

Regency Energy Partners LP  
Form 10-Q  
November 06, 2014  
Table of Contents

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q  
(Mark One)

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

For the quarterly period ended September 30, 2014  
or

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

Commission file number 1-35262  
REGENCY ENERGY PARTNERS LP  
(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction of incorporation or organization)

16-1731691  
(I.R.S. Employer Identification No.)

2001 BRYAN STREET, SUITE 3700  
DALLAS, TX  
(Address of principal executive offices)  
(214) 750-1771  
(Registrant's telephone number, including area code)

75201  
(Zip Code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "small reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The issuer had 403,726,597 common units and 6,274,483 Class F units outstanding as of October 31, 2014.

Table of Contents

FORM 10-Q  
TABLE OF CONTENTS  
REGENCY ENERGY PARTNERS LP

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (Unaudited)

<u>Condensed Consolidated Balance Sheets</u>	<u>1</u>
<u>Condensed Consolidated Statements of Operations</u>	<u>2</u>
<u>Condensed Consolidated Statements of Comprehensive Income</u>	<u>3</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>4</u>
<u>Condensed Consolidated Statement of Partners' Capital and Noncontrolling Interest</u>	<u>5</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>6</u>

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS 31

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK 46

ITEM 4. CONTROLS AND PROCEDURES 47

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS 48

ITEM 1A. RISK FACTORS 48

ITEM 4. MINE SAFETY DISCLOSURES 48

ITEM 6. EXHIBITS 49

SIGNATURE 50



Table of Contents

## Introductory Statement

References in this report to the “Partnership,” “we,” “our,” “us” and similar terms refer to Regency Energy Partners LP and its subsidiaries. We use the following definitions in this quarterly report on Form 10-Q:

Name	Definition or Description
/d	Per day
2018 Notes	\$600 million of 6.875% senior notes that mature on December 1, 2018
AOCI	Accumulated Other Comprehensive Income (Loss)
Aqua - PVR	Aqua - PVR Water Services, LLC
ARO	Asset Retirement Obligation
Barclays	Barclays Capital Inc.
Bbls	Barrels
bps	Basis points
Citi	Citigroup Global Markets Inc.
Coal Handling	Coal Handling Solutions LLC, Kingsport Handling LLC, and Kingsport Services LLC
Eagle Rock	Eagle Rock Energy Partners, L.P.
ELG	Edwards Lime Gathering LLC and its wholly-owned subsidiaries, ELG Oil LLC and ELG Utility LLC
ETC	Energy Transfer Company, the name assumed by La Grange Acquisition, L.P. for conducting business and shared services, a wholly-owned subsidiary of ETP
ETE	Energy Transfer Equity, L.P.
ETE Common Holdings	ETE Common Holdings, LLC, a wholly-owned subsidiary of ETE
ETP	Energy Transfer Partners, L.P.
Finance Corp.	Regency Energy Finance Corp., a wholly-owned subsidiary of the Partnership
GAAP	Accounting principles generally accepted in the United States of America
General Partner	Regency GP LP, the general partner of the Partnership, or Regency GP LLC, the general partner of Regency GP LP, which effectively manages the business and affairs of the Partnership through Regency Employees Management LLC
Grey Ranch	Grey Ranch Plant LP, a former joint venture between the Partnership and a subsidiary of SandRidge Energy, Inc.
Gulf States	Gulf States Transmission LLC, a wholly-owned subsidiary of the Partnership
Holdco	ETP Holdco Corporation
Hoover	Hoover Energy Partners, LP
HPC	RIGS Haynesville Partnership Co. and its wholly-owned subsidiary, Regency Intrastate Gas LP
IDRs	Incentive Distribution Rights
Lone Star	Lone Star NGL LLC
LTIP	Long-Term Incentive Plan
MBbls	One thousand barrels
MEP	Midcontinent Express Pipeline LLC
MMBtu	One million BTUs. BTU is a unit of energy needed to raise the temperature of one pound of water by one degree Fahrenheit
NGLs	Natural gas liquids, including ethane, propane, normal butane, iso butane and natural gasoline
NYMEX	New York Mercantile Exchange
NMED	New Mexico Environmental Department
ORS	Ohio River System LLC
PADEP	Pennsylvania Department of Environmental Protection
Partnership	Regency Energy Partners LP
PEPL	Panhandle Eastern Pipe Line Company, LP



Table of Contents

Name	Definition or Description
PEPL Holdings	PEPL Holdings, LLC, a former wholly-owned subsidiary of Southern Union that merged into PEPL
PVR	PVR Partners, L.P.
Ranch JV	Ranch Westex JV LLC
Regency Western	Regency Western G&P LLC, a wholly-owned subsidiary of the Partnership
RGS	Regency Gas Services LP, a wholly-owned subsidiary of the Partnership
RIGS	Regency Intrastate Gas System
SEC	Securities and Exchange Commission
Senior Notes	The collective of 2018 Notes, 2018 PVR Notes, 2020 Notes, 2020 PVR Notes, 2021 Notes, 2021 PVR Notes, 2022 Notes, 2023 5.5% Notes and 2023 4.5% Notes
Series A Preferred Units	Series A convertible redeemable preferred units
Services Co.	ETE Services Company, LLC
Southern Union	Southern Union Company
SUGS	Southern Union Gathering Company LLC
Sweeny JV	Sweeny Gathering, L.P.
TCEQ	Texas Commission on Environmental Quality
WTI	West Texas Intermediate Crude

Table of Contents

Forward-Looking Statements

Certain matters discussed in this report include “forward-looking” statements. Forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. Statements using words such as “anticipate,” “believe,” “intend,” “project,” “will,” “plan,” “expect,” “continue,” “estimate,” “goal,” “forecast,” “may” or similar expression are forward-looking statements. Although we believe our forward-looking statements are based on reasonable assumptions and current expectations and projections about future events, we cannot give assurances that such expectations will prove to be correct. Forward-looking statements are subject to a variety of risks, uncertainties and assumptions including without limitation the following:

- volatility in the price of oil, natural gas, condensate, NGLs and coal;
- unexpected difficulties in integrating any significant acquisitions into our operations, including the PVR Acquisition, the Eagle Rock Midstream Acquisition and the Hoover Acquisition;
- declines in the credit markets and the availability of credit for us as well as for producers connected to our pipelines and our gathering and processing facilities, and for our customers of our contract services business;
- the level of creditworthiness of, and performance by, our counterparties and customers;
- our access to capital to fund organic growth projects and acquisitions, and our ability to obtain debt or equity financing on satisfactory terms;
- our use of derivative financial instruments to hedge commodity risks;
- the amount of collateral required to be posted from time-to-time in our transactions;
- changes in commodity prices, interest rates and demand for our services;
- changes in laws and regulations or enforcement practices impacting the midstream sector of the natural gas industry, oil industry and the coal mining industry, including those that relate to climate change and environmental protection and safety, including with respect to emissions levels applicable to coal-burning power generators and permissible levels of mining runoff;
- the adoption of new laws, or the promulgation of new regulations, at the federal, state or local level that promote use and development of renewable energy or limit use or development of fossil fuels;
- weather and other natural phenomena;
- industry changes including the impact of consolidation and changes in competition;
- regulation of transportation rates on our natural gas, NGL, and oil pipelines;
- our ability to obtain indemnification related to cleanup liabilities and to clean up any hazardous materials release on satisfactory terms;
- our ability to obtain required approvals for construction or modernization of our facilities and the timing of production from such facilities;
- the effect of accounting pronouncements issued periodically by accounting standard setting boards;
- the extent to which the amount and quality of actual production of our coal differs from estimated recoverable coal reserves;
- the experience and financial condition of our coal lessees, including our lessees’ ability to satisfy their royalty, environmental, reclamation and other obligations to us and others;
- operating risks, including unanticipated geological problems, incidental to our Gathering and Processing segment and Natural Resources segment;
- the ability of our lessees to produce sufficient quantities of coal on an economic basis from our reserves and obtain favorable contracts for such production;
- delays in anticipated start-up dates of new development in our Gathering and Processing segment and our lessees’ mining operations and related coal infrastructure projects, including the timing of receipt of necessary governmental permits by us or our lessees; and
- uncertainties relating to the effects of regulatory guidance on permitting under the Clean Water Act and the outcome of current and future litigation regarding mine permitting.





Table of Contents

If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results may differ materially from those anticipated, estimated, projected or expected.

Other factors that could cause our actual results to differ from our projected results are discussed in Item 1A of our December 31, 2013 Annual Report on Form 10-K and in Part II — Other Information — Item 1A Risk Factors in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2014.

Each forward-looking statement speaks only as of the date of the particular statement and we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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Table of Contents

## PART I – FINANCIAL INFORMATION

## Item 1. FINANCIAL STATEMENTS

## REGENCY ENERGY PARTNERS LP

## CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in millions)

(unaudited)

	September 30, 2014	December 31, 2013
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$15	\$19
Trade accounts receivable, net	542	292
Related party receivables	52	28
Inventories	71	42
Other current assets	36	19
Total current assets	716	400
Property, plant and equipment	9,915	5,050
Less accumulated depreciation and depletion	(922	) (632
Property, plant and equipment, net	8,993	4,418
Investments in unconsolidated affiliates	2,371	2,097
Other, net of accumulated amortization of debt issuance costs of \$30 and \$24	100	