
Gray Reed Saves Public Midstream Company Millions in Tax Burden After Successful Property Tax Lawsuits

August 27, 2018

In July 2018, Gray Reed settled two lawsuits filed against the Matagorda County Appraisal District on behalf of a subsidiary of [Crestwood Equity Partners LP](#) (Crestwood), a publicly-traded master limited partnership headquartered in Houston, Texas, that owns and operates midstream assets throughout the United States. Crestwood operates natural gas storage facilities in Matagorda County on behalf of a joint venture with another co-owner. Both suits were filed in the 23rd Judicial District Court in Matagorda County, Texas.

The lawsuits challenged the appraised value of a natural gas storage facility in Matagorda County, Texas, for 2014 through 2018. Gray Reed also negotiated a favorable settlement of the taxable value for 2019, thereby ensuring fair tax treatment into the future.

These settlements follow Gray Reed's successful representation of Crestwood in a prior lawsuit concerning the taxable value of the same facility for 2012 and 2013, including a two-week trial in October 2015. Compared to the assessed value when Crestwood engaged Gray Reed after acquiring the facilities, Gray Reed's efforts have reduced the taxable value by almost \$175 million, which can save almost \$3.5 million in tax expense each year.

"We are very pleased with the outcome of these cases," Gray Reed Partner Jonathan Hyman said. "Our hope is that these settlements will provide Crestwood peace of mind and allow them to focus on their core business objectives without the worry of unfair tax treatment."

Crestwood Equity Partners was represented by Gray Reed attorneys [Jonathan Hyman](#), [Scott Funk](#) and [David Leonard](#).

About Crestwood Equity Partners LP

Houston, Texas, based Crestwood Equity Partners LP (NYSE: CEQP) is a master limited partnership that owns and operates midstream businesses in multiple unconventional shale resource plays across the United States. Crestwood is engaged in the gathering, processing, treating, compression, storage and transportation of natural gas; storage, transportation, terminalling, and marketing of NGLs; and gathering, storage, terminalling and marketing of crude oil.

About Gray Reed & McGraw LLP

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