the extent of the threshold amount, our losses that are not otherwise limited may not offset a unitholder's non-trade or business income (such as salaries, fees, interest, dividends and capital gains). This excess business loss limitation will be applied after the passive activity loss limitation.

***Limitations on Interest Deductions***

In general, deductions for interest paid or accrued on indebtedness properly allocable to a trade or business that would otherwise be deductible in a taxable year beginning on or after January 1, 2018 are limited to the sum of business interest income and 30% of a business's adjusted taxable income for such year. For the purposes of this limitation, adjusted taxable income is computed without regard to any business interest or business interest income, and in the case of taxable years beginning before January 1, 2022, any deduction allowable for depreciation, amortization, or depletion. A portion of our trade or business interest deductions are not expected to be subject to these interest deduction limitations as a result of an exemption that applies to interest deductions for, among other things, regulated natural gas pipelines.

To the extent our deduction for business interest is not limited, we will allocate the full amount of our deduction for business interest among our unitholders in accordance with their percentage interests in us. To the extent our deduction for business interest is limited, the amount of any disallowed deduction for business interest will also be allocated to each unitholder in accordance with their percentage interest in us, but such amount of excess business interest will not be currently deductible. Subject to certain limitations and adjustments to a unitholder's basis in its units, this excess business interest may be carried forward and deducted by a unitholder in a future taxable year.

In addition to this limitation of the deductibility of a partnership's business interest, the deductibility of a non-corporate taxpayer's investment interest expense is generally limited to the amount of that taxpayer's net investment income. Investment interest expense includes:

interest on indebtedness allocable to property held for investment;

interest expense attributed to portfolio income; and

the portion of interest expense incurred to purchase or carry an interest in a passive activity to the extent attributable to portfolio income.

The computation of a unitholder's investment interest expense will take into account interest on any margin account borrowing or other loan incurred to purchase or carry a unit. Net investment income includes gross income from property held for investment and amounts treated as portfolio income under the passive loss rules, less deductible expenses, other than interest, directly connected with the production of investment income. Net investment income generally does not include qualified dividend income (if applicable) or gains attributable to the disposition of property held for investment. A unitholder's share of a publicly-traded partnership's portfolio income and, according to the IRS, net passive income will be treated as investment income for purposes of the investment interest expense limitation.

## **Table of Contents**

### ***Entity-Level Collections of Unitholder Taxes***

If we are required or elect under applicable law to pay any federal, state, local or non-U.S. tax on behalf of any current or former unitholder or our general partner, our partnership agreement authorizes us to treat the payment as a distribution of cash to the relevant unitholder or general partner. Where the tax is payable on behalf of all unitholders or we cannot determine the specific unitholder on whose behalf the tax is payable, our partnership agreement authorizes us to treat the payment as a distribution to all current unitholders. Payments by us as described above could give rise to an overpayment of tax on behalf of a unitholder, in which event the unitholder may be entitled to claim a refund of the overpayment amount. Please read **Administrative Matters** **Information Returns and Audit Procedures**. Unitholders are urged to consult their tax advisors to determine the consequences to them of any tax payment we make on their behalf.

### ***Allocation of Income, Gain, Loss and Deduction***

In general, if we have a net profit, our items of income, gain, loss and deduction generally will be allocated amongst our unitholders in accordance with their percentage interests in us. At any time that we make incentive distributions, gross income will be allocated to the recipients to the extent of these distributions.

Specified items of our income, gain, loss and deduction will be allocated under Section 704(c) of the Code (or the principles of Section 704(c) of the Code) to account for any difference between the tax basis and fair market value of our assets at the time such assets are contributed to us and at the time of any subsequent offering of our units (a **Book-Tax Disparity** ). As a result, the U.S. federal income tax burden associated with any **Book-Tax Disparity** immediately prior to an offering generally will be borne by our partners holding interests in us prior to such offering. In addition, items of recapture income will be specially allocated to the extent possible to the unitholder who was allocated the deduction giving rise to that recapture income in order to minimize the recognition of ordinary income by other unitholders.

It may not be administratively feasible to make the relevant adjustments to **book** basis and the relevant Section 704(c) allocations separately each time we issue units, particularly in the case of small or frequent unit issuances. If that is the case, we may use simplifying conventions to make those adjustments and allocations, which may include the aggregation of certain issuances of units. Our counsel, Vinson & Elkins, L.L.P., is unable to opine as to the validity of such conventions.

An allocation of items of our income, gain, loss or deduction, other than an allocation required by the Code to eliminate a **Book-Tax Disparity**, will generally be given effect for U.S. federal income tax purposes in determining a partner's share of an item of income, gain, loss or deduction only if the allocation has **substantial economic effect**. In any other case, a partner's share of an item will be determined on the basis of the partner's interest in us, which will be determined by taking into account all the facts and circumstances, including (i) the partner's relative contributions to us, (ii) the interests of all the partners in profits and losses, (iii) the interest of all the partners in cash flow and (iv) the rights of all the partners to distributions of capital upon liquidation. Vinson & Elkins L.L.P. is of the opinion that, with the exception of the issues described in **Section 754 Election**, **Disposition of Units** **Allocations Between Transferors and Transferees**, and **Uniformity of Units**, allocations of income, gain, loss or deduction under our partnership agreement will be given effect for U.S. federal income tax purposes.

### ***Treatment of Securities Loans***

A unitholder whose units are loaned (for example, a loan to **short seller** to cover a short sale of units) may be treated as having disposed of those units. If so, such unitholder would no longer be treated for tax purposes as a partner with

respect to those units during the period of the loan and may recognize gain or loss from the disposition. As a result, during this period (i) any of our income, gain, loss or deduction allocated to those units would not be reportable by the lending unitholder, and (ii) any cash distributions received by the lending unitholder as to those units may be treated as ordinary taxable income.



**Table of Contents**

Due to a lack of controlling authority, Vinson & Elkins L.L.P. has not rendered an opinion regarding the tax treatment of a unitholder that enters into a securities loan with respect to its units. Unitholders desiring to assure their status as partners and avoid the risk of income recognition from a loan of their units are urged to consult their own tax advisors and to modify any applicable brokerage account agreements to prohibit their brokers from borrowing and lending their units. The IRS has announced that it is studying issues relating to the tax treatment of short sales of partnership interests. Please read [Disposition of Units](#) [Recognition of Gain or Loss](#).

***Tax Rates***

Under current law, the highest marginal U.S. federal income tax rates for individuals applicable to ordinary income and long-term capital gains (generally, gains from the sale or exchange of certain investment assets held for more than one year) are 37% and 20%, respectively. These rates are subject to change by new legislation at any time.

In addition, a 3.8% net investment income tax ( NIIT ) applies to certain net investment income earned by individuals, estates, and trusts. For these purposes, net investment income generally includes a unitholder's allocable share of our income and gain realized by a unitholder from a sale of units. In the case of an individual, the tax will be imposed on the lesser of (i) the unitholder's net investment income from all investments, or (ii) the amount by which the unitholder's modified adjusted gross income exceeds \$250,000 (if the unitholder is married and filing jointly or a surviving spouse), \$125,000 (if married filing separately) or \$200,000 (if the unitholder is unmarried or in any other case). In the case of an estate or trust, the tax will be imposed on the lesser of (i) undistributed net investment income, or (ii) the excess adjusted gross income over the dollar amount at which the highest income tax bracket applicable to an estate or trust begins.

For taxable years beginning after December 31, 2017 and ending on or before December 31, 2025, an individual unitholder is entitled to a deduction equal to 20% of his or her allocable share of our qualified business income. For purposes of this deduction, our qualified business income is equal to the sum of:

the net amount of our U.S. items of income, gain, deduction, and loss to the extent such items are included or allowed in the determination of taxable income for the year, *excluding*, however, certain specified types of passive investment income (such as capital gains and dividends) and certain payments made to the unitholder for services rendered to the Partnership; and

any gain recognized upon a disposition of our units to the extent such gain is attributable to Section 751 Assets, such as depreciation recapture and our inventory items, and is thus treated as ordinary income under Section 751 of the Code.

***Section 754 Election***

We have made the election permitted by Section 754 of the Code that permits us to adjust the tax bases in our assets as to specific purchasers of our units under Section 743(b) of the Code to reflect the unit purchase price upon subsequent purchases of units. That election is irrevocable without the consent of the IRS. The Section 743(b) adjustment separately applies to each purchaser of units based upon the values and bases of our assets at the time of the relevant purchase, and the adjustment will reflect the purchase price paid. The Section 743(b) adjustment does not apply to a person who purchases units directly from us. For purposes of this discussion, a unitholder's basis in our assets will be considered to have two components: (1) its share of the tax basis in our assets as to all unitholders and (2) its Section 743(b) adjustment to that tax basis (which may be positive or negative).

Under our partnership agreement, we are authorized to take a position to preserve the uniformity of units even if that position is not consistent with applicable Treasury Regulations. A literal application of Treasury Regulations governing a 743(b) adjustment attributable to properties depreciable under Section 167 of the Code may give rise to differences in the taxation of unitholders purchasing units from us and unitholders purchasing

## **Table of Contents**

from other unitholders. If we have any such properties, we intend to adopt methods employed by other publicly traded partnerships to preserve the uniformity of units, even if inconsistent with existing Treasury Regulations, and Vinson & Elkins L.L.P. has not opined on the validity of this approach. Please read [Uniformity of Units](#).

The IRS may challenge our positions with respect to depreciating or amortizing the Section 743(b) adjustment we take to preserve the uniformity of units due to lack of controlling authority. Because a unitholder's tax basis for its units is reduced by its share of our items of deduction or loss, any position we take that understates deductions will overstate a unitholder's basis in its units, and may cause the unitholder to understate gain or overstate loss on any sale of such units. Please read [Disposition of Units Recognition of Gain or Loss](#). If a challenge to such treatment were sustained, the gain from the sale of units may be increased without the benefit of additional deductions.

The calculations involved in the Section 754 election are complex and will be made on the basis of assumptions as to the value of our assets and other matters. The IRS could seek to reallocate some or all of any Section 743(b) adjustment we allocated to our assets subject to depreciation to goodwill or nondepreciable assets. Goodwill, as an intangible asset, is generally amortizable over a longer period of time or under a less accelerated method than our tangible assets. We cannot assure any unitholder that the determinations we make will not be successfully challenged by the IRS or that the resulting deductions will not be reduced or disallowed altogether. Should the IRS require a different tax basis adjustment to be made, and should, in our opinion, the expense of compliance exceed the benefit of the election, we may seek permission from the IRS to revoke our Section 754 election. If permission is granted, a subsequent purchaser of units may be allocated more income than it would have been allocated had the election not been revoked.

## **Tax Treatment of Operations**

### ***Accounting Method and Taxable Year***

We use the year ending December 31 as our taxable year and the accrual method of accounting for U.S. federal income tax purposes. Each unitholder will be required to include in its tax return its share of our income, gain, loss and deduction for each taxable year ending within or with its taxable year. In addition, a unitholder who has a taxable year ending on a date other than December 31 and who disposes of all of its units following the close of our taxable year but before the close of its taxable year must include its share of our income, gain, loss and deduction in income for its taxable year, with the result that it will be required to include in income for its taxable year its share of more than twelve months of our income, gain, loss and deduction. Please read [Disposition of Units Allocations Between Transferors and Transferees](#).

### ***Tax Basis, Depreciation and Amortization***

The tax basis of each of our assets will be used for purposes of computing depreciation and cost recovery deductions and, ultimately, gain or loss on the disposition of those assets. If we dispose of depreciable property by sale, foreclosure or otherwise, all or a portion of any gain, determined by reference to the amount of depreciation deductions previously taken, may be subject to the recapture rules and taxed as ordinary income rather than capital gain. Similarly, a unitholder who has taken cost recovery or depreciation deductions with respect to property we own will likely be required to recapture some or all of those deductions as ordinary income upon a sale of its interest in us. Please read [Tax Consequences of Unit Ownership Allocation of Income, Gain, Loss and Deduction](#).

### ***Valuation and Tax Basis of Our Properties***

The U.S. federal income tax consequences of the ownership and disposition of units will depend in part on our estimates of the relative fair market values and the tax bases of our assets. Although we may from time to time consult with professional appraisers regarding valuation matters, we will make many of the relative fair

---

**Table of Contents**

market value estimates and tax basis determinations ourselves. These estimates and determinations of tax basis are subject to challenge and will not be binding on the IRS or the courts. If the estimates of fair market value or basis are later found to be incorrect, the character and amount of items of income, gain, loss or deduction previously reported by unitholders could change, and unitholders could be required to adjust their tax liability for prior years and incur interest and penalties with respect to those adjustments.

**Disposition of Units*****Recognition of Gain or Loss***

A unitholder will be required to recognize gain or loss on a sale of units equal to the difference between the unitholder's amount realized and tax basis in the units sold. A unitholder's amount realized generally will equal the sum of the cash and the fair market value of other property it receives plus its share of our nonrecourse liabilities with respect to the units sold. Because the amount realized includes a unitholder's share of our nonrecourse liabilities, the gain recognized on the sale of units could result in a tax liability in excess of any cash received from the sale.

Prior distributions from us that in the aggregate were in excess of cumulative net taxable income for a common unit and, therefore, decreased a unitholder's tax basis in that common unit will, in effect, become taxable income if the common unit is sold at a price greater than the unitholder's tax basis in that common unit, even if the price received is less than his original cost.

Except as noted below, gain or loss recognized by a unitholder on the sale or exchange of a unit held for more than one year generally will be taxable as long-term capital gain or loss. However, gain or loss recognized on the disposition of units will be separately computed and taxed as ordinary income or loss under Section 751 of the Code to the extent attributable to Section 751 Assets, such as depreciation recapture and our inventory items, regardless of whether such inventory item is substantially appreciated in value. Ordinary income attributable to Section 751 Assets may exceed net taxable gain realized on the sale of a unit and may be recognized even if there is a net taxable loss realized on the sale of a unit. Thus, a unitholder may recognize both ordinary income and capital gain or loss upon a sale of units. Net capital loss may offset capital gains and, in the case of individuals, up to \$3,000 of ordinary income per year. Both ordinary income and capital gain recognized may be subject to the NIIT in certain circumstances. Please read *Tax Consequences of Unit Ownership Allocation of Income, Gain, Loss and Deduction Tax Rates*.

For purposes of calculating gain or loss on the sale of units, the unitholder's adjusted tax basis will be adjusted by its allocable share of our income or loss in respect of its units for the year of the sale. Furthermore, as described above, the IRS has ruled that a partner who acquires interests in a partnership in separate transactions must combine those interests and maintain a single adjusted tax basis for all of those interests. Upon a sale or other disposition of less than all of those interests, a portion of that tax basis must be allocated to the interests sold using an equitable apportionment method, which generally means that the tax basis allocated to the interest sold equals an amount that bears the same relation to the partner's tax basis in its entire interest in the Partnership as the value of the interest sold bears to the value of the partner's entire interest in the Partnership.

Treasury Regulations under Section 1223 of the Code allow a selling unitholder who can identify units transferred with an ascertainable holding period to elect to use the actual holding period of the units transferred. Thus, according to the ruling discussed in the paragraph above, a unitholder will be unable to select high or low basis units to sell as would be the case with corporate stock, but, according to the Treasury Regulations, it may designate specific units sold for purposes of determining the holding period of the units transferred. A unitholder electing to use the actual holding period of units transferred must consistently use that identification method for all subsequent sales or exchanges of our units. A unitholder considering the purchase of additional units or a sale of units purchased in

separate transactions is urged to consult its tax advisor as to the possible consequences of this ruling and application of the Treasury Regulations.

## **Table of Contents**

Specific provisions of the Code affect the taxation of some financial products and securities, including partnership interests, by treating a taxpayer as having sold an appreciated financial position, including a partnership interest with respect to which gain would be recognized if it were sold, assigned or terminated at its fair market value, in the event the taxpayer or a related person enters into:

a short sale;

an offsetting notional principal contract; or

a futures or forward contract with respect to the partnership interest or substantially identical property.

Moreover, if a taxpayer has previously entered into a short sale, an offsetting notional principal contract or a futures or forward contract with respect to the partnership interest, the taxpayer will be treated as having sold that position if the taxpayer or a related person then acquires the partnership interest or substantially identical property. The Secretary of the Treasury is authorized to issue Treasury Regulations that treat a taxpayer that enters into transactions or positions that have substantially the same effect as the preceding transactions as having constructively sold the financial position.

### ***Allocations Between Transferors and Transferees***

In general, our taxable income or loss will be determined annually, will be prorated on a monthly basis and will be subsequently apportioned among the unitholders in proportion to the number of units owned by each of them as of the opening of the applicable exchange on the first business day of the month (the Allocation Date). Nevertheless, we allocate certain deductions for depreciation of capital additions based upon the date the underlying property is placed in service, and gain or loss realized on a sale or other disposition of our assets or, in the discretion of the general partner, any other extraordinary item of income, gain, loss or deduction will be allocated among the unitholders on the Allocation Date in the month in which such income, gain, loss or deduction is recognized. As a result, a unitholder transferring units may be allocated income, gain, loss and deduction realized after the date of transfer.

Although simplifying conventions are contemplated by the Code and most publicly traded partnerships use similar simplifying conventions, existing Treasury Regulations do not specifically authorize the use of the proration method we have adopted. Accordingly, Vinson & Elkins L.L.P. is unable to opine on the validity of this method of allocating income and deductions between transferee and transferor unitholders. If the IRS determines that this method is not allowed under the Treasury Regulations our taxable income or losses could be reallocated among our unitholders. Under our partnership agreement, we are authorized to revise our method of allocation between transferee and transferor unitholders, as well as among unitholders whose interests vary during a taxable year, to conform to a method permitted under the Treasury Regulations.

A unitholder who disposes of units prior to the record date set for a cash distribution for that quarter will be allocated items of our income, gain, loss and deduction attributable to the month of disposition but will not be entitled to receive a cash distribution for that period.

### ***Notification Requirements***

A unitholder who sells or purchases any of its units is generally required to notify us in writing of that transaction within 30 days after the transaction (or, if earlier, January 15 of the year following the transaction in the case of a seller). Upon receiving such notifications, we are required to notify the IRS of that transaction and to furnish specified information to the transferor and transferee. Failure to notify us of a transfer of units may, in some cases, lead to the imposition of penalties. However, these reporting requirements do not apply to a sale by an individual who is a citizen of the United States and who effects the sale through a broker who will satisfy such requirements.



---

**Table of Contents*****Uniformity of Units***

Because we cannot match transferors and transferees of units and other reasons, we must maintain uniformity of the economic and tax characteristics of the units to a purchaser of these units. In the absence of uniformity, we may be unable to completely comply with a number of U.S. federal income tax requirements. Any non-uniformity could have a negative impact on the value of the units. Please read Tax Consequences of Unit Ownership Allocation of Income, Gain, Loss and Deduction Section 754 Election.

Our partnership agreement permits our general partner to take positions in filing our tax returns that preserve the uniformity of our units. These positions may include reducing the depreciation, amortization or loss deductions to which a unitholder would otherwise be entitled or reporting a slower amortization of Section 743(b) adjustments for some unitholders than that to which they would otherwise be entitled. Vinson & Elkins L.L.P. is unable to opine as to the validity of such filing positions.

A unitholder's adjusted tax basis in units is reduced by its share of our deductions (whether or not such deductions were claimed on an individual income tax return) so that any position that we take that understates deductions will overstate the unitholder's basis in its units, and may cause the unitholder to understate gain or overstate loss on any sale of such units. Please read Disposition of Units Recognition of Gain or Loss above and Tax Consequences of Unit Ownership Allocation of Income, Gain, Loss and Deduction Section 754 Election above. The IRS may challenge one or more of any positions we take to preserve the uniformity of units. If such a challenge were sustained, the uniformity of units might be affected, and, under some circumstances, the gain from the sale of units might be increased without the benefit of additional deductions.

In addition, as described above at Tax Consequences of Unit Ownership Allocation of Income, Gain, Loss and Deduction, if we aggregate multiple issuances of units for purposes of making adjustments to book basis and related tax allocations, we will treat each of our units as having the same capital account balance, regardless of the price actually paid by each purchaser of units in the aggregated offerings. Our counsel, Vinson & Elkins L.L.P., is unable to opine as to the validity of such an approach. We do not expect the number of affected units, or the differences between the purchase price of a unit and the initial capital account balance assigned to the unit, to be material, and we do not expect this convention to have a material effect upon the trading of our units.

**Tax-Exempt Organizations and Other Investors**

Ownership of units by employee benefit plans and other tax-exempt organizations as well as by non-resident alien individuals, non-U.S. corporations and other non-U.S. persons (collectively, Non-U.S. Unitholders) raises issues unique to those investors and, as described below, may have substantially adverse tax consequences to them. Prospective unitholders that are tax-exempt entities or Non-U.S. Unitholders should consult their tax advisors before investing in our units.

Employee benefit plans and most other tax-exempt organizations, including IRAs and other retirement plans, are subject to U.S. federal income tax on unrelated business taxable income. Virtually all of our income will be unrelated business taxable income and will be taxable to a tax-exempt unitholder. Tax-exempt unitholders with more than one unrelated trade or business (including by attribution from investment in the Partnership to the extent it is engaged in one or more unrelated trades or businesses) are required to separately compute their unrelated business taxable income with respect to each trade or business (including for purposes of determining any net operating loss deduction). As a result, it may not be possible for tax-exempt unitholders to utilize losses from an investment in the Partnership to offset unrelated business taxable income from another unrelated trade or business and vice versa.

Non-U.S. Unitholders are taxed by the United States on income effectively connected with the conduct of a U.S. trade or business ( effectively connected income ) and on certain types of U.S.-source non-effectively

**Table of Contents**

connected income (such as dividends), unless exempted or further limited by an income tax treaty will be considered to be engaged in business in the United States because of their ownership of our units. Furthermore, it is probable that they will be deemed to conduct such activities through permanent establishments in the United States within the meaning of applicable tax treaties. Consequently, they will be required to file federal tax returns to report their share of our income, gain, loss or deduction and pay U.S. federal income tax on their share of our net income or gain. Moreover, under rules applicable to publicly traded partnerships, distributions to Non-U.S. Unitholders are subject to withholding at the highest applicable effective tax rate. Each Non-U.S. Unitholder must obtain a taxpayer identification number from the IRS and submit that number to our transfer agent on a Form W-8BEN, W-8BEN-E, or applicable substitute form in order to obtain credit for these withholding taxes.

In addition, because a Non-U.S. Unitholder classified as a corporation will be treated as engaged in a United States trade or business, that corporation may be subject to the U.S. branch profits tax at a rate of 30%, in addition to regular U.S. federal income tax, on its share of our income and gain as adjusted for changes in the foreign corporation's U.S. net equity to the extent reflected in the corporation's effectively connected earnings and profits. That tax may be reduced or eliminated by an income tax treaty between the United States and the country in which the foreign corporate unitholder is a qualified resident. In addition, this type of unitholder is subject to special information reporting requirements under Section 6038C of the Code.

A Non-U.S. Unitholder who sells or otherwise disposes of a unit will be subject to U.S. federal income tax on gain realized from the sale or disposition of that unit to the extent the gain is effectively connected with a U.S. trade or business of the Non-U.S. Unitholder. Gain realized by a Non-U.S. Unitholder from the sale of its interest in a partnership that is engaged in a trade or business in the United States will be considered to be effectively connected with a U.S. trade or business to the extent that gain that would be recognized upon a sale by the partnership of all its assets would be effectively connected with a U.S. trade or business. Thus, all of a Non-U.S. Unitholder's gain from the sale or other disposition of our units would be treated as effectively connected with a unitholder's indirect U.S. trade or business constituted by its investment in us and would be subject to U.S. federal income tax. As a result of the effectively connected income rules described above, the exclusion from U.S. taxation under the Foreign Investment in Real Property Tax Act for gain from the sale of partnership units regularly traded on an established securities market will not prevent a Non-U.S. Unitholder from being subject to U.S. federal income tax on gain from the sale or disposition of its units to the extent such gain is effectively connected with a U.S. trade or business. We expect all of the gain from the sale or disposition of our units to be treated as effectively connected with a U.S. trade or business.

Moreover, the transferee of an interest in a partnership that is engaged in a U.S. trade or business is generally required to withhold 10% of the amount realized by the transferor unless the transferor certifies that it is not a foreign person, and we are required to deduct and withhold from the transferee amounts that should have been withheld by the transferees but were not withheld. Because the amount realized includes a partner's share of the partnership's liabilities, 10% of the amount realized could exceed the total cash purchase price for the units. For this and other reasons, the IRS has suspended the application of this withholding rule to open market transfers of interest in publicly traded partnerships, pending promulgation of regulations that address the amount to be withheld, the reporting necessary to determine such amount and the appropriate party to withhold such amounts, but it is not clear if or when such regulations will be issued.

**Administrative Matters*****Information Returns and Audit Procedures***

We intend to furnish to each unitholder, within 90 days after the close of each taxable year, specific tax information, including a Schedule K-1, which describes its share of our income, gain, loss and deduction for our preceding taxable

year. In preparing this information, which will not be reviewed by counsel, we will take various accounting and reporting positions, some of which have been mentioned earlier, to determine each unitholder's share of income, gain, loss and deduction. We cannot assure our unitholders that those positions will

## **Table of Contents**

yield a result that conforms to all of the requirements of the Code, Treasury Regulations or administrative interpretations of the IRS.

The IRS may audit our U.S. federal income tax information returns. Neither we nor Vinson & Elkins L.L.P. can assure prospective unitholders that the IRS will not successfully challenge the positions we adopt, and such a challenge could adversely affect the value of the units. Adjustments resulting from an IRS audit may require each unitholder to adjust a prior year's tax liability and may result in an audit of the unitholder's own return. Any audit of a unitholder's return could result in adjustments unrelated to our returns.

Publicly traded partnerships generally are treated as entities separate from their owners for purposes of U.S. federal income tax audits, judicial review of administrative adjustments by the IRS and tax settlement proceedings. The tax treatment of partnership items of income, gain, loss and deduction are determined in a partnership proceeding rather than in separate proceedings of the partners.

Pursuant to the Bipartisan Budget Act of 2015, as amended by the Protecting Americans from Tax Hikes Act of 2015, for taxable years beginning after December 31, 2017, if the IRS makes an audit adjustment to any of our income tax returns, it may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustment directly from us, unless we elect to have our general partner, unitholders and former unitholders take any audit adjustment into account in accordance with their interests in us during the taxable year under audit. Similarly, for such taxable years, if the IRS makes an audit adjustment to an income tax return filed by an entity in which we are a member or partner, it may assess and collect any taxes (including penalties and interest) resulting from such audit adjustment directly from such entity. Generally, we expect to elect to have our general partner, unitholders and former unitholders take any material audit adjustment into account in accordance with their interests in us during the taxable year under audit, but there can be no assurance that such election, if made, will be effective in all circumstances. With respect to an audit adjustment as to an entity in which we are a member or partner, it is not clear that in all circumstances, we will be able to have our general partner and our unitholders take such audit adjustment into account in accordance with their interests in us during the taxable year under audit, and if we are unable to do so, our then current unitholders may bear some or all of the tax liability resulting from such audit adjustment, even if such unitholders did not own our units during the taxable year under audit. If, as a result of any such audit adjustment, we are required to make payments of taxes, penalties, and interest, we may require our unitholders and former unitholders to reimburse us for such taxes (including any applicable penalties or interest) or, if we are required to bear such payment our cash available for distribution to our unitholders might be substantially reduced.

For taxable years beginning after December 31, 2017, we will be required to designate a partner, or other person, with a substantial presence in the United States as our partnership representative ( Partnership Representative ). The Partnership Representative will have the sole authority to act on our behalf for purposes of, among other things, U.S. federal income tax audits and judicial review of administrative adjustments by the IRS. If we do not make such a designation, the IRS can select any person as the Partnership Representative. We currently anticipate that we will designate our general partner (or one of its affiliates) as the Partnership Representative. Further, any actions taken by us or by the Partnership Representative on our behalf with respect to, among other things, U.S. federal income tax audits and judicial review of administrative adjustments by the IRS, will be binding on us and all of the unitholders.

These rules are not applicable for taxable years beginning on or prior to December 31, 2017. The U.S. Department of the Treasury has issued proposed regulations interpreting these rules, and accordingly, the manner in which these rules may apply to us in the future is uncertain.

### ***Additional Withholding Requirements***

Withholding taxes may apply to certain types of payments made to foreign financial institutions (as specially defined in the Code) and certain other non-U.S. entities. Specifically, a 30% withholding tax may be

---

**Table of Contents**

imposed on interest, dividends and other fixed or determinable annual or periodical gains, profits and income from sources within the United States ( *FDAP Income* ), or gross proceeds from the sale or other disposition of any property of a type which can produce interest or dividends from sources within the United States ( *Gross Proceeds* ) paid to a foreign financial institution or to a non-financial foreign entity (as specially defined in the Code), unless (i) the foreign financial institution undertakes certain diligence and reporting, (ii) the non-financial foreign entity either certifies it does not have any substantial U.S. owners or furnishes identifying information regarding each substantial U.S. owner or (iii) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in clause (i) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain U.S. persons or U.S.-owned foreign entities, annually report certain information about such accounts, and withhold 30% on payments to noncompliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing these requirements may be subject to different rules.

These rules generally apply to payments of FDAP Income currently and generally will apply to payments of relevant Gross Proceeds made on or after January 1, 2019. Thus, to the extent we have FDAP Income or we have Gross Proceeds on or after January 1, 2019 that are not treated as effectively connected with a U.S. trade or business (please read *Tax-Exempt Organizations and Other Investors* ), a unitholder who is foreign financial institution or certain other non-U.S. entity, or a person that hold its units through such foreign entities, may be subject to withholding on distributions they receive from us, or its distributive share of our income, pursuant to the rules described above. Each prospective unitholder should consult its own tax advisors regarding the potential application of these withholding provisions to its investment in our units.

***Nominee Reporting***

Persons who hold an interest in us as a nominee for another person are required to furnish to us:

- (1) the name, address and taxpayer identification number of the beneficial owner and the nominee;
- (2) a statement regarding whether the beneficial owner is:
  - (a) a non-U.S. person;
  - (b) a non-U.S. government, an international organization or any wholly-owned agency or instrumentality of either of the foregoing; or
  - (c) a tax-exempt entity;
- (3) the amount and description of units held, acquired or transferred for the beneficial owner; and
- (4) specific information including the dates of acquisitions and transfers, means of acquisitions and transfers, and acquisition cost for purchases, as well as the amount of net proceeds from sales.

Each broker and financial institution is required to furnish additional information, including whether such broker or financial institution is a U.S. person, and specific information on units they acquire, hold or transfer for their own account. A penalty per failure, with a significant maximum penalty per calendar year, is imposed by the Code for failure to report that information to us. The nominee is required to supply the beneficial owner of the units with the information furnished to us.

***Accuracy-Related Penalties***

Certain penalties may be imposed as a result of an underpayment of tax that is attributable to one or more specified causes, including negligence or disregard of rules or regulations, substantial understatements of income tax and substantial valuation misstatements. No penalty will be imposed, however, for any portion of an



## **Table of Contents**

underpayment if it is shown that there was a reasonable cause for the underpayment of that portion and that the taxpayer acted in good faith regarding the underpayment of that portion. We do not anticipate that any accuracy-related penalties will be assessed against us.

### **State, Local and Other Tax Considerations**

In addition to U.S. federal income taxes, unitholders may be subject to other taxes, including state and local income taxes, unincorporated business taxes, and estate, inheritance or intangibles taxes that may be imposed by the various jurisdictions in which we conduct business or own property now or in the future or in which the unitholder is a resident. We currently conduct business or own property in several states, most of which impose a personal income tax on individuals. Most of these states also impose an income tax on corporations and other entities. In addition, we may also own property or do business in other states in the future that impose income or similar taxes on nonresident individuals, corporations and other entities. As we make acquisitions or expand our business, we may own property or conduct business in additional states that impose a personal income tax. Although an analysis of those various taxes is not presented here, each prospective unitholder should consider their potential impact of such taxes on its investment in us.

Although you may not be required to file a return and pay taxes in some jurisdictions because your income from that jurisdiction falls below the filing and payment requirement, you will be required to file income tax returns and to pay income taxes in many of these jurisdictions in which we do business or own property and may be subject to penalties for failure to comply with those requirements. In some jurisdictions, tax losses may not produce a tax benefit in the year incurred and may not be available to offset income in subsequent taxable years. Some of the jurisdictions may require us, or we may elect, to withhold a percentage of income from amounts to be distributed to a unitholder who is not a resident of the jurisdiction. Withholding, the amount of which may be greater or less than a particular unitholder's income tax liability to the jurisdiction, generally does not relieve a nonresident unitholder from the obligation to file an income tax return. Amounts withheld will be treated as if distributed to unitholders for purposes of determining the amounts distributed by us. Please read [Tax Consequences of Unit Ownership](#) [Entity-Level Collections of Unitholder Taxes](#). Based on current law and our estimate of our future operations, our general partner anticipates that any amounts required to be withheld will not be material. Our counsel has not rendered an opinion on the foreign, state or local tax consequences of an investment in our common units.

**It is the responsibility of each unitholder to investigate the legal and tax consequences, under the laws of pertinent jurisdictions, of its investment in us. We strongly recommend that each prospective unitholder consult, and depend upon, its own tax counsel or other advisor with regard to those matters. Further, it is the responsibility of each unitholder to file all state, local and non-U.S., as well as U.S. federal tax returns that may be required of it. Vinson & Elkins L.L.P. has not rendered an opinion on the state, local, alternative minimum tax or non-U.S. tax consequences of an investment in us.**

**Table of Contents**

**PLAN OF DISTRIBUTION**

**Terms of Sale**

We will describe the terms of particular underwritten offerings of securities in the applicable prospectus supplement or term sheet, including the following:

the name or names of any underwriters, dealers or agents;

the purchase price of the securities;

the proceeds to the partnership from sale;

any underwriting discounts and other items constituting underwriters' compensation;

any initial public offering price of the securities;

any concessions allowed or reallocated or paid to dealers; and

any securities exchanges on which such securities may be listed.

Any underwriters, dealers or agents participating in a sale of securities may be considered to be underwriters under the Securities Act. Furthermore, any discounts or commissions received by them may be considered to be underwriting discounts and commissions under the Securities Act. We may agree to indemnify any agents and underwriters against certain liabilities, including liabilities under the Securities Act. The agents and underwriters may also be entitled to contribution from us for payments they make relating to these liabilities.

**Method of Sale**

We may sell the securities in any of the following ways:

through underwriters or dealers;

directly to one or more purchasers;

through agents; or

through a combination of any of these methods of sale.

If underwriters are used in a sale, they will acquire the securities for their own account and may resell them in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The securities may be offered to the public either through underwriting syndicates represented by managing underwriters or directly through underwriters. The obligations of the underwriters to purchase a particular offering of securities may be subject to conditions. The underwriters will also be obligated to purchase all the securities of an issue if any are purchased. Any initial public offering price or any concession allowed or reallocated or paid to dealers may be changed.

We may also sell the securities directly or through agents. Any agent will be named and any commissions payable to the agent will be set forth in the applicable prospectus supplement. Any agent will act on a reasonable best efforts basis for the period of its appointment unless the applicable prospectus supplement states otherwise.

We may authorize underwriters or dealers to solicit offers by certain institutions to purchase a particular offering of securities at the public offering price set forth in the applicable prospectus supplement or term sheet using delayed delivery contracts. These contracts provide for payment and delivery on one or more specified dates in the future. The applicable prospectus supplement or term sheet will describe the commission payable for solicitation and the terms and conditions of these contracts.

The applicable prospectus supplement or term sheet will describe any restrictions on the sale of securities if and as appropriate.

**Table of Contents**

Agents and underwriters may be customers of, engage in transactions with, or perform services for the partnership in the ordinary course of business.

Pursuant to a requirement by FINRA, the maximum commission or discount to be received by any FINRA member or independent broker/dealer may not be greater than eight percent of the gross proceeds received by us for the sale of any securities being registered pursuant to Rule 415 under the Securities Act.

**Table of Contents**

**LEGAL MATTERS**

The validity of the issuance of certain of the securities offered by this prospectus and certain other legal matters will be passed upon for us by Vinson & Elkins L.L.P., Houston, Texas. Vinson & Elkins L.L.P. will also render an opinion on certain U.S. federal income tax consequences regarding such securities. If certain legal matters in connection with an offering of the securities made by this prospectus are passed on by counsel for the underwriters of such offering, that counsel will be named in the applicable prospectus supplement related to that offering.

**EXPERTS**

The consolidated financial statements incorporated in this Prospectus by reference from Enable Midstream Partners, LP's Annual Report on Form 10-K for the year ended December 31, 2017, and the effectiveness of Enable Midstream Partners, LP's internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such consolidated financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

**Table of Contents**

**WHERE YOU CAN FIND MORE INFORMATION**

We have filed a registration statement with the SEC under the Securities Act that registers the securities offered by this prospectus. The registration statement, including the attached exhibits, contains additional relevant information about us. The rules and regulations of the SEC allow us to omit some information included in the registration statement from this prospectus.

In addition, we file annual, quarterly and other reports and other information with the SEC. You may read and copy any document we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-732-0330 for further information on the operation of the SEC's public reference room. Our SEC filings are available on the SEC's web site at <http://www.sec.gov>. We also make available free of charge on our website at [www.enablemidstream.com](http://www.enablemidstream.com) all materials that we file electronically with the SEC, including our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, Section 16 reports and amendments to these reports as soon as reasonably practicable after such materials are electronically filed with, or furnished to, the SEC. Information contained on our website or any other website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus.

The SEC allows us to incorporate by reference the information we have filed with the SEC. This means that we can disclose important information to you without actually including the specific information in this prospectus by referring you to other documents filed separately with the SEC. These other documents contain important information about us, our financial condition and results of operations. The information incorporated by reference is an important part of this prospectus. Information that we file later with the SEC will automatically update and may replace information in this prospectus and information previously filed with the SEC.

We incorporate by reference in this prospectus the documents listed below and any subsequent filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (excluding information deemed to be furnished and not filed with the SEC) until all offerings under this registration statement are completed:

our annual report on Form 10-K for the year ended December 31, 2017;

our quarterly report on Form 10-Q for the period ended March 31, 2018;

our current reports on Form 8-K (in each case to the extent filed and not furnished) filed on February 9, 2018 and April 9, 2018; and

the description of our common units in our registration statement on Form 8-A (File No. 001-36413) filed pursuant to the Securities Exchange Act of 1934 on April 9, 2014.

You may obtain any of the documents incorporated by reference in this prospectus from the SEC through the SEC's web site at the address provided above. You also may request a copy of any document incorporated by reference in this prospectus (including exhibits to those documents specifically incorporated by reference in those documents), at no cost, by visiting our internet website at [www.enablemidstream.com](http://www.enablemidstream.com), or by writing or calling us at the following address:

Edgar Filing: Enable Midstream Partners, LP - Form 424B5

Enable Midstream Partners, LP

One Leadership Square

211 North Robinson Ave., Suite 150

Oklahoma City, OK 73102

Telephone: (405) 525-7788

67

Table of Contents

**\$800,000,000**

**Enable Midstream Partners, LP**

**4.950% Senior Notes due 2028**

**PROSPECTUS SUPPLEMENT**

*Joint Book-Running Managers*

**BofA Merrill Lynch**

**Mizuho Securities**

**Wells Fargo Securities**

**Citigroup**

**Credit Suisse**

**J.P. Morgan**

**Morgan Stanley**

**MUFG**

**RBC Capital Markets**

*Co-Managers*

**BBVA**

**SunTrust Robinson Humphrey**

**US Bancorp**



Edgar Filing: Enable Midstream Partners, LP - Form 424B5

**BOK Financial Securities, Inc.**

**KeyBanc Capital Markets**

**May 7, 2018**