

Summit Midstream Partners, LP  
Form 10-Q  
November 14, 2012  
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**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, 2012

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: 001-35666

**Summit Midstream Partners, LP**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**45-5200503**  
(I.R.S. Employer  
Identification Number)

**2100 McKinney Avenue, Suite 1250**  
**Dallas, Texas**  
(Address of principal executive offices)

**75201**  
(Zip Code)

**(214) 242-1955**  
(Registrant's telephone number, including area code)

**Not applicable.**  
(Former name, former address and former fiscal year, if changed since last report)

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 smaller 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

**Class**  
Common Units  
Subordinated Units

**As of October 31, 2012**  
24,409,850 units  
24,409,850 units

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General Partner Units

996,320 units

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**EXPLANATORY NOTE**

Summit Midstream Partners, LLC ( Summit Investments ) is a Delaware limited liability company and the predecessor for accounting purposes (the Predecessor ) of Summit Midstream Partners, LP ( SMLP ). The accompanying financial statements and related notes include the assets, liabilities and results of operations of Summit Investments prior to Summit Investments' contribution of all of the limited liability company interests in Summit Midstream Holdings, LLC ( Summit Holdings ), to SMLP in connection with SMLP's initial public offering ( IPO ).

On October 3, 2012, SMLP completed its IPO. Also, on October 3, 2012, in connection with the closing of the IPO, the following transactions occurred:

- Summit Investments conveyed an interest in Summit Holdings to Summit Midstream GP, LLC (our general partner ) as a capital contribution;
- our general partner conveyed its interest in Summit Holdings to SMLP in exchange for (i) a continuation of its 2% general partner interest in SMLP, represented by 996,320 general partner units, and (ii) SMLP incentive distribution rights, or IDRs;
- Summit Investments conveyed its remaining interest in Summit Holdings to SMLP in exchange for (i) 10,029,850 common units (net of the impact of selling 1,875,000 common units to the public for cash in connection with the exercise of the underwriters' option to purchase additional common units), representing a 20.1% limited partner interest in SMLP, (ii) 24,409,850 subordinated units, representing a 49.0% limited partner interest in SMLP, and (iii) the right to receive \$88.0 million in cash as reimbursement for certain capital expenditures made with respect to the contributed assets;
- pursuant to its long-term incentive plan, SMLP granted 5,000 common units (in the aggregate) to two of its directors and 125,000 phantom units, with distribution equivalent rights, to certain employees;
- SMLP issued 14,375,000 common units to the public (including 1,875,000 additional common units sold out of the common units originally allocated to Summit Investments) representing a 28.9% limited partner interest in SMLP; and
- SMLP used the proceeds from the IPO, net of underwriters' fees, of approximately \$269.4 million to (i) repay \$140.0 million outstanding under the revolving credit facility; (ii) make cash distributions to Summit Investments of (a) \$88.0 million to reimburse Summit Investments for certain capital expenditures it incurred with respect to assets it contributed to us and (b) \$35.1 million representing the funds received in connection with the underwriters exercising their option to purchase additional common units; and (iii) pay estimated IPO expenses of approximately \$6.3 million.

The financial statements included in this report reflect the Predecessor financial statements, which are based on the historical ownership percentages of the operations that were contributed to SMLP by Summit Investments. The effects of the IPO and related equity transfers occurring in October 2012 are not reflected in these financial statements.

The results of the Predecessor for the three and nine month periods ended September 30, 2012 may not be indicative of SMLP's future financial results. Selling, general and administrative expenses are expected to increase due to an estimated \$2.5 million of

incremental expenses associated with being a publicly traded partnership.

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**SUMMIT MIDSTREAM PARTNERS, LLC AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS    UNAUDITED**

	September 30, 2012	December 31, 2011
	(In thousands)	
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 4,747	\$ 15,462
Accounts receivable	25,954	27,476
Other assets	2,238	1,966
Total current assets	32,939	44,904
PROPERTY, PLANT, AND EQUIPMENT, NET	672,820	638,190
<b>INTANGIBLE ASSETS, NET:</b>		
Favorable gas gathering contract	20,492	21,673
Contract intangibles	232,755	242,238
Rights-of-way	35,427	32,802
Total intangible assets, net	288,674	296,713
GOODWILL	45,478	45,478
OTHER NONCURRENT ASSETS	11,481	4,979
<b>TOTAL ASSETS</b>	<b>\$ 1,051,392</b>	<b>\$ 1,030,264</b>
<b>LIABILITIES AND MEMBERSHIP INTERESTS</b>		
<b>CURRENT LIABILITIES:</b>		
Trade accounts payable	\$ 12,497	\$ 21,485
Deferred revenue	755	
Ad valorem taxes payable	4,050	2,383
Other current liabilities	6,799	4,971
Total current liabilities	24,101	28,839
PROMISSORY NOTES PAYABLE TO SPONSORS		202,893
REVOLVING CREDIT FACILITY	344,230	147,000
NONCURRENT LIABILITIES, NET (Note 5)	7,738	8,944
DEFERRED REVENUE	8,600	1,770
TOTAL LIABILITIES	384,669	389,446
COMMITMENTS AND CONTINGENCIES (Note 9)		
MEMBERSHIP INTERESTS	666,723	640,818
<b>TOTAL LIABILITIES AND MEMBERSHIP INTERESTS</b>	<b>\$ 1,051,392</b>	<b>\$ 1,030,264</b>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.





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**SUMMIT MIDSTREAM PARTNERS, LLC AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS    UNAUDITED**

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
	(In thousands)			
<b>REVENUES:</b>				
Gathering services and other fees	\$ 37,903	\$ 18,734	\$ 106,550	\$ 55,776
Natural gas and condensate sales	3,232	3,489	10,290	8,513
Amortization of favorable and unfavorable contracts	(160)	(63)	25	(261)
<b>Total revenues</b>	<b>40,975</b>	<b>22,160</b>	<b>116,865</b>	<b>64,028</b>
<b>COST AND EXPENSES:</b>				
Operation and maintenance	14,460	5,992	37,177	18,787
General and administrative	5,179	3,747	15,977	11,122
Transaction costs	1,739		1,972	
Depreciation and amortization	9,156	2,109	26,135	5,471