# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# FORM 10-K/A
**(Amendment No. 2)**

**(Mark One)**

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

**For the fiscal year ended December 31, 2019**
**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: 001-32678**

# DCP MIDSTREAM, LP
**(Exact name of registrant as specified in its charter)**

| | |
|---|---|
| **Delaware** | **03-0567133** |
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification No.)** |
| **370 17th Street, Suite 2500 Denver, Colorado** | **80202** |
| **(Address of principal executive offices)** | **(Zip Code)** |

**Registrant's telephone number, including area code: (303) 595-3331**

**Securities registered pursuant to Section 12(b) of the Act:**

| Title of Each Class: | Trading Symbol(s) | Name of Each Exchange on Which Registered: |
|---|---|---|
| Common Units Representing Limited Partner Interests | DCP | New York Stock Exchange |
| 7.875% Series B Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units | DCP PRB | New York Stock Exchange |
| 7.95% Series C Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units | DCP PRC | New York Stock Exchange |

**Securities registered pursuant to Section 12(g) of the Act:**
None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Exchange Act of 1934, or the Act. Yes ☒ No☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Act 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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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

| | | | |
|---|---|---|---|
| Large accelerated filer | ☒ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| Emerging growth company | ☐ | | |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

The aggregate market value of common units held by non-affiliates of the registrant on June 30, 2019, was approximately $2,650,723,000. The aggregate market value was computed by reference to the last sale price of the registrant’s common units on the New York Stock Exchange on June 30, 2019.

As of March 20, 2020, there were 208,329,928 common units representing limited partner interests outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE:**

**None**

## EXPLANATORY NOTE

DCP Midstream, LP (the “Partnership”) is filing this Amendment No. 2 on Form 10-K/A (this “Amendment No. 2”) to further amend the Annual Report on Form 10-K for the year ended December 31, 2019, which was filed with the Securities and Exchange Commission on February 21, 2020 (the “Original Form 10-K”), as amended by that certain Amendment No. 1 on Form 10-K/A, which was filed with the Securities and Exchange Commission on March 6, 2020 (“Amendment No. 1” and, together with the Original Form 10-K, the “Annual Report”), to amend Part IV, Item 15 of the Annual Report in order to file herewith (A) the audited financial statements in accordance with Rule 3-09 of Regulation S-X for Front Range Pipeline LLC as Exhibit 99.4 and Gulf Coast Express LLC as Exhibit 99.5, and (B) the consent of Deloitte & Touche LLP relating to the financial statements of Front Range Pipeline LLC as Exhibit 23.4 and the consent of BDO USA, LLP relating to the financial statements of Gulf Coast Express LLC as Exhibit 23.5.

In addition, as required by Rule 12b-15 of the Securities Exchange Act of 1934, as amended, certifications of the principal executive officer and principal financial officer of DCP Midstream GP, LLC, which is the general partner of DCP Midstream GP, LP, which is the general partner of the Partnership, are filed as exhibits hereto pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, and pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Except as otherwise expressly noted herein, this Amendment No. 2 does not modify or update the disclosures in the Annual Report, nor does it reflect events occurring after the filing of the Original Form 10-K or Amendment No. 1. Accordingly, this Amendment No. 2 should be read in conjunction with the Annual Report.

**Item 15.** ***Exhibits, Financial Statement Schedules***

***(a) Financial Statement Schedules***

Pursuant to Rule 3-09 of Regulation S-X, the following financial statement schedules are attached as exhibits to this Annual Report on Form 10-K/A:

Financial Statements of Front Range Pipeline LLC

Financial Statements of Gulf Coast Express LLC

***(b) Exhibits***

| Exhibit Number | | Description |
|---|---|---|
| 2.1 | *# | Contribution, Conveyance and Assumption Agreement, dated December 7, 2005, among DCP Midstream Partners, LP, DCP Midstream Operating LP, DCP Midstream GP, LLC, DCP Midstream GP, LP, Duke Energy Field Services, LLC, DEFS Holding 1, LLC, DEFS Holding, LLC, DCP Assets Holdings, LP, DCP Assets Holdings, GP, LLC, Duke Energy Guadalupe Pipeline Holdings, Inc., Duke Energy NGL Services, LP, DCP LP Holdings, LP and DCP Black Lake Holdings, LLC (attached as Exhibit 10.3 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on December 12, 2005). |
| 2.2 | *# | Contribution Agreement, dated October 9, 2006, between DCP LP Holdings, LP and DCP Midstream Partners, LP (attached as Exhibit 10.1 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on October 13, 2006). |
| 2.3 | *# | Purchase and Sale Agreement, dated March 7, 2007, between Anadarko Gathering Company, Anadarko Energy Services Company and DCP Midstream Partners, LP (attached as Exhibit 99.1 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on May 14, 2007). |
| 2.4 | *# | Contribution and Sale Agreement, dated May 21, 2007, between Gas Supply Resources Holdings, Inc., DCP Midstream, LLC and DCP Midstream Partners, LP (attached as Exhibit 10.1 to DCP Midstream Partners LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on May 25, 2007). |
| 2.5 | *# | Contribution Agreement, dated May 23, 2007, among DCP LP Holdings, LP, DCP Midstream, LLC, DCP Midstream GP, LP and DCP Midstream Partners, LP (attached as Exhibit 10.1 to DCP Midstream Partners LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on May 25, 2007). |
| 2.6 | *# | Contribution Agreement dated February 24, 2009, among DCP LP Holdings, LLC, DCP Midstream GP, LP DCP Midstream, LLC, and DCP Midstream Partners, LP (attached as Exhibit 10.16 to DCP Midstream Partners, LP's Annual Report on Form 10-K (File No. 001-32678) filed with the SEC on March 5, 2009). |
| 2.7 | *# | Purchase and Sale Agreement by and Among DCP Midstream, LLC and DCP Midstream Partners, LP dated as of November 4, 2010 (attached as Exhibit 2.1 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on November 8, 2010). |
| 2.8 | *# | Contribution Agreement between DCP Southeast Texas, LLC and DCP Partners SE Texas LLC dated as of November 4, 2010 (attached as Exhibit 2.2 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on November 8, 2010). |
| 2.9 | *# | Contribution Agreement, dated November 4, 2011, among DCP LP Holdings, LLC, DCP Midstream GP, LP, DCP Midstream, LLC and DCP Midstream Partners, LP (attached as Exhibit 10.7 to DCP Midstream, LLC's Schedule 13D (File No. 005-81287) dated as of January 13, 2012). |
| 2.10 | *# | Contribution Agreement, dated February 27, 2012, among DCP LP Holdings, LLC, DCP Midstream, LLC and DCP Midstream Partners, LP (attached as Exhibit 2.1 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on March 1, 2012). |
| 2.11 | * | First Amendment to Contribution Agreement, dated March 30, 2012, among DCP LP Holdings, LLC, DCP Midstream, LLC and DCP Midstream Partners, LP (attached as Exhibit 2.1 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on April 5, 2012). |
| 2.12 | *# | Contribution Agreement among DCP LP Holdings, LLC, DCP Midstream, LLC and DCP Midstream Partners, LP dated June 25, 2012 (attached as Exhibit 2.1 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on June 29, 2012). |
| 2.13 | *# | Contribution Agreement, dated November 2, 2012, among DCP LP Holdings, LLC, DCP Midstream GP, LP, DCP Midstream, LLC, and DCP Midstream Partners, LP (attached as Exhibit 2.1 to DCP Midstream Partners LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on November 7, 2012). |
| 2.14 | *# | Contribution Agreement dated February 27, 2013 among DCP LP Holdings, LLC, DCP Midstream, LLC and DCP Midstream Partners, LP (attached as Exhibit 2.1 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on February 27, 2013). |

| Exhibit Number | | Description |
|---|---|---|
| 2.15 | * | First Amendment to Contribution Agreement, dated March 28, 2013, among DCP LP Holdings, LLC, DCP Midstream, LLC, and DCP Midstream Partners, LP (attached as Exhibit 2.1 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on April 3, 2013). |
| 2.16 | *# | Purchase and Sale Agreement (O'Connor Plant) by and between DCP Midstream Partners, LP and DCP Midstream, LP dated August 5, 2013 (attached as Exhibit 2.1 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on August 6, 2013). |
| 2.17 | *# | Purchase and Sale Agreement (Front Range Pipeline) by and among DCP Midstream Partners, LP and DCP Midstream, LP dated August 5, 2013 (attached as Exhibit 2.2 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on August 6, 2013). |
| 2.18 | *# | Purchase and Sale Agreement, dated February 25, 2014, by and between DCP Midstream, LP, as seller, and DCP Midstream Partners, LP, as buyer (attached as Exhibit 2.2 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on February 26, 2014). |
| 2.19 | *# | Contribution Agreement, dated February 25, 2014, among DCP LP Holdings, LLC, DCP Midstream GP, LP, DCP Midstream, LLC, and DCP Midstream Partners, LP (attached as Exhibit 2.1 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on February 26, 2014). |
| 2.20 | * | First Amendment to Contribution Agreement, dated February 27, 2014, among DCP LP Holdings, LLC, DCP Midstream GP, LP, DCP Midstream, LLC, and DCP Midstream Partners, LP (attached as Exhibit 2.1 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on February 28, 2014). |
| 2.21 | * | Second Amendment to Contribution Agreement, dated March 28, 2014, among DCP LP Holdings, LLC, DCP Midstream GP, LP, DCP Midstream, LLC, and DCP Midstream Partners, LP (attached as Exhibit 2.1 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on April 2, 2014). |
| 2.22 | *# | Contribution Agreement, dated December 30, 2016, by and among DCP Midstream, LLC, DCP Midstream Partners, LP and DCP Midstream Operating, LP (attached as Exhibit 2.1 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on January 6, 2017). |
| 3.1 | * | Certificate of Limited Partnership of DCP Midstream Partners, LP dated August 5, 2005 (attached as Exhibit 3.1 to DCP Midstream Partners, LP's Registration Statement on Form S-1 (File No. 333-128378) filed with the SEC on September 16, 2005). |
| 3.2 | * | Certificate of Amendment to Certificate of Limited Partnership of DCP Midstream Partners, LP dated January 11, 2017 (attached as Exhibit 3.1 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on January 17, 2017). |
| 3.3 | * | Fifth Amended and Restated Agreement of Limited Partnership of DCP Midstream, LP dated November 6, 2019 (attached as Exhibit 3.1 to DCP Midstream, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on November 8, 2019). |
| 4.1 | * | Indenture dated as of September 30, 2010 for the issuance of debt securities between DCP Midstream Operating, LP, as issuer, any Guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee (attached as Exhibit 4.1 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on September 30, 2010). |
| 4.2 | * | Second Supplemental Indenture dated as of March 13, 2012 to Indenture dated as of September 30, 2010 between DCP Midstream Operating, LP, as issuer, DCP Midstream Partners, LP, as guarantor, and the Bank of New York Mellon Trust Company, N.A., as trustee (attached as Exhibit 4.2 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on March 13, 2012). |
| 4.3 | * | Third Supplemental Indenture dated as of June 14, 2012 to Indenture dated as of September 30, 2010 between DCP Midstream Operating, LP, as issuer, DCP Midstream Partners, LP, as guarantor, and the Bank of New York Mellon Trust Company, N.A., as trustee (attached as Exhibit 4.1 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on June 14, 2012). |
| 4.4 | * | Fifth Supplemental Indenture dated as of March 14, 2013 to Indenture dated as of September 30, 2010 between DCP Midstream Operating, LP, as issuer, DCP Midstream Partners, LP, as guarantor, and the Bank of New York Mellon Trust Company, N.A., as trustee (attached as Exhibit 4.3 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on March 14, 2013). |
| 4.5 | * | Sixth Supplemental Indenture dated as of March 13, 2014 to Indenture dated as of September 30, 2010 between DCP Midstream Operating, LP, as issuer, DCP Midstream Partners, LP, as guarantor, and the Bank of New York Mellon Trust Company, N.A., as trustee (attached as Exhibit 4.3 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on March 13, 2014). |
| 4.6 | * | Seventh Supplemental Indenture dated as of July 17, 2018 to Indenture dated as of September 30, 2010 between DCP Midstream Operating, LP, as issuer, DCP Midstream, LP, as guarantor, and the Bank of New York Mellon Trust Company, N.A., as trustee (attached as Exhibit 4.3 to DCP Midstream, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on July 17, 2018). |

| Exhibit Number | | Description |
|---|---|---|
| 4.7 | * | Eighth Supplemental Indenture dated as of May 10, 2019 to Indenture dated as of September 30, 2010 between DCP Midstream Operating, LP, as issuer, DCP Midstream, LP, as guarantor, and the Bank of New York Mellon Trust Company, N.A., as trustee (attached as Exhibit 4.3 to DCP Midstream, LP’s Current Report on Form 8-K (File No. 001-32678) filed with the SEC on May 10, 2019). |
| 4.8 | * | Indenture, dated as of August 16, 2000, by and between Duke Energy Field Services, LLC and The Chase Manhattan Bank (attached as Exhibit 4.1 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on January 6, 2017). |
| 4.9 | * | First Supplemental Indenture, dated August 16, 2000, by and between Duke Energy Field Services, LLC and The Chase Manhattan Bank (attached as Exhibit 4.1 to DCP Midstream, LLC’s Current Report on Form 8-K (File No. 000-31095) filed with the SEC on August 16, 2000). |
| 4.10 | * | Fifth Supplemental Indenture, dated as of October 27, 2006, by and between Duke Energy Field Services, LLC and The Bank of New York (as successor to JPMorgan Chase Bank, N.A., formerly known as The Chase Manhattan Bank) (attached as Exhibit 4.3 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on January 6, 2017). |
| 4.11 | * | Sixth Supplemental Indenture, dated September 17, 2007, by and between DCP Midstream, LLC (formerly known as Duke Energy Field Services, LLC) and The Bank of New York (as successor to JPMorgan Chase Bank, N.A., formerly known as The Chase Manhattan Bank) (attached as Exhibit 4.4 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on January 6, 2017). |
| 4.12 | * | Ninth Supplemental Indenture, dated March 11, 2010, by and between DCP Midstream, LLC (formerly known as Duke Energy Field Services, LLC) and The Bank of New York Mellon Trust Company, N.A. (as successor to The Bank of New York Mellon, as successor to JPMorgan Chase Bank, N.A., formerly known as The Chase Manhattan Bank) (attached as Exhibit 4.6 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on January 6, 2017). |
| 4.13 | * | Tenth Supplemental Indenture, dated September 19, 2011, by and between DCP Midstream, LLC (formerly known as Duke Energy Field Services, LLC) and The Bank of New York Mellon Trust Company, N.A. (as successor to The Bank of New York Mellon, as successor to JPMorgan Chase Bank, N.A., formerly known as The Chase Manhattan Bank) (attached as Exhibit 4.7 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on January 6, 2017). |
| 4.14 | * | Eleventh Supplemental Indenture, dated January 1, 2017, by and between DCP Midstream Operating, LP, DCP Midstream, LLC and The Bank of New York Mellon Trust Company, N.A. (as successor to The Bank of New York Mellon, as successor to JPMorgan Chase Bank, N.A., formerly known as The Chase Manhattan Bank) (attached as Exhibit 4.8 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on January 6, 2017). |
| 4.15 | * | Twelfth Supplemental Indenture, dated January 1, 2017, by and among DCP Midstream Operating, LP (as successor to DCP Midstream, LLC (formerly known as Duke Energy Field Services, LLC)), DCP Midstream Partners, LP and The Bank of New York Mellon Trust Company, N.A. (as successor to The Bank of New York Mellon, as successor to JPMorgan Chase Bank, N.A., formerly known as The Chase Manhattan Bank) (attached as Exhibit 4.9 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on January 6, 2017). |
| 4.16 | * | Indenture, dated as of May 21, 2013, by and between DCP Midstream Operating, LP (as issuer and successor to DCP Midstream, LLC) and the Bank of New York Mellon Trust Company, N.A (attached as Exhibit 4.10 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on January 6, 2017). |
| 4.17 | * | First Supplemental Indenture, dated May 21, 2013, by and between DCP Midstream, LLC and the Bank of New York Mellon Trust Company, N.A (attached as Exhibit 4.11 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on January 6, 2017). |
| 4.18 | * | Second Supplemental Indenture, dated January 1, 2017, by and between DCP Midstream Operating, LP, DCP Midstream, LLC and The Bank of New York Mellon Trust Company, N.A (attached as Exhibit 4.12 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on January 6, 2017). |
| 4.19 | * | Form of Unit Certificate for 7.375% Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units (attached as Exhibit 4.1 to DCP Midstream, LP’s Current Report on Form 8-K (File No. 001-32678) filed with the SEC on November 20, 2017). |
| 4.20 | * | Form of Unit Certificate for 7.875% Series B Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units (attached as Exhibit 4.1 to DCP Midstream, LP’s Current Report on Form 8-K (File No. 001-32678) filed with the SEC on May 11, 2018). |
| 4.21 | * | Form of Unit Certificate for 7.95% Series C Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units (attached as Exhibit 4.1 to DCP Midstream, LP’s Current Report on Form 8-K (File No. 001-32678) filed with the SEC on October 4, 2018). |
| 4.22 | * | Description of Securities of DCP Midstream, LP (attached as Exhibit 4.22 to DCP Midstream, LP’s Annual Report on Form 10-K (File No. 001-32678) filed with the SEC on February 21, 2020). |

| Exhibit Number | | Description |
|---|---|---|
| 10.1 | * | Amended and Restated Limited Liability Company Agreement of DCP Midstream GP, LLC dated December 7, 2005, as amended by Amendment No. 1 dated January 20, 2009 (attached as Exhibit 3.1 to DCP Midstream Partners, LP's Annual Report on Form 10-K (File No. 001-32678) filed with the SEC on March 5, 2009). |
| 10.2 | * | Amendment No. 2 to Amended and Restated Limited Liability Company Agreement of DCP Midstream GP, LLC dated February 14, 2013 (attached as Exhibit 3.1 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on February 21, 2013). |
| 10.3 | * | Amendment No. 3 to Amended and Restated Limited Liability Company Agreement of DCP Midstream GP, LLC dated November 6, 2013 (attached as Exhibit 3.3 to DCP Midstream Partners, LP's Quarterly Report on Form 10-Q (File No. 001-32678) filed with the SEC on November 6, 2013). |
| 10.4 | * | Amendment No. 4 to Amended and Restated Limited Liability Company Agreement of DCP Midstream GP,LLC dated December 30, 2016 (attached as Exhibit 10.4 to DCP Midstream, LP's Annual Report onForm 10-K (File No. 001-32678) filed with the SEC on February 15, 2017). |
| 10.5 | * | First Amended and Restated Agreement of Limited Partnership of DCP Midstream GP, LP dated December 7, 2005 (attached as Exhibit 3.2 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on December 12, 2005). |
| 10.6 | *+ | DCP Midstream Partners, LP 2012 Long-Term Incentive Plan (attached as Exhibit 10.26 to DCP Midstream Partners, LP's Annual Report on Form 10-K (File No. 001-32678) filed with the SEC on February 29, 2012). |
| 10.7 | *+ | Form of Phantom Unit and DERs Grant for Directors under the DCP Midstream Partners, LP 2012 Long-Term Incentive Plan (attached as Exhibit 10.27 to DCP Midstream Partners, LP's Annual Report on Form 10-K (File No. 001-32678) filed with the SEC on February 29, 2012). |
| 10.8 | *+ | Form of Performance Phantom Unit Grant Agreement and DERs Grant for Officers/Employees under the DCP Midstream Partners, LP 2012 Long-Term Incentive Plan (attached as Exhibit 10.28 to DCP Midstream Partners, LP's Annual Report on Form 10-K (File No. 001-32678) filed with the SEC on February 29, 2012). |
| 10.9 | *+ | Form of Restricted Phantom Unit Grant Agreement and DERs Grant under the DCP Midstream Partners, LP 2012 Long-Term Incentive Plan (attached as Exhibit 10.29 to DCP Midstream Partners, LP's Annual Report on Form 10-K (File No. 001-32678) filed with the SEC on February 29, 2012). |
| 10.10 | *+ | DCP Midstream Partners, LP 2016 Long-Term Incentive Plan (attached as Exhibit A to DCP Midstream Partners, LP's Definitive Proxy Statement on Schedule 14A (File No. 001-32678) filed with the SEC on March 15, 2016). |
| 10.11 | *+ | DCP Services, LLC 2008 Long-Term Incentive Plan, as amended and restated effective March 1, 2017 (attached as Exhibit 10.3 to DCP Midstream, LP's Quarterly Report on Form 10-Q (File No. 001-32678) filed with the SEC on May 10, 2017). |
| 10.12 | *+ | Form of Strategic Performance Unit Grant Agreement under the DCP Services, LLC 2008 Long-Term Incentive Plan (attached as Exhibit 10.12 to DCP Midstream, LP's Annual Report on Form 10-K (File No. 001-32678) filed with the SEC on February 26, 2018). |
| 10.13 | *+ | Form of Restricted Phantom Unit Grant Agreement under the DCP Services, LLC 2008 Long-Term Incentive Plan (attached as Exhibit 10.13 to DCP Midstream, LP's Annual Report on Form 10-K (File No. 001-32678) filed with the SEC on February 26, 2018). |
| 10.14 | *+ | DCP Midstream, LP Executive Deferred Compensation Plan (attached as Exhibit 10.18 to DCP Midstream, LP's Annual Report on Form 10-K (File No. 001-32678) filed with the SEC on February 15, 2017). |
| 10.15 | *+ | DCP Midstream, LP Executive Deferred Compensation Plan Adoption Agreement (attached as Exhibit 10.19 to DCP Midstream, LP's Annual Report on Form 10-K (File No. 001-32678) filed with the SEC on February 15, 2017). |
| 10.16 | *+ | DCP Services, LLC Executive Severance Plan (attached as Exhibit 10.16 to DCP Midstream, LP's Annual Report on Form 10-K (File No. 001-32678) filed with the SEC on February 26, 2018). |
| 10.17 | *+ | Amendment to the DCP Services, LLC Executive Severance Plan (attached as Exhibit 10.17 to DCP Midstream, LP's Annual Report on Form 10-K (File No. 001-32678) filed with the SEC on February 26, 2018). |
| 10.18 | *+ | Separation Agreement between DCP Services, LLC and Brian Frederick dated December 11, 2019 (attached as Exhibit 10.18 to DCP Midstream, LP's Annual Report on Form 10-K (File No. 001-32678) filed with the SEC on February 21, 2020). |
| 10.19 | * | Services and Employee Secondment Agreement, dated January 1, 2017, by and between DCP Services, LLC and DCP Midstream Partners, LP (attached as Exhibit 10.1 to DCP Midstream Partners, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on January 6, 2017). |
| 10.20 | * | Second Amended and Restated Credit Agreement, dated as of December 6, 2017, by and among DCP Midstream Operating, LP, DCP Midstream, LP, Mizuho Bank, Ltd., as administrative agent, and the lenders party thereto (attached as Exhibit 10.1 to DCP Midstream, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on December 8, 2017). |

| Exhibit Number | | Description |
|---|---|---|
| 10.21 | * | Receivables Financing Agreement, dated August 13, 2018, among DCP Receivables LLC, as borrower, the Partnership, as initial servicer, the lenders, LC participants and group agents that are parties thereto from time to time, PNC Bank National Association, as Administrative Agent and LC Bank and PNC Capital Markets LLC, as Structuring Agent (attached as Exhibit 10.1 to DCP Midstream, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on August 14, 2018). |
| 10.22 | * | Receivables Sale and Contribution Agreement, dated August 13, 2018, between the originators from time to time party thereto and DCP Receivables LLC (attached as Exhibit 10.2 to DCP Midstream, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on August 14, 2018). |
| 10.23 | * | First Amendment to Receivables Financing Agreement, dated August 12, 2019, among DCP Receivables LLC, as borrower, DCP Midstream, LP, as initial servicer, the lenders, LC participants and group agents that are parties thereto from time to time, PNC Bank National Association, as Administrative Agent and LC Bank and PNC Capital Markets LLC, as Structuring Agent (attached as Exhibit 10.1 to DCP Midstream, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on August 12, 2019). |
| 10.24 | * | Equity Restructuring Agreement, dated November 6, 2019, between DCP Midstream GP, LP and DCP Midstream, LP. (attached as Exhibit 10.1 to DCP Midstream, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on November 8, 2019). |
| 10.25 | * | First Amendment to Second Amended and Restated Credit Agreement, dated as of December 9, 2019, by and among DCP Midstream Operating, LP, DCP Midstream, LP, Mizuho Bank, Ltd., as administrative agent, and the financial institutions party thereto (attached as Exhibit 10.2 to DCP Midstream, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on December 10, 2019). |
| 10.26 | * | Second Amendment to Receivables Financing Agreement, dated December 23, 2019, among DCP Receivables LLC, as borrower, DCP Midstream, LP, as initial servicer, the lenders, LC participants and group agents that are parties thereto from time to time, PNC Bank National Association, as Administrative Agent and LC Bank and PNC Capital Markets LLC, as Structuring Agent (attached as Exhibit 10.3 to DCP Midstream, LP's Current Report on Form 8-K (File No. 001-32678) filed with the SEC on December 23, 2019). |
| 21.1 | * | List of Subsidiaries of DCP Midstream, LP (attached as Exhibit 21.1 to DCP Midstream, LP's Annual Report on Form 10-K (File No. 001-32678) filed with the SEC on February 21, 2020). |
| 23.1 | * | Consent of Deloitte & Touche LLP on Consolidated Financial Statements of DCP Midstream, LP and the effectiveness of DCP Midstream, LP's internal control over financial reporting (attached as Exhibit 23.1 to DCP Midstream, LP's Annual Report on Form 10-K (File No. 001-32678) filed with the SEC on February 21, 2020). |
| 23.2 | * | Consent of Ernst & Young LLP on Consolidated Financial Statements of Discovery Producer Services LLC. (attached as Exhibit 23.4 to DCP Midstream, LP's Amendment No. 1 to Annual Report on Form 10-K/A (File No. 001-32678) filed with the SEC on March 6, 2020). |
| 23.3 | * | Consent of Deloitte & Touche LLP on Consolidated Financial Statements of DCP Sand Hills Pipeline, LLC and DCP Southern Hills Pipeline, LLC (attached as Exhibit 23.5 to DCP Midstream, LP's Amendment No. 1 to Annual Report on Form 10-K/A (File No. 001-32678) filed with the SEC on March 6, 2020). |
| 23.4 | | Consent of Deloitte & Touche LLP on Financial Statements of Front Range Pipeline LLC. |
| 23.5 | | Consent of BDO USA, LLP on Financial Statements of Gulf Coast Express LLC. |
| 24.1 | * | Power of Attorney (incorporated by reference to the signature page of DCP Midstream, LP's Annual Report on Form 10-K (File No. 001-32678) filed with the SEC on February 21, 2020). |
| 31.1 | | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2 | | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | † | Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | † | Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 99.1 | * | The financial statements of Discovery Producer Services LLC pursuant to Rule 3-09 of Regulation S-X (attached as Exhibit 99.1 to DCP Midstream, LP's Amendment No. 1 to Annual Report on Form 10-K (File No. 001-32678) filed with the SEC on March 6, 2020). |
| 99.2 | * | The financial statements of DCP Sand Hills Pipeline, LLC pursuant to Rule 3-09 of Regulation S-X (attached as Exhibit 99.2 to DCP Midstream, LP's Amendment No. 1 to Annual Report on Form 10-K (File No. 001-32678) filed with the SEC on March 6, 2020). |
| 99.3 | * | The financial statements of DCP Southern Hills Pipeline, LLC pursuant to Rule 3-09 of Regulation S-X (attached as Exhibit 99.3 to DCP Midstream, LP's Amendment No. 1 to Annual Report on Form 10-K (File No. 001-32678) filed with the SEC on March 6, 2020). |
| 99.4 | | The financial statements of Front Range Pipeline LLC pursuant to Rule 3-09 of Regulation S-X. |

| Exhibit Number | Description |
|---|---|
| 99.5 | The financial statements of Gulf Coast Express LLC pursuant to Rule 3-09 of Regulation S-X. |
| 101 | Cover Page formatted as Inline XBRL. |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |

* Such exhibit has heretofore been filed with the SEC as part of the filing indicated and is incorporated herein by reference.
+ Denotes management contract or compensatory plan or arrangement.
# Pursuant to Item 601(b)(2) of Regulation S-K, the Partnership agrees to furnish supplementally a copy of any omitted schedule to the Securities and Exchange Commission upon request.
† Furnished herewith.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 27, 2020

**DCP MIDSTREAM, LP**

By: **DCP MIDSTREAM GP, LP,**
its General Partner

By: **DCP MIDSTREAM GP, LLC,**
its General Partner

| | |
|---|---|
| By: | /s/ Wouter T. van Kempen |
| Name: | Wouter T. van Kempen |
| Title: | President and Chief Executive Officer<br>(Principal Executive Officer) |

## CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in Registration Statement Nos. 333-221419, 333-219927, and 333-182642 on Form S-3 and Registration Statement Nos. 333-142271 and 333-211905 on Form S-8 of our report dated March 25, 2020, relating to the financial statements of Front Range Pipeline LLC appearing in this Amendment No. 2 to the Annual Report on Form 10-K of DCP Midstream, LP for the year ended December 31, 2019.

/s/ Deloitte & Touche LLP

Houston, Texas
March 27, 2020

**Exhibit 23.5**

Consent of Independent Registered Public Accounting Firm

Gulf Coast Express Pipeline, LLC
Houston, Texas

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-221419, 333-219927 and 333-182642) and Form S-8 (No. 333-142271 and 333-211905) of DCP Midstream, LP of our report dated March 16, 2020, relating to the financial statements of Gulf Coast Express Pipeline, LLC, which appears in this Amendment No. 2 to the Annual Report on Form 10-K of DCP Midstream, LP.

/s/ BDO USA, LLP

Houston, Texas
March 27, 2020

**Exhibit 31.1**

**Certification Pursuant to**
**Section 302 of the Sarbanes-Oxley Act of 2002**

I, Wouter T. van Kempen, certify that:

1. I have reviewed this annual report on Form 10-K/A of DCP Midstream, LP for the year ended December 31, 2019;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: March 27, 2020

/s/ Wouter T. van Kempen

Wouter T. van Kempen
President and Chief Executive Officer
(Principal Executive Officer)
DCP Midstream GP, LLC, general partner of
DCP Midstream GP, LP, general partner of
DCP Midstream, LP

**Exhibit 31.2**

**Certification Pursuant to**
**Section 302 of the Sarbanes-Oxley Act of 2002**

I, Sean P. O'Brien, certify that:

1. I have reviewed this annual report on Form 10-K/A of DCP Midstream, LP for the year ended December 31, 2019;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 27, 2020

/s/ Sean P. O'Brien

Sean P. O'Brien
Group Vice President and Chief Financial Officer
(Principal Financial Officer)
DCP Midstream GP, LLC, general partner of
DCP Midstream GP, LP, general partner of
DCP Midstream, LP

**Exhibit 32.1**

**Certification of President and Chief Executive Officer**
**Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906**
**of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)**

The undersigned, the President and Chief Executive Officer of DCP Midstream GP, LLC, general partner of DCP Midstream GP, LP, general partner of DCP Midstream, LP (the "Partnership"), hereby certifies that, to his knowledge on the date hereof:

(a) the annual report on Form 10-K/A of the Partnership for the year ended December 31, 2019, filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ Wouter T. van Kempen

Wouter T. van Kempen
President and Chief Executive Officer
(Principal Executive Officer)
March 27, 2020

*A signed original of this written statement required by Section 906 has been provided to the Partnership and will be retained by the Partnership and furnished to the Securities and Exchange Commission or its staff upon request.*

**Exhibit 32.2**

**Certification of Group Vice President and Chief Financial Officer**
**Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906**
**of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)**

The undersigned, the Group Vice President and Chief Financial Officer of DCP Midstream GP, LLC, general partner of DCP Midstream GP, LP, general partner of DCP Midstream, LP (the “Partnership”), hereby certifies that, to his knowledge on the date hereof:

(a) the annual report on Form 10-K/A of the Partnership for the year ended December 31, 2019, filed on the date hereof with the Securities and Exchange Commission (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ Sean P. O'Brien

Sean P. O'Brien
Group Vice President and Chief Financial Officer
(Principal Financial Officer)
March 27, 2020

*A signed original of this written statement required by Section 906 has been provided to the Partnership and will be retained by the Partnership and furnished to the Securities and Exchange Commission or its staff upon request.*

# Front Range Pipeline LLC

## Financial Statements
## for the Years Ended December 31, 2019, 2018 and 2017

## INDEPENDENT AUDITORS' REPORT

To the Management Committee of Front Range Pipeline LLC
Houston, Texas

We have audited the accompanying financial statements of Front Range Pipeline LLC (the "Company"), which comprise the balance sheets as of December 31, 2019 and 2018, the related statements of operations, cash flows, and members' equity for each of the three years in the period ended December 31, 2019, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Front Range Pipeline LLC as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019 in accordance with accounting principles generally accepted in the United States of America.

**/s/** Deloitte & Touche LLP

Houston, Texas
March 25, 2020

## Front Range Pipeline LLC

**Balance Sheets**

*(in thousands of dollars)*

| | December 31 | |
|---|---|---|
| | **2019** | **2018** |
| **Assets** | | |
| Current assets | | |
| Cash and cash equivalents | $ 43,876 | $ 36,704 |
| Accounts receivable – trade | 690 | 369 |
| Accounts receivable – related parties | 10,230 | 7,436 |
| Other current assets | 496 | 162 |
| Total current assets | 55,292 | 44,671 |
| Property, plant and equipment, net (see Note 3) | 582,230 | 484,387 |
| Other assets | 555 | 17 |
| Total assets | $ 638,077 | $ 529,075 |
| **Liabilities and Members' Equity** | | |
| Current liabilities | | |
| Accounts payable – trade | $ 10,870 | $ 1,861 |
| Accounts payable – related parties | 10,618 | 8,370 |
| Deferred revenue – current | 3,422 | 1,505 |
| Accrued ad valorem taxes payable | 5,313 | 4,457 |
| Other current liabilities | 1,027 | 435 |
| Total current liabilities | 31,250 | 16,628 |
| Other liabilities | 1,207 | 740 |
| Commitments and contingencies (see Note 2) | | |
| Members' equity | 605,620 | 511,707 |
| Total liabilities and members' equity | $ 638,077 | $ 529,075 |

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

# Front Range Pipeline LLC
**Statements of Operations**

*(in thousands of dollars)*

| | For the Year Ended December 31, | | |
|---|---|---|---|
| | **2019** | **2018** | **2017** |
| **Revenues** | | | |
| Related parties | $ 122,085 | $ 99,837 | $ 82,219 |
| Third parties | 8,817 | 3,689 | 168 |
| Total revenues (see Note 5) | 130,902 | 103,526 | 82,387 |
| **Costs and expenses** | | | |
| Depreciation and accretion expenses | 14,792 | 13,957 | 13,907 |
| Operating costs and expenses | 19,041 | 18,463 | 14,717 |
| General and administrative | 151 | 142 | 94 |
| Total costs and expenses | 33,984 | 32,562 | 28,718 |
| **Operating income** | 96,918 | 70,964 | 53,669 |
| Interest income | 808 | 99 | - |
| **Net income** | $ 97,726 | $ 71,063 | $ 53,669 |

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

**Front Range Pipeline LLC**

**Statements of Cash Flows**

*(in thousands of dollars)*

| | For the Year Ended December 31, | | |
|---|---|---|---|
| | **2019** | **2018** | **2017** |
| **Operating activities** | | | |
| Net income | $ 97,726 | $ 71,063 | $ 53,669 |
| *Reconciliation of net income to net cash flows provided by operating activities:* | | | |
| Depreciation and accretion expenses | 14,792 | 13,957 | 13,907 |
| Asset impairment charges | -- | 170 | -- |
| Non-cash expense related to long-term operating leases | 132 | -- | -- |
| Loss on sale of assets | 45 | 11 | 10 |
| Effect of changes in operating accounts: | | | |
| Increase in accounts receivable | (3,115) | (1,285) | (1,488) |
| Decrease (increase) in other current assets | (385) | 40 | (16) |
| Increase (decrease) in accounts payable | 3,760 | (197) | 1,565 |
| Increase (decrease) in deferred revenue – current | 1,917 | (1,202) | 682 |
| Increase in accrued ad valorem taxes payable | 856 | 683 | 1,257 |
| Increase in other current liabilities | 473 | 100 | 163 |
| Decrease in other liabilities | (147) | -- | -- |
| Net cash flows provided by operating activities | 116,054 | 83,340 | 69,749 |
| **Investing activities** | | | |
| Capital expenditures | (105,106) | (26,509) | (3,276) |
| Proceeds from sales of assets | 37 | 28 | 11 |
| Cash used in investing activities | (105,069) | (26,481) | (3,265) |
| **Financing activities** | | | |
| Cash contributions from Members | 90,525 | 44,940 | -- |
| Cash distributions to Members | (94,338) | (85,223) | (52,228) |
| Cash used in financing activities | (3,813) | (40,283) | (52,228) |
| Net change in cash and cash equivalents | 7,172 | 16,576 | 14,256 |
| Cash and cash equivalents, January 1 | 36,704 | 20,128 | 5,872 |
| Cash and cash equivalents, December 31 | $ 43,876 | $ 36,704 | $ 20,128 |
| | | | |
| **Supplemental cash flow information** | | | |
| Current liabilities for capital expenditures at December 31, 2019 | $ 4,077 | $ 1,647 | $ 107 |

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

# Front Range Pipeline LLC
## Statements of Members' Equity

*(in thousands of dollars)*

| | Enterprise Products Operating LLC (33 1/3%) | DCP Partners Logistics, LLC (33 1/3%) | WGR Operating, LP (33 1/3%) | Total |
|---|---|---|---|---|
| **Balance – January 1, 2017** | $ 159,828 | $ 159,829 | $ 159,829 | $ 479,486 |
| Net income | 17,890 | 17,889 | 17,890 | 53,669 |
| Cash distributions to Members | (17,409) | (17,409) | (17,410) | (52,228) |
| **Balance – December 31, 2017** | $ 160,309 | $ 160,309 | $ 160,309 | $ 480,927 |
| Net income | 23,688 | 23,688 | 23,687 | 71,063 |
| Cash contributions from Members | 14,980 | 14,980 | 14,980 | 44,940 |
| Cash distributions to Members | (28,408) | (28,408) | (28,407) | (85,223) |
| **Balance – December 31, 2018** | $ 170,569 | $ 170,569 | $ 170,569 | $ 511,707 |
| Net income | 32,576 | 32,575 | 32,575 | 97,726 |
| Cash contributions from Members | 30,175 | 30,175 | 30,175 | 90,525 |
| Cash distributions to Members | (31,446) | (31,446) | (31,446) | (94,338) |
| **Balance – December 31, 2019** | $ 201,874 | $ 201,873 | $ 201,873 | $ 605,620 |

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

## 1. Company Organization and Nature of Operations

***Company Organization***

Front Range Pipeline LLC ("Front Range") is a Delaware limited liability company formed in February 2012 that owns the Front Range Pipeline. Unless the context requires otherwise, references to "we," "us," "our" or the "Company" within these notes are intended to mean Front Range.

At December 31, 2019, our member interests were owned as follows:

- 33 1/3% by Enterprise Products Operating LLC ("Enterprise");
- 33 1/3% by DCP Partners Logistics, LLC ("DCP"); and,
- 33 1/3% by WGR Operating, LP ("Western").

Enterprise, DCP and Western are referred to individually as a "Member" and collectively as the "Members."

***Description of Business***

The Front Range Pipeline is a 12-inch and 16-inch diameter natural gas liquids ("NGL") pipeline that originates in Weld County, Colorado (in the Denver-Julesburg production basin) and extends approximately 447 miles to near Skellytown, Texas in Carson County, Texas. The Front Range Pipeline has connections to the Mid-America Pipeline System, which is owned and operated by an affiliate of Enterprise, and the Texas Express Pipeline, which is operated by an affiliate of Enterprise. The Front Range Pipeline provides producers in the Denver-Julesburg basin with access to the Gulf Coast market, which is the largest NGL market in the U.S.

Throughput capacity for the pipeline is being expanded by approximately 100 thousand barrels per day ("MBPD"). We anticipate the expansion project to be placed into commercial service during the second quarter of 2020 (unaudited).

Since we have no employees, our operating functions, general and administrative support and project management personnel are provided by an affiliate of Enterprise pursuant to an operating agreement (see Note 6).

All statistical data (e.g., pipeline mileage, transportation capacity and similar operating and physical measurements) in these notes to financial statements are unaudited.

## 2. Significant Accounting Policies

Our financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("GAAP"). Certain prior period amounts have been reclassified to conform to the current period presentation.

Dollar amounts presented in the tabular data within these footnote disclosures are stated in thousands of dollars.

In preparing these financial statements, we have evaluated subsequent events for potential recognition or disclosure through March 25, 2020, the issuance date of the financial statements.

***Accounts Receivable***
Accounts receivable are primarily from shippers who utilize our pipeline. On a routine basis, we review all outstanding accounts receivable balances and record a reserve for amounts that we expect will not be fully recovered. We do not apply actual balances against any reserves until we have exhausted substantially all collection efforts. We have no allowance for doubtful accounts as of December 31, 2019.

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, "*Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*." The new guidance, referred to as the current expected credit loss ("CECL") model, requires the measurement of expected credit losses for financial assets (e.g., accounts receivable) held at the reporting date based on historical experience, current economic conditions, and reasonable and supportable forecasts. These changes are expected to result in the more timely recognition of losses. The adoption of this new guidance on January 1, 2020 did not have a material impact on our financial statements.

***Cash and Cash Equivalents***
Cash and cash equivalents represent unrestricted cash on hand and may also include highly liquid investments with original maturities of less than three months from the date of purchase.

***Commitments and Contingencies***
At December 31, 2019, we had capital expenditure commitments of $2.2 million.

Certain conditions may exist as of the date our financial statements are issued, which may result in a loss to us but which will only be resolved when one or more future events occur or fail to occur. Our management and legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to pending legal proceedings or unasserted claims that may result in such proceedings, our legal counsel evaluates the perceived merits of such matters including the amount of relief sought or expected to be sought therein. If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be recognized and the nature of the contingent liability would be disclosed in our financial statements. If the assessment indicates that a loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss (if determinable), would be disclosed, if material. Loss contingencies considered remote are generally not disclosed or recognized unless they involve guarantees that are material to us, in which case the nature of the guarantee would be disclosed. We had no loss contingency matters requiring recognition or disclosure at December 31, 2019 and 2018, respectively.

***Environmental Costs***
Our operations are subject to extensive federal and state environmental regulations. Environmental costs for remediation are accrued based on estimates of known remediation requirements. Such accruals are based on management's best estimate of the ultimate cost to remediate a site and are adjusted as further information and circumstances develop. Those estimates may change substantially depending on information about the nature and extent of contamination, appropriate remediation technologies and regulatory approvals. Expenditures to mitigate or prevent future environmental contamination are capitalized. Ongoing environmental compliance costs are charged to expense as incurred. In accruing for environmental remediation liabilities, costs of future expenditures for environmental remediation are not discounted to their present value, unless the amount and timing of the expenditures are fixed or reliably determinable. There were no environmental remediation liabilities incurred as of December 31, 2019 and 2018, respectively.

***Estimates***
Preparing our financial statements in conformity with GAAP requires us to make estimates that affect amounts presented in the financial statements. Our most significant estimates relate to (i) the useful lives and depreciation methods used for fixed assets; (ii) measurement of fair value and projections used in impairment testing of fixed assets; and (iii) revenue and expense accruals. Actual results could differ materially from our estimates. On an ongoing basis, we review our estimates based on currently available information. Any changes in the facts and

circumstances underlying our estimates may require us to update such estimates, which could have a material impact on our financial statements.

***Fair Value Information***
The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable approximate their fair values based on their short-term nature.

***Impairment Testing for Long-Lived Assets***
Long-lived assets such as pipelines and facilities are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Long-lived assets with carrying values that are not expected to be recovered through future cash flows are written-down to their estimated fair values. The carrying value of a long-lived asset is deemed not recoverable if it exceeds the sum of undiscounted cash flows expected to result from the use and eventual disposition of the asset. If the asset's carrying value exceeds the sum of its undiscounted cash flows, a non-cash asset impairment charge equal to the excess of the asset's carrying value over its estimated fair value is recorded. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a specified measurement date. We measure fair value using market price indicators or, in the absence of such data, appropriate valuation techniques. There were no asset impairment charges for the year ended December 31, 2019 and 2017, respectively. There were $0.2 million of asset impairment charges for the year ended December 31, 2018.

***Income Taxes***
We are organized as a pass-through entity for federal income tax purposes. As a result, our financial statements do not provide for such taxes, and our Members are individually responsible for their allocable share of our taxable income for federal income tax purposes.

***Leases***
We adopted Accounting Standards Codification ("ASC") 842 on January 1, 2019. The core principle of ASC 842 requires substantially all leases be recorded on the balance sheet.

The new standard introduces two lessee accounting models, which result in a lease being classified as either a "finance" or "operating" lease based on whether the lessee effectively obtains control of the underlying asset over the lease term. A lease would be classified as a finance lease if it meets one of five classification criteria. By default, a lease that does not meet the criteria to be classified as a finance lease will be deemed an operating lease. Regardless of classification, the initial measurement of both lease types will result in the balance sheet recognition of a right-of-use ("ROU") asset (representing a company's right to use the underlying asset for a specified period of time) and a corresponding lease liability. The lease liability will be recognized at the present value of the future lease payments, and the ROU asset will equal the lease liability adjusted for any prepaid rent, lease incentives provided by the lessor, and any indirect costs.

In addition, we elected to apply several practical expedients and made accounting policy elections upon adoption of ASC 842 including:

- We do not recognize ROU assets and lease liabilities for short-term leases and instead record them in a manner similar to operating leases under legacy lease accounting guidelines. A short term lease is one with a maximum lease term of 12 months or less and does not include a purchase option the lessee is reasonably certain to exercise.

- We did not reassess whether any expired or existing contracts as of January 1, 2019 contained leases or the lease classification for any existing or expired leases.

- The impact of adopting ASC 842 was prospective beginning January 1, 2019. We did not recast prior periods presented in our consolidated financial statements to reflect the new lease accounting guidance.

• We combine lease and nonlease components relating to our office and warehouse leases, as applicable.

We recognized $0.7 million in ROU assets and lease liabilities, respectively, for long-term operating leases at January 1, 2019 in connection with the adoption of ASC 842. These amounts are related to leased office space in Centennial, Colorado used in our operations. These amounts represented less than 1% and 5% of our assets and liabilities, respectively, at the adoption date. On an undiscounted basis, our long-term operating lease obligations aggregated to $0.7 million at January 1, 2019. This lease has a remaining term of 3.8 years and a discount rate of 2.5%. Operating lease expense for the year ended December 31, 2019 was $0.1 million. Cash paid for operating lease liabilities recorded on our balance sheet was $0.1 million for the year ended December 31, 2019.

***Property, Plant and Equipment***

Property, plant and equipment is recorded at historical cost. Expenditures for additions, improvements and other enhancements to property, plant and equipment are capitalized, and minor replacements, maintenance, and repairs that do not extend asset life or add value are charged to expense as incurred. When property, plant and equipment assets are retired or otherwise disposed of, the related cost and accumulated depreciation is removed from the accounts and any resulting gain or loss is included in results of operations for the respective period. In general, depreciation is the systematic and rational allocation of an asset’s cost, less its residual value (if any), to the reporting periods it benefits. Our property, plant and equipment is depreciated using the straight-line method, which results in depreciation expense being incurred evenly over the life of an asset. Our estimate of depreciation expense incorporates management assumptions regarding the useful economic lives and residual values of our assets.

Asset retirement obligations (“AROs”) consist of estimated costs of dismantlement, removal, site reclamation and similar activities associated with the retirement of property, plant and equipment assets. We recognize the fair value of a liability for an ARO in the period in which it is incurred and can be reasonably estimated, with the associated asset retirement cost capitalized as part of the carrying value of the asset. ARO amounts are measured at their estimated fair value using expected present value techniques. Over time, the ARO liability is accreted to its present value (through accretion expense) and the capitalized amount is depreciated over the remaining useful life of the related long-term asset. We will incur a gain or loss to the extent that our ARO liabilities are not settled at their recorded amounts. See Note 3 for additional information regarding our property, plant and equipment and related AROs.

***Revenues***

See Note 5 for information regarding our revenue recognition policies and related disclosures.

**3. Property, Plant and Equipment**

The historical cost of our property, plant and equipment and related accumulated depreciation was as follows at the dates indicated:

| | Estimated Useful Life in Years | December 31, | |
|---|---|---|---|
| | | 2019 | 2018 |
| Pipeline assets | 34-39 | $ 646,312 | $ 523,056 |
| Transportation and other equipment | 9 | 1,009 | 753 |
| Land | | 574 | 574 |
| Construction in progress | | 15,629 | 26,697 |
| Total | | 663,524 | 551,080 |
| Less accumulated depreciation | | 81,294 | 66,693 |
| Property, plant and equipment, net | | $ 582,230 | $ 484,387 |

Depreciation expense was $14.7 million, $13.9 million and $13.9 million for the years ended December 31, 2019, 2018 and 2017, respectively.

Capital expenditures of $105.1 million for the year ended December 31, 2019 primarily relate to projects to increase the transportation capacity of our pipeline.

***Asset Retirement Obligations***
Our AROs result from pipeline right-of-way agreements associated with our operations. The following table presents information regarding our asset retirement liabilities for the years indicated:

| | For the Year Ended December 31, | | |
|---|---|---|---|
| | 2019 | 2018 | 2017 |
| Balance of ARO at beginning of year | $ 740 | $ 680 | $ 626 |
| Accretion expense | 64 | 60 | 54 |
| Balance of ARO at end of year | $ 804 | $ 740 | $ 680 |

Property, plant and equipment at both December 31, 2019 and 2018 included $0.4 million, respectively, of asset retirement costs that were capitalized as an increase in the associated long-lived asset. The following table presents our forecast of accretion expense for the years indicated:

| 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| $ 70 | $ 76 | $ 83 | $ 90 | $ 98 |

## 4. Members' Equity

As a limited liability company, our Members are not personally liable for any of our debts, obligations or other liabilities. Income or loss amounts are allocated to our Members based on their respective member interests. Cash contributions from and distributions to Members, if any, are also based on their respective membership interests. Our Members may be required in the future to make additional cash contributions in amounts determined by our Management Committee, which is responsible for conducting our affairs in accordance with the LLC Agreement. Cash distributions to Members are also determined by our Management Committee.

**5. Revenues**

For periods prior to January 1, 2018, we accounted for our revenues using ASC 605, *Revenue Recognition*. Under ASC 605, we recognized revenue when all of the following criteria were met: persuasive evidence of an exchange arrangement existed between us and the shipper (e.g., published tariffs), (ii) delivery of the shipper's volumes had occurred, (iii) the tariff was fixed or determinable and (iv) collectability of the amount owed by the shipper was reasonably assured.

We adopted ASC 606, *Revenues from Contracts with Customers,* on January 1, 2018 using a modified retrospective approach that applied the new revenue recognition standard to existing contracts at the implementation date and to any future revenue contracts. As such, our revenues and related financial information for periods prior to January 1, 2018 were not adjusted and continue to be reported in accordance with ASC 605. We did not record a cumulative effect adjustment upon initially applying ASC 606 since there was no impact on members' equity upon adoption; however, the extent of our revenue-related disclosures has increased under the new standard. There are no material differences in the amount or timing of revenues recognized under ASC 606 when compared to ASC 605.

The core principle of ASC 606 is that a company should recognize revenue in a manner that fairly depicts the transfer of goods or services to customers in amounts that reflect the consideration the company expects to receive for those goods or services. We apply this principle by following five key steps outlined in ASC 606: (i) identify the contract; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognizing revenue when (or as) the performance obligation is satisfied. Each of these steps involves management judgment and an analysis of the contract's material terms and conditions.

Revenues from NGL transportation services are based upon a fixed fee per barrel transported multiplied by the volume redelivered. We recognize revenue from NGL transportation services when the shipper's volumes are redelivered. We believe this approach to revenue recognition faithfully depicts how we satisfy our performance obligations to shippers over time, and is measured in terms of volumes redelivered for the shippers.

We invoice shippers for transportation services upon receipt of their volumes; however, for revenue recognition purposes, the associated transportation revenues are deferred until such volumes are redelivered (i.e., our performance obligations under the NGL transportation agreements are satisfied). At December 31, 2017 and December 31, 2018, deferred revenues attributable to "in-transit" volumes were $2.7 million and $1.5 million, respectively. The amounts outstanding at December 31, 2017 and December 31, 2018 were subsequently recognized as revenue in January 2018 and January 2019, respectively. At December 31, 2019, deferred revenues attributable to "in-transit" volumes were $3.4 million. The amounts outstanding at December 31, 2019 were subsequently recognized as revenue in January 2020.

As noted above, customers are invoiced upon receipt of their volumes, which is when we have an unconditional right to consideration under the associated contract. The terms of our billings are typical of the midstream energy industry. At December 31, 2018 and December 31, 2019, accounts receivable were $7.8 million and $10.9 million, respectively.

Under certain of our transportation agreements, shippers are required to transport a minimum volume of NGLs each month. If the shipper does not transport the minimum volume, they are still required to pay us an amount based on the minimum volume commitment, with a provision that allows the shipper to make-up any volume shortfalls over an agreed-upon period (referred to as a shipper "make-up right"). Revenue pursuant to such agreements is initially deferred and subsequently recognized when either the make-up rights are exercised, the likelihood of the customer exercising the rights becomes remote, or we are otherwise released from the performance obligation. At January 1, 2018, December 31, 2018 and December 31, 2019, there were no deferred revenues attributable to make-up rights.

The following table presents estimated fixed consideration from TSAs that contain minimum volume commitments with terms that exceed one year. These amounts represent the revenues we expect to recognize in future years from these contracts at December 31, 2019.

| 2020 | 2021 | 2022 | 2023 | 2024 | Thereafter | Total |
|---|---|---|---|---|---|---|
| $ 133,666 | $ 155,749 | $ 165,108 | $ 161,988 | $ 78,645 | $ 213,845 | $ 909,001 |

**6. Related Party Transactions**

We provide transportation services to our Members. The following table summarizes our related party revenues for the years indicated:

| | For the Year Ended December 31, | | |
|---|---|---|---|
| | 2019 | 2018 | 2017 |
| Western and its affiliates | $ 67,399 | $ 51,112 | $ 45,538 |
| DCP and its affiliates | 54,686 | 48,725 | 36,681 |
| Total | $ 122,085 | $ 99,837 | $ 82,219 |

Our legacy transportation service agreements ("Legacy TSAs") with affiliates of Western and DCP involve minimum monthly volume commitments and make-up rights. Under these arrangements, each shipper is invoiced for its monthly volume commitment and, if needed, the shipper has the following twelve-month period in which to make up any volume shortfall they have paid for. The Legacy TSAs have an initial term of 15 years, with provisions for annual evergreen renewals thereafter (unless terminated by either party as defined in the contracts). For the first ten contract years, the shipper is invoiced monthly for its volume commitment, which ends in January 2024. For the last five contract years (beginning February 2024), there are no monthly volume commitments under the Legacy TSAs.

In connection with our expansion project (see Note 1), a new transportation service agreement (the "Expansion TSA") was executed with an affiliate of Western. The Expansion TSA includes minimum volume commitments and make-up rights. The Expansion TSA has an initial term of 13 years commencing in the second quarter of 2020, with provisions for annual evergreen renewals thereafter (unless terminated by either party as defined in the contracts). For the first eight years, the related party shipper will be invoiced monthly for its volume commitment. For the last five years, there are no monthly volume commitments under the Expansion TSA; however, the related party shipper has dedicated its production from certain regional facilities to our pipeline.

The following table presents the total average daily minimum volume commitments under the Legacy TSAs and the Expansion TSA for the years indicated (in MBPD):

| **Year** | **Legacy TSAs** | **Expansion TSA** |
|---|---|---|
| 2020 | 104 | 35 |
| 2021 | 107 | 35 |
| 2022 | 107 | 43 |
| 2023 | 107 | 45 |
| 2024 | 107 | 45 |
| 2025 | -- | 45 |
| 2026 | -- | 41 |
| 2027 | -- | 33 |
| 2028 | -- | 30 |

We have a joint tariff arrangement with Texas Express Pipeline LLC ("TEP") for the transportation of NGLs on the Texas Express Pipeline that originate from our pipeline.

Since we have no employees, our operating functions, general and administrative support and project management services are provided by employees of an affiliate of Enterprise. Our reimbursements to Enterprise for payroll costs were $2.9 million for the year ended December 31, 2019. In addition, we paid Enterprise $1.2 million in management fees for the year ended December 31, 2019. These related party costs are a component of operating costs and expenses on our Statement of Operations.

The following table summarizes accounts receivable and accounts payable with related parties at the dates indicated:

| | **December 31,** | |
|---|---|---|
| | **2019** | **2018** |
| **Accounts receivable – related parties** | | |
| DCP and its affiliates | $ 3,473 | $ 3,705 |
| Western and its affiliates | 6,757 | 3,731 |
| Total | $ 10,230 | $ 7,436 |
| | | |
| **Accounts payable – related parties** | | |
| TEP – joint tariff arrangement | $ 9,716 | $ 6,626 |
| Enterprise and its affiliates | 902 | 1,744 |
| Total | $ 10,618 | $ 8,370 |

## 7. Risks and Uncertainties

***Regulatory and Legal Risks***

As part of our normal business activities, we may be subject to various laws and regulations, including those related to environmental matters. In the opinion of management, compliance with existing laws and regulations is not expected to have a material effect on our financial position, results of operations or cash flows.

Also, in the normal course of business, we may be a party to lawsuits and similar proceedings before various courts and governmental agencies involving, for example, contractual disputes, environmental issues and other matters. We are not aware of any such matters at December 31, 2019 and 2018, respectively. If new information becomes available, we will establish accruals and/or make disclosures as appropriate.

***Customer Concentration***
Substantially all of our revenues are earned from Western and its affiliates and DCP and its affiliates. The loss of either of these related party customers could have a material adverse effect on our financial position, results of operations and cash flows.

*FINANCIAL STATEMENTS*
*With Report of Independent Registered Public Accounting Firm*

# *GULF COAST EXPRESS PIPELINE LLC*

*As of December 31, 2019 and 2018 and*
*For the Year Ended December 31, 2019 and the Period*
*from October 13, 2017 (Inception) to December 31, 2018*

## Report of Independent Registered Public Accounting Firm

Board of Directors and Members
Gulf Coast Express Pipeline, LLC.
Houston, Texas

### Opinion on the Financial Statements

We have audited the accompanying balance sheet of Gulf Coast Express Pipeline, LLC (the "Company") as of December 31, 2019, and the related statements of income, members' equity, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2019, and the results of its operations and its cash flows for the year then ended**,** in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### Emphasis of Matter – Significant Transactions with Related Parties

As discussed in Note 4 to the financial statements, the Company has entered into significant transactions with related parties.

/s/ BDO USA, LLP

We have served as the Company's auditor since 2020.

Houston, Texas
March 16, 2020

**GULF COAST EXPRESS PIPELINE LLC**
**STATEMENTS OF INCOME**
**(In Thousands)**

| | Year Ended December 31, 2019 | October 13, 2017 (Inception) to December 31, 2018 (Unaudited) |
|---|---|---|
| Revenues | $ 132,103 | $ 2,609 |
| | | |
| Operating Costs and Expenses | | |
| Operations and maintenance | 1,900 | 16 |
| Depreciation and amortization | 19,272 | 244 |
| General and administrative | 2,194 | 172 |
| Taxes, other than income taxes | 681 | — |
| Total Operating Costs and Expenses | 24,047 | 432 |
| | | |
| Operating Income | 108,056 | 2,177 |
| | | |
| Other Income (Expense) | | |
| Interest income | 1,577 | 1,508 |
| Other | 639 | 95 |
| Total Other Income | 2,216 | 1,603 |
| | | |
| Income Before Taxes | 110,272 | 3,780 |
| | | |
| Income Tax Expense | (275) | — |
| | | |
| Net Income | $ 109,997 | $ 3,780 |

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

**GULF COAST EXPRESS PIPELINE LLC**
**BALANCE SHEETS**
**(In Thousands)**

| | December 31, | | | |
|---|---|---|---|---|
| | | 2019 | | 2018 (Unaudited) |
| **ASSETS** | | | | |
| Current assets | | | | |
| Cash and cash equivalents | $ | 32,764 | $ | 74,194 |
| Accounts receivable - third party | | 10,674 | | 206 |
| Accounts receivable from affiliates | | 28,415 | | 1,436 |
| Exchange gas receivable-current | | 546 | | — |
| Other current asset | | 13 | | 1 |
| Total current assets | | 72,412 | | 75,837 |
| | | | | |
| Property, plant and equipment, net | | 1,766,129 | | 829,649 |
| Other non-current assets | | 21 | | — |
| Total Assets | $ | 1,838,562 | $ | 905,486 |
| | | | | |
| **LIABILITIES AND MEMBERS' EQUITY** | | | | |
| Current liabilities | | | | |
| Accounts payable | $ | 42,714 | $ | 238,887 |
| Accrued taxes, other than income taxes | | 3,434 | | 19,320 |
| Other current liabilities | | 1,980 | | 975 |
| Total current liabilities | | 48,128 | | 259,182 |
| | | | | |
| Long-term liabilities and deferred credits | | | | |
| Total long-term liabilities and deferred credits | | 605 | | 298 |
| Total Liabilities | | 48,733 | | 259,480 |
| | | | | |
| Commitments and contingencies (Note 6) | | | | |
| Members' Equity | | 1,789,829 | | 646,006 |
| Total Liabilities and Members' Equity | $ | 1,838,562 | $ | 905,486 |

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

**GULF COAST EXPRESS PIPELINE LLC**
**STATEMENTS OF CASH FLOWS**
**(In Thousands)**

| | | Year Ended December 31, 2019 | | October 13, 2017 (Inception) to December 31, 2018 (Unaudited) |
|---|---|---|---|---|
| Cash Flows From Operating Activities | | | | |
| Net income | $ | 109,997 | $ | 3,780 |
| Adjustment to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation and amortization | | 19,272 | | 244 |
| Changes in components of working capital: | | | | |
| Accounts receivable | | (37,447) | | (1,642) |
| Accounts payable | | 868 | | 465 |
| Accrued taxes, other than income | | 3,457 | | — |
| Other current assets and liabilities | | 447 | | 974 |
| Long-term contract liabilities | | 286 | | 298 |
| Net Cash Provided by Operating Activities | | 96,880 | | 4,119 |
| Cash Flows From Investing Activities | | | | |
| Capital expenditures | | (1,172,136) | | (572,151) |
| Net Cash Used in Investing Activities | | (1,172,136) | | (572,151) |
| Cash Flows From Financing Activities | | | | |
| Contributions from Members | | 1,135,128 | | 642,226 |
| Distributions to Members | | (101,302) | | — |
| Net Cash Provided by Financing Activities | | 1,033,826 | | 642,226 |
| Net Change in Cash and Cash Equivalents | | (41,430) | | 74,194 |
| Cash and Cash Equivalents, beginning of period | | 74,194 | | — |
| Cash and Cash Equivalents, end of period | $ | 32,764 | $ | 74,194 |
| Non-cash Investing Activities | | | | |
| Net increase in property, plant, and equipment accruals | | | $ | 257,742 |

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

**GULF COAST EXPRESS PIPELINE LLC**
**STATEMENTS OF MEMBERS' EQUITY**
**(In Thousands)**

| | December 31, 2019 | October 13, 2017 (Inception) to December 31, 2018 (Unaudited) |
|---|---|---|
| Beginning Balance | $ 646,006 | $ — |
| Net income | 109,997 | 3,780 |
| Contributions | 1,135,128 | 642,226 |
| Distributions | (101,302) | — |
| Ending Balance | $ 1,789,829 | $ 646,006 |

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

# GULF COAST EXPRESS PIPELINE LLC
# NOTES TO FINANCIAL STATEMENTS

## 1. General

We are a Delaware limited liability company, formed on October 13, 2017. When we refer to "us," "we," "our," "ours," "the Company," or "GCX," we are describing Gulf Coast Express Pipeline LLC.

The Members' interests in us are as follows:

- 34% - Kinder Morgan Texas Pipeline LLC (KMTP), an indirect subsidiary of Kinder Morgan, Inc. (KMI);
- 25% - DCP GCX Pipeline LLC (DCP), an indirect subsidiary of DCP Midstream, LP;
- 25% - Targa GCX Pipeline LLC (Targa), an indirect subsidiary of Targa Resources Corp.; and
- 16% - Altus Midstream LP (Altus), a subsidiary of Apache Corporation.

Effective May 28 2019, Altus exercised its option to acquire an additional equity interest in us from KMTP which reduced their ownership interest in us to 34%.

Prior to May 28, 2019, the Members' interests in us were as follows:

- 35% - Kinder Morgan Texas Pipeline LLC (KMTP), an indirect subsidiary of Kinder Morgan, Inc. (KMI);
- 25% - DCP GCX Pipeline LLC (DCP), an indirect subsidiary of DCP Midstream, LP;
- 25% - Targa GCX Pipeline LLC (Targa), an indirect subsidiary of Targa Resources Corp.; and
- 15% - Altus Midstream LP (Altus), a subsidiary of Apache Corporation.

We were formed to develop, construct, maintain, own and operate the GCX Pipeline. Beginning in Waha Hub near Coyanosa, Texas in the Permian Basin and extending to Agua Dulce, Texas, the 522-mile pipeline is designed to transport approximately 2 billion cubic feet per day of natural gas. The first 9 miles of the Midland Lateral (Phase 1 facilities) were placed in service in August 2018 and the remaining 40 miles was placed in service (Phase 1A facilities) in April 2019. Project was placed in full commercial operations in September 2019.

## 2. Summary of Significant Accounting Policies

***Basis of Presentation***

We have prepared our accompanying financial statements in accordance with the accounting principles contained in the Financial Accounting Standards Board's (FASB) Accounting Standards Codification, the single source of United States Generally Accepted Accounting Principles (GAAP) and referred to in this report as the Codification. Amounts as of December 31, 2018 and for the period from October 13, 2017 (Inception) to December 31, 2018 are unaudited. Additionally, certain amounts from the prior year have been reclassified to conform to the current presentation.

Management has evaluated subsequent events through March 16, 2020, the date the financial statements were available to be issued.

***Adoption of New Accounting Pronouncement***

Effective January 1, 2019, we adopted Accounting Standards Update (ASU) No. 2016-02, "Leases (Topic 842)" and the series of related Accounting Standards Updates that followed (collectively referred to as "Topic 842"). The most significant changes under the new guidance include the clarification of the definition of a lease, the requirement for lessees to recognize a Right-of-Use asset and a lease liability in the balance sheet, and additional quantitative and qualitative disclosures which are designed to give financial statement users information on the amount, timing, and uncertainty of cash flows arising from leases.

We elected the practical expedients available to us under ASU No. 2018-11 "Lease: Targeted Improvements," which allows us to apply the transition provision for Topic 842 at our adoption date instead of at the earliest comparative period presented in our financial statements. Therefore, we recognized and measured leases existing at January 1, 2019 but without retrospective application. In addition, we elected the practical expedient permitted under the transition guidance related to land easements which allows us to carry forward our historical accounting treatment for land easements on existing agreements upon adoption. We also elected all other available practical expedients except the hindsight practical expedient.There was no impact to our financial statements as a result of the adoption of Topic 842.

***Use of Estimates***

Certain amounts included in or affecting our financial statements and related disclosures must be estimated, requiring us to make certain assumptions with respect to values or conditions which cannot be known with certainty at the time our financial statements are prepared. These estimates and assumptions affect the amounts we report for assets and liabilities, our revenues and expenses during the reporting period, and our disclosures, including as it relates to contingent assets and liabilities at the date of our financial statements. We evaluate these estimates on an ongoing basis, utilizing historical experience, consultation with experts and other methods we consider reasonable in the particular circumstances. Nevertheless, actual results may differ significantly from our estimates. Any effects on our business, financial position or results of operations resulting from revisions to these estimates are recorded in the period in which the facts that give rise to the revision become known.

In addition, we believe that certain accounting policies are of more significance in our financial statement preparation process than others, and set out below are the principal accounting policies we apply in the preparation of our financial statements.

***Cash Equivalents***

We define cash equivalents as all highly liquid short-term investments with original maturities of three months or less.

***Accounts Receivable***

We establish provisions for losses on accounts receivable due from customers if we determine that we will not collect all or part of the outstanding balance. We regularly review collectability and establish or adjust our allowance as necessary using the specific identification method. We had no allowance for doubtful accounts as of December 31, 2019 and 2018.

***Property, Plant and Equipment, net***

Our property, plant and equipment is recorded at its original cost of construction. For constructed assets, we capitalize all construction-related direct labor and material costs, as well as indirect construction costs. The indirect capitalized labor and related costs are an established amount in the Construction Management Agreement (CMA) which represents the estimate of labor and related costs associated with supporting construction projects. We expense costs for routine maintenance and repairs in the period incurred.

We use the composite method to depreciate our property, plant and equipment. Under this method, assets with similar economic characteristics are grouped and depreciated as one asset. When property, plant and equipment is retired, accumulated depreciation and amortization is charged for the original costs of the assets in addition to the costs to remove, sell or dispose of the assets, less salvage value. We do not recognize gains or losses upon normal retirement of assets under the composite depreciation method.

***Asset Retirement Obligations (ARO)***

We record liabilities for obligations related to the retirement and removal of long-lived assets used in our businesses. We record, as liabilities, the fair value of ARO on a discounted basis when they are incurred and can be reasonably estimated, which is typically at the time the assets are installed or acquired. Amounts recorded for the related assets are increased by the amount of these obligations. Over time, the liabilities increase due to the change in their present value, and the initial capitalized costs are depreciated over the useful lives of the related assets. The liabilities are eventually extinguished when the asset is taken out of service.

We are required to operate and maintain our assets, and intend to do so as long as supply and demand for such services exists, which we expect for the foreseeable future. Therefore, we believe that we cannot reasonably estimate the ARO for the substantial majority of assets because these assets have indeterminate lives. We continue to evaluate our ARO and future developments could impact the amounts we record. We had no recorded ARO as of December 31, 2019 and 2018.

***Asset Impairments***

We evaluate our assets for impairment when events or changes in circumstances indicate that the carrying values may not be recovered. These events include changes in the manner in which we intend to use a long-lived asset, decisions to sell an asset and adverse changes in market conditions or in the legal or business environment such as adverse actions by regulators. If an event occurs, which is a determination that involves judgment, we evaluate the recoverability of the carrying value of our long-lived asset based on the long-lived asset's ability to generate future cash flows on an undiscounted basis. If an impairment is indicated, or if we decide to sell a long-lived asset or group of assets, we adjust the carrying value of the asset downward, if necessary, to its estimated fair value.

Our fair value estimates are generally based on assumptions market participants would use, including market data obtained through the sales process or an analysis of expected discounted future cash flows. There were no impairments for the year ended December 31, 2019, and for the period from October 13, 2017 (Inception) to December 31, 2018.

***Revenue Recognition***

*Revenue from Contracts with Customers*

We account for our revenues in accordance with ASU No. 2014-09, *"Revenue from Contracts with Customers"* and the series of related accounting standard updates that followed (collectively referred to as "Topic 606"). The unit of account in Topic 606 is a performance obligation, which is a promise in a contract to transfer to a customer either a distinct good or service (or bundle of goods and services) or a series of distinct goods or services provided over a period of time. Topic 606 requires that a contract's transaction price, which is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, is to be allocated to each performance obligation in the contract based on relative standalone selling prices and recognized as revenue when (point in time) or as (over time) the performance obligation is satisfied.

Our revenues are generated from the transportation of natural gas under firm service customer contracts with take-or-pay elements (principally for capacity reservation) where both the price and quantity are fixed. Generally, for these contracts: (i) our promise is to transfer (or stand ready to transfer) a series of distinct integrated services over a period of time, which is a single performance obligation; (ii) the transaction price includes both fixed and/or variable consideration which is determinable at contract inception and/or at each month end based on our right to invoice at month end for the value of services provided to the customer that month; and (iii) the transaction price is recognized as revenue over the service period specified in the contract as the services are rendered. In these arrangements, the customer is obligated to pay for services associated with its take-or-pay obligation regardless of whether or not the customer chooses to utilize the service in that period. Because we make the service continuously available over the service period, we recognize the take-or-pay amount as revenue ratably over such period based on the passage of time.

The natural gas we receive under our transportation contracts remains under the control of our customers. Under firm service contracts, the customer generally pays a two-part transaction price that includes (i) a fixed fee reserving the right to transport natural gas in our facilities up to contractually specified capacity levels (referred to as "reservation") and (ii) a fee-based per-unit rate for quantities of natural gas actually transported in excess of contractual quantities. In our firm service contracts we generally promise to provide a single integrated service each day over the life of the contract, which is fundamentally a stand-ready obligation to provide services up to the customer's reservation capacity prescribed in the contract. Our customers have a take-or-pay payment obligation with respect to the fixed reservation fee component, regardless of the quantities they actually transport. On interruptible service contracts, there is no fixed fee associated with these transportation services because the customer accepts the possibility that service may be interrupted at our discretion in order to serve customers who have firm service contracts. We do not have an obligation to perform under interruptible customer arrangements until we accept and schedule the customer's request for periodic service. The customer pays a transaction price based on a fee-based per-unit rate for the quantities actually transported.

Refer to Note 5 for further information.

***Environmental Matters***

We capitalize or expense, as appropriate, environmental expenditures. We capitalize certain environmental expenditures required in obtaining rights-of-way, regulatory approvals or permitting as part of the construction of facilities we use in our business operation. We accrue and expense environmental costs that relate to an existing condition caused by past operations, which do not contribute to current or future revenue generation. We generally do not discount environmental liabilities to a net present value, and we record environmental liabilities when environmental assessments and/or remedial efforts are probable and we can reasonably estimate the costs. Generally, our recording of these accruals coincides with our completion of a feasibility study or our commitment to a formal plan of action. We recognize receivables for anticipated associated insurance recoveries when such recoveries are deemed to be probable.

We routinely conduct reviews of potential environmental issues and claims that could impact our assets or operations. These reviews assist us in identifying environmental issues and estimating the costs and timing of remediation efforts. We also routinely adjust our environmental liabilities to reflect changes in previous estimates.In making environmental liability estimations, we consider the material effect of environmental compliance, pending legal actions against us, and potential third-party liability claims we may have against others. Often, as the remediation evaluation and effort progresses, additional information is obtained, requiring revisions to estimated costs. These revisions are reflected in our income in the period in which they are reasonably determinable.

We are subject to environmental cleanup and enforcement actions from time to time. In particular, Comprehensive Environmental Response, Compensation and Liability Act generally imposes joint and several liability for cleanup and enforcement costs on current and predecessor owners and operators of a site, among others, without regard to fault or the legality of the original conduct, subject to the right of a liable party to establish a “reasonable basis” for apportionment of costs. Our operations are also subject to federal, state and local laws and regulations relating to protection of the environment. Although we believe our operations are in substantial compliance with applicable environmental laws and regulations, risks of additional costs and liabilities are inherent in our operations, and there can be no assurance that we will not incur significant costs and liabilities. Moreover, it is possible that other developments, such as increasingly stringent environmental laws, regulations and enforcement policies under the terms of authority of those laws, and claims for damages to property or persons resulting from our operations, could result in substantial costs and liabilities to us.

Although it is not possible to predict the ultimate outcomes, we believe that the resolution of environmental matters, and other matters to which we are a party, will not have a material adverse effect on our business, financial position, results of operations or cash flows. We had no accruals for any outstanding environmental matters as of December 31, 2019 and 2018.

***Income Taxes***

We are a limited liability company that is treated as a partnership for income tax purposes and are not subject to federal or state income taxes. Accordingly, no provision for federal or state income taxes has been recorded in our financial statements. The tax effects of our activities accrue to our Members who report on their individual federal income tax returns their share of revenues and expenses. However, we are subject to Texas margin tax (a revenue based calculation), which is presented as "Income Tax Expense" on our accompanying Statements of Income.

## 3. Property, Plant and Equipment, net

Our property, plant and equipment, net consisted of the following (in thousands, except for %):

| | Annual Depreciation Rates % | December 31, 2019 | December 31, 2018 (Unaudited) |
|---|---|---|---|
| Transmission facilities | 3.33 | $ 1,710,399 | $ 24,139 |
| Intangible plant | 3.33 | 14,848 | 1,604 |
| Vehicles and shop equipment | 10-20 | 3,104 | — |
| Accumulated depreciation and amortization | | (19,517) | (244) |
| | | 1,708,834 | 25,499 |
| Land | | 283 | — |
| Construction work in progress | | 57,012 | 804,150 |
| Property, plant and equipment, net | | $ 1,766,129 | $ 829,649 |

## 4. Related Party Transactions

***LLC Agreement***

Under the terms of the LLC Agreement, KMTP, DCP, Targa and Altus are obligated to make capital contributions to fund the construction of our pipeline.

***Affiliate Agreements***

As of December 20, 2017, we entered into a CMA and an Operations and Maintenance Agreement (OMA) with KMTP to develop and construct the GCX pipeline and upon completion of each phase facility, to maintain, administer and operate the GCX pipeline. Pursuant to the CMA, we pay KMTP a capital overhead fee payable in monthly installments, which began in February 2018 and will pay until the completion of the construction phases. Pursuant to the OMA, we pay KMTP an annual corporate overhead charge in monthly installments.

***Affiliate Balances and Activities***

We do not have employees. Employees of KMI provide services to us. In accordance with our governance documents, we reimburse KMI at cost.

The following table summarizes our balance sheet affiliate balances (in thousands):

| | December 31, 2019 | December 31, 2018 (Unaudited) |
|---|---|---|
| Accounts receivable | $ 28,415 | $ 1,436 |
| Exchange gas receivable-current | 147 | — |
| Accounts payable | 636 | 4,019 |
| Exchange gas payable (a) | 655 | — |

(a) Included in "Other current liabilities" on our accompanying balance sheets.

The following table shows revenues and costs from our affiliates (in thousands):

| | Year Ended December 31, 2019 | October 13, 2017 (Inception) to December 31, 2018 (Unaudited) |
|---|---|---|
| Revenues | $ 95,315 | $ 1,549 |
| Operations and maintenance (a) | 705 | 11 |
| General and administrative (a) | 1,754 | 59 |
| Capitalized costs (a) | 27,623 | 16,347 |

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(a) Includes costs associated with the affiliate agreements described above.

## 5. Revenue Recognition

***Disaggregation of Revenues***

The following table presents our revenues disaggregated by revenue source and type of revenue for each revenue source (in thousands):

| | Year Ended December 31, | |
|---|---|---|
| | 2019 | 2018 (a) (Unaudited) |
| Revenue from contracts with customers | | |
| Services | | |
| Firm services | $ 96,027 | $ 2,603 |
| Fee-based services | 35,766 | 6 |
| Other | 310 | — |
| Total revenue from contracts with customers | $ 132,103 | $ 2,609 |

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(a) We had no revenues during the period from October 13, 2017 (Inception) to December 31, 2017. Revenue began with August 2018 Phase 1 facilities in-service date.

***Contract Balances***

Contract assets and contract liabilities are the result of timing differences between revenue recognition, billings and cash collections. We did not have any contract assets as of December 31, 2019 and 2018. Our contract liabilities are related to capital improvements paid for in advance by certain customers, which we recognize as revenue on a straight-line basis over the initial term of the related customer contracts.

As of December 31, 2019 and 2018, our contract liabilities balances were $640,000 and $595,000, respectively. Of the contract liability balance at December 31, 2018, $297,000 was recognized as revenue during the year ended December 31, 2019.

***Revenue Allocated to Remaining Performance Obligations***

The following table presents our estimated revenue allocated to remaining performance obligations for contracted revenue that has not yet been recognized, representing our "contractually committed" revenue as of December 31, 2019 that we will invoice or transfer from contract liabilities and recognize in future periods (in thousands):

| Year | | Estimated Revenue |
|---|---|---|
| 2020 | $ | 363,566 |
| 2021 | | 362,573 |
| 2022 | | 362,573 |
| 2023 | | 362,573 |
| 2024 | | 363,566 |
| Thereafter | | 1,720,338 |
| Total | $ | 3,535,189 |

Our contractually committed revenue, for purposes of the tabular presentation above, is generally limited to service or commodity sale customer contracts which have fixed pricing and fixed volume terms and conditions, generally including contracts with take-or-pay payment obligations. Our contractually committed revenue amounts generally exclude, based on the following practical expedients that we elected to apply, remaining performance obligations for: (i) contracts with variable volume attributes in which such variable consideration is allocated entirely to a wholly unsatisfied performance obligation and (ii) contracts with an original expected duration of one year or less.

***Major Customers***

For the year ended December 31, 2019, revenues from our three largest affiliated customers and largest non-affiliated customer were approximately $29,546,000, $28,805,000, $17,836,000, and $18,049,000, respectively, each of which exceeded 10% of our operating revenues. For the year ended December 31, 2018, revenues from our largest affiliated customer and largest non-affiliated customer were approximately $1,549,000 and $882,000, respectively, each of which exceeded 10% of our operating revenues.

## 6. Litigation and Commitments

We are party to various legal, regulatory and other matters arising from the day-to-day operations of our business that may result in claims against the Company. Although no assurance can be given, we believe, based on our experiences to date and taking into account established reserves, that the ultimate resolution of such items will not have a material adverse impact on our business, financial position, results of operations or cash flows. We believe we have meritorious defenses to the matters to which we are a party and intend to vigorously defend the Company. When we determine a loss is probable of occurring and is reasonably estimable, we accrue an undiscounted liability for such contingencies based on our best estimate using information available at that time. If the estimated loss is a range of potential outcomes and there is no better estimate within the range, we accrue the amount at the low end of the range. We disclose contingencies where an adverse outcome may be material, or in the judgment of management, we conclude the matter should otherwise be disclosed.

***Legal Proceeding***

*Dispute with Pipe Supplier*

In January 2018, GCX entered into an agreement with Borusan Mannesmann Boru Sanayi ve Ticaret A.S. (Borusan), a steel pipe producer in Turkey, under which Borusan supplied highly specialized steel pipe for the GCX project. Total pipe costs are approximately $172.5 million. During March 2018, the U.S. government, pursuant to Section 232 of the Trade Expansion Act of 1962 (Section 232), announced a 25% tariff on steel imported from Turkey, including steel pipe. The tariff was later increased to 50%. The amount of the Section 232 tariff applicable to the pipe supplied by Borusan to GCX is $74.3 million.

GCX and Borusan each allege the other party is responsible to pay the tariff. During May 2018, GCX made a request to the U.S. Department of Commerce for an exclusion from the Section 232 tariffs. On April 23, 2019, GCX was informed that its request for an exclusion was denied. On June 11, 2019, GCX resubmitted its request for an exclusion from the Section 232 tariff. That request is pending. GCX took possession of the Borusan supplied pipe in February 2019. Thereafter, GCX both exercised its legal right to set off the amount of the disputed tariff from unpaid invoices sent to GCX by Borusan and demanded that Borusan reimburse GCX for the amount of the tariff previously paid by GCX to Borusan. GCX is currently setting off $37.2 million from the amount Borusan claims it is owed and demanding that Borusan return $37.1 million to GCX. On January 28, 2020, GCX filed a lawsuit against Borusan in the U.S. District Court for the Southern District of Texas alleging breach of contract and seeking a judicial declaration of GCX's rights under the parties' agreement.

*General*

We had no accruals for any outstanding legal proceedings as of December 31, 2019 and 2018.

***Commitments***

At December 31, 2019, we had capital commitments of approximately $25,210,000, for purchases related to construction work in progress.