

Edgar Filing: EnLink Midstream, LLC - Form 10-Q

EnLink Midstream, LLC
Form 10-Q
August 05, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-Q

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

for the quarterly period ended June 30, 2015

OR

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

for the transition period from _____ to _____

Commission file number: 001-36336

ENLINK MIDSTREAM, LLC

(Exact name of registrant as specified in its charter)

Delaware

(State of organization)

46-4108528

(I.R.S. Employer Identification No.)

2501 CEDAR SPRINGS RD.

DALLAS, TEXAS

(Address of principal executive offices)

75201

(Zip Code)

(214) 953-9500

(Registrant's telephone number, including area code)

Indicate by check mark whether 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 "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

(Do not check if a smaller reporting company)

Edgar Filing: EnLink Midstream, LLC - Form 10-Q

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

As of July 24, 2015, the Registrant had 164,231,749 common units outstanding.

TABLE OF CONTENTS

Item	Description	Page
	PART I—FINANCIAL INFORMATION	
<u>1.</u>	<u>Financial Statements</u>	<u>3</u>
<u>2.</u>	<u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>36</u>
<u>3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>53</u>
<u>4.</u>	<u>Controls and Procedures</u>	<u>55</u>
	PART II—OTHER INFORMATION	
<u>1.</u>	<u>Legal Proceedings</u>	<u>55</u>
<u>1A.</u>	<u>Risk Factors</u>	<u>56</u>
<u>6.</u>	<u>Exhibits</u>	<u>57</u>
2		

ENLINK MIDSTREAM, LLC

Condensed Consolidated Balance Sheets

	June 30, 2015	December 31, 2014
	(Unaudited)	
	(In millions, except unit data)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$72.0	\$68.4
Accounts receivable:		
Trade, net of allowance for bad debt of \$0.4	67.4	139.0
Accrued revenue and other	379.6	253.3
Related party	110.8	121.6
Fair value of derivative assets	14.0	16.7
Natural gas and NGLs inventory, prepaid expenses and other	70.9	48.8
Total current assets	714.7	647.8
Property and equipment, net of accumulated depreciation of \$1,585.7 and \$1,426.3, respectively	5,550.5	5,042.8
Intangible assets, net of accumulated amortization of \$66.3 and \$36.5, respectively	840.5	533.0
Goodwill	3,731.2	3,684.7
Fair value of derivative assets	4.9	10.0
Investments in unconsolidated affiliates	261.2	270.8
Other assets, net	25.5	17.6
Total assets	\$11,128.5	\$10,206.7
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities:		
Accounts payable and drafts payable	\$39.1	\$121.8
Accounts payable to related party	21.6	3.0
Accrued gas, NGLs, condensate and crude oil purchases	316.3	204.5
Fair value of derivative liabilities	3.5	3.0
Other current liabilities	163.0	152.3
Total current liabilities	543.5	484.6
Long-term debt	2,827.2	2,022.5
Fair value of derivative liabilities	0.8	2.0
Asset retirement obligation	12.6	12.4
Other long-term liabilities	75.2	83.8
Deferred tax liability	543.7	526.6
Redeemable non-controlling interest	6.9	—
Members' equity		
Members' equity	2,743.6	2,774.3
Non-controlling interest	4,375.0	4,196.8
Net Devon investment	—	103.7
Total members' equity	7,118.6	7,074.8

Edgar Filing: EnLink Midstream, LLC - Form 10-Q

Commitment and Contingencies (Note 15)

Total liabilities and members' equity	\$11,128.5	\$10,206.7
---------------------------------------	------------	------------

See accompanying notes to condensed consolidated financial statements.

3

ENLINK MIDSTREAM, LLC

Condensed Consolidated Statements of Operations

	Three Months Ended June 30, 2015		Six Months Ended June 30, 2015	
	2014		2014	
	(Unaudited)			
	(In millions, except per unit amounts)			
Revenues:				
Product sales	\$956.2	\$687.9	\$1,626.9	\$901.3
Product sales - affiliates	31.7	—	47.9	436.4
Midstream services	135.9	67.1	238.3	86.2
Midstream services - affiliates	149.5	173.8	300.5	229.3
Gain (loss) on derivative activity	1.2	(1.6)	1.4	(2.9)
Total revenues	1,274.5	927.2	2,215.0	1,650.3
Operating costs and expenses:				
Cost of sales (1)	968.2	661.9		