

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

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (date of earliest event reported): May 5, 2021

DCP MIDSTREAM, LP

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-32678
(Commission
File No.)

03-0567133
(IRS Employer
Identification No.)

**370 17th Street, Suite 2500
Denver, Colorado 80202**
(Address of principal executive offices) (Zip Code)

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

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common units representing limited partnership 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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02 Results of Operations and Financial Condition.

On May 5, 2021, DCP Midstream, LP issued a press release announcing its financial results for the three months ended March 31, 2021. A copy of the press release is furnished as Exhibit 99.1 hereto, and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the press release furnished as Exhibit 99.1 to this current report on Form 8-K shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information or exhibit be deemed incorporated by reference into any filing under the Securities Act of 1933 or Securities Exchange Act of 1934, each as amended, except as shall be expressly set forth by specific reference in any such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release dated May 5, 2021.
101	Cover Page formatted as Inline XBRL.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 5, 2021

DCP MIDSTREAM, LP

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

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

By: /s/ Sean P.
O'Brien
Name: Sean P.
O'Brien
Title: Group Vice
President
and Chief
Financial
Officer



DCP MIDSTREAM REPORTS FIRST QUARTER RESULTS

DENVER, May 5, 2021 (GLOBE NEWSWIRE) - Today, DCP Midstream, LP (NYSE: DCP) reported its financial results for the three months ended March 31, 2021.

HIGHLIGHTS

- For the three months ended March 31, 2021, DCP had net income attributable to partners of \$53 million, net cash used in operating activities of \$4 million, adjusted EBITDA of \$275 million, and distributable cash flow of \$175 million.
- Generated \$89 million of excess free cash flow for the three months ended March 31, 2021, after fully funding distributions and growth capital, representing a 5% sequential increase.
- Achieved bank leverage of 4.1 times as of the end of the first quarter.
- First quarter costs totaled \$187 million, representing a 22% reduction compared to fourth quarter 2020, driven by continued cost discipline and timing of expenses.
- Total capital expenditures of \$14 million, including \$10 million of sustaining capital, was reduced by 59% compared to fourth quarter 2020.
- Winter Storm Uri created a one-time adverse financial impact of \$60 million to first quarter adjusted EBITDA.
 - As a result of significant producer volume declines and record natural gas pricing, the storm created negative impacts on commercial settlements, which were partially offset by DCP's balanced portfolio and integrated value chain, including gas storage.
 - Despite the one-time first quarter negative impact, DCP delivered a solid first quarter outcome and is maintaining its 2021 financial guidance.

FIRST QUARTER 2021 SUMMARY FINANCIAL RESULTS

	Three Months Ended	
	March 31,	
	2021	2020
	(Unaudited)	
	(Millions, except per unit amounts)	
Net income (loss) attributable to partners	\$ 53	\$ (550)
Net income (loss) per limited partner unit - basic and diluted	\$ 0.19	\$ (2.71)
Net cash (used in) provided by operating activities	\$ (4)	\$ 314
Adjusted EBITDA ⁽¹⁾	\$ 275	\$ 321
Distributable cash flow ⁽¹⁾	\$ 175	\$ 220
Excess free cash flow ⁽¹⁾	\$ 89	\$ (32)

- (1) This press release includes the following financial measures not presented in accordance with U.S. generally accepted accounting principles, or GAAP: adjusted EBITDA, distributable cash flow, excess free cash flow, and adjusted segment EBITDA. Each such non-GAAP financial measure is defined below under "Non-GAAP Financial Information", and each is reconciled to its most directly comparable GAAP financial measure under "Reconciliation of Non-GAAP Financial Measures" in schedules at the end of this press release.

CEO'S PERSPECTIVE

"Our team safely mitigated the operational and financial impacts of Winter Storm Uri with our first quarter results demonstrating the strength and resiliency of our diversified and integrated business model," said Wouter van Kempen, chairman, president, and CEO. "With a strong base business, demand recovery in sight, and a constructive commodity price environment, we are well-positioned to build on our first quarter performance and meet our 2021 commitments to generate significant excess free cash flow and enhance our balance sheet."

COMMON UNIT DISTRIBUTIONS

On April 20, 2021, DCP announced a quarterly common unit distribution of \$0.39 per limited partner unit. This distribution remains unchanged from the previous quarter.

DCP generated distributable cash flow of \$175 million for three months ended March 31, 2021. Distributions declared were \$81 million for the three months ended March 31, 2021.

FIRST QUARTER 2021 OPERATING RESULTS BY BUSINESS SEGMENT

Logistics and Marketing

Logistics and Marketing segment net income attributable to partners for the three months ended March 31, 2021 and 2020 was \$146 million and \$236 million, respectively.

Adjusted segment EBITDA decreased to \$155 million for the three months ended March 31, 2021, from \$208 million for the three months ended March 31, 2020, reflecting lower earnings on gas and NGL marketing and Sand Hills, partially offset by favorable gas storage.

The following table represents volumes for the Logistics and Marketing segment:

NGL Pipeline	% Owned	Net Pipeline Capacity (MBbls/d)	Three Months Ended	Three Months Ended	Three Months Ended
			March 31, 2021	December 31, 2020	March 31, 2020
			Average NGL Throughput (MBpd)	Average NGL Throughput (MBpd)	Average NGL Throughput (MBpd)
Sand Hills	67 %	333	228	257	322
Southern Hills	67 %	128	105	108	93
Front Range	33 %	87	56	57	60
Texas Express	10 %	37	19	21	20
Other	Various	310	170	167	182
Total		895	578	610	677

Gathering and Processing

Gathering and Processing segment net income (loss) attributable to partners for the three months ended March 31, 2021 and 2020 was \$27 million and \$(645) million, respectively.

Adjusted segment EBITDA decreased to \$156 million for the three months ended March 31, 2021, from \$168 million for the three months ended March 31, 2020, reflecting lower wellhead volumes, partially offset by improved commodity pricing.

The following table represents volumes for the Gathering and Processing segment:

System	Three Months Ended March 31, 2021	Three Months Ended March 31, 2021	Three Months Ended December 31, 2020	Three Months Ended March 31, 2020
	Net Plant/Treater Capacity (MMcf/d)	Average Wellhead Volumes (MMcf/d)	Average Wellhead Volumes (MMcf/d)	Average Wellhead Volumes (MMcf/d)
North	1,580	1,520	1,510	1,603
Midcontinent	1,110	799	804	960
Permian	1,200	858	1,014	1,038
South	1,730	900	1,114	1,339
Total	5,620	4,077	4,442	4,940

CREDIT FACILITIES AND DEBT

DCP has two credit facilities with up to \$1.75 billion of total capacity. Proceeds from these facilities can be used for working capital requirements and other general partnership purposes including growth and acquisitions.

- DCP has a \$1.4 billion senior unsecured revolving credit agreement, or the Credit Agreement, that matures on December 9, 2024. As of March 31, 2021, total unused borrowing capacity under the Credit Agreement was \$1,332 million net of \$58 million of outstanding borrowings and \$10 million of letters of credit.
- DCP has an accounts receivable securitization facility that provides up to \$350 million of borrowing capacity that matures August 12, 2022. As of March 31, 2021, DCP had \$350 million of outstanding borrowings under the accounts receivable securitization facility.

As of March 31, 2021, DCP had \$5,683 million of total consolidated principal debt outstanding, with the next maturity in September 2021. The total debt outstanding includes \$550 million of junior subordinated notes which are excluded from debt pursuant to DCP's Credit Agreement leverage ratio calculation. For the twelve months ended March 31, 2021, DCP's leverage ratio was 4.1 times. The effective interest rate on DCP's overall debt position, as of March 31, 2021, was 5.22%.

CAPITAL EXPENDITURES AND INVESTMENTS

During the three months ended March 31, 2021, DCP had expansion capital expenditures and equity investments totaling \$4 million, and sustaining capital expenditures totaling \$10 million.

FIRST QUARTER 2021 EARNINGS CALL

DCP will host a conference call/webcast tomorrow, May 6, 2021, at 10:00 a.m. ET, to discuss its first quarter earnings. The live audio/webcast of the conference call and presentation slides can be accessed through the Investors section on the DCP website at www.dcpmidstream.com and the conference call can be accessed by dialing (844) 233-0113 in the United States or (574) 990-1008 outside the United States. The conference confirmation number is 9896188. An audio/webcast replay, presentation slides and transcript will also be available by accessing the Investors section on the DCP website.

NON-GAAP FINANCIAL INFORMATION

This press release and the accompanying financial schedules include the following non-GAAP financial measures: adjusted EBITDA, distributable cash flow, excess free cash flow and adjusted segment EBITDA. The accompanying schedules provide reconciliations of these non-GAAP financial measures to their most directly comparable GAAP financial measures. DCP's non-GAAP financial measures should not be considered in isolation or as an alternative to its financial measures presented in accordance with GAAP, including operating revenues, net income or loss attributable to partners, net cash provided by or used in operating activities or any other measure of liquidity or financial performance presented in accordance with GAAP as a measure of operating performance, liquidity or ability to service debt obligations and make cash distributions to unitholders. The non-GAAP financial measures presented by DCP may not be comparable to similarly titled measures of other companies because they may not calculate their measures in the same manner.

DCP defines adjusted EBITDA as net income or loss attributable to partners adjusted for (i) distributions from unconsolidated affiliates, net of earnings, (ii) depreciation and amortization expense, (iii) net interest expense, (iv) noncontrolling interest in depreciation and income tax expense, (v) unrealized gains and losses from commodity derivatives, (vi) income tax expense or benefit, (vii) impairment expense and (viii) certain other non-cash items. Adjusted EBITDA further excludes items of income or loss that we characterize as unrepresentative of our ongoing operations. Management believes these measures provide investors meaningful insight into results from ongoing operations.

The commodity derivative non-cash losses and gains result from the marking to market of certain financial derivatives used by us for risk management purposes that we do not account for under the hedge method of accounting. These non-cash losses or gains may or may not be realized in future periods when the derivative contracts are settled, due to fluctuating commodity prices.

Adjusted EBITDA is used as a supplemental liquidity and performance measure and adjusted segment EBITDA is used as a supplemental performance measure by DCP's management and by external users of its financial statements, such as investors, commercial banks, research analysts and others to assess:

- financial performance of DCP's assets without regard to financing methods, capital structure or historical cost basis;
- DCP's operating performance and return on capital as compared to those of other companies in the midstream energy industry, without regard to financing methods or capital structure;
- viability and performance of acquisitions and capital expenditure projects and the overall rates of return on investment opportunities;
- performance of DCP's business excluding non-cash commodity derivative gains or losses; and
- in the case of adjusted EBITDA, the ability of DCP's assets to generate cash sufficient to pay interest costs, support its indebtedness, make cash distributions to its unitholders and pay capital expenditures.

DCP defines adjusted segment EBITDA for each segment as segment net income or loss attributable to partners adjusted for (i) distributions from unconsolidated affiliates, net of earnings, (ii) depreciation and amortization expense, (iii) net interest expense, (iv) noncontrolling interest in depreciation and income tax expense, (v) unrealized gains and losses from commodity derivatives, (vi) income tax expense or benefit, (vii) impairment

expense and (viii) certain other non-cash items. Adjusted segment EBITDA further excludes items of income or loss that we characterize as unrepresentative of our ongoing operations for that segment.

DCP defines distributable cash flow as adjusted EBITDA less sustaining capital expenditures, net of reimbursable projects, interest expense, cumulative cash distributions earned by the Series A, Series B and Series C Preferred Units (collectively the "Preferred Limited Partnership Units") and certain other items.

DCP defines excess free cash flow as distributable cash flow, as defined above, less distributions to limited partners, less expansion capital expenditures, net of reimbursable projects, and contributions to equity method investments, and less certain other items. Expansion capital expenditures are cash expenditures to increase DCP's cash flows, operating or earnings capacity. Expansion capital expenditures add on to or improve the capital assets owned, or acquire or construct new gathering lines and well connects, treating facilities, processing plants, fractionation facilities, pipelines, terminals, docks, truck racks, tankage and other storage, distribution or transportation facilities and related or similar midstream assets.

Sustaining capital expenditures are cash expenditures made to maintain DCP's cash flows, operating capacity or earnings capacity. These expenditures add on to or improve capital assets owned, including certain system integrity, compliance and safety improvements. Sustaining capital expenditures also include certain well connects, and may include the acquisition or construction of new capital assets. Income attributable to preferred units represent cash distributions earned by the Preferred Limited Partnership Units. Cash distributions to be paid to the holders of the Preferred Limited Partnership Units, assuming a distribution is declared by DCP's board of directors, are not available to common unit holders. Non-cash mark-to-market of derivative instruments is considered to be non-cash for the purpose of computing distributable cash flow because settlement will not occur until future periods, and will be impacted by future changes in commodity prices and interest rates. DCP compares the distributable cash flow it generates to the cash distributions it expects to pay to its partners. Distributable cash flow is used as a supplemental liquidity and performance measure by DCP's management and by external users of its financial statements, such as investors, commercial banks, research analysts and others, to assess DCP's ability to make cash distributions to its unitholders. Excess free cash flow is used as a supplemental liquidity and performance measure by our management and by external users of our financial statements, such as investors, commercial banks, research analysts and others, and is useful to investors and management as a measure of our ability to generate cash particularly in light of an ongoing transition in the midstream industry that has shifted investor focus from distribution growth to capital discipline, cost efficiency, and balance-sheet strength. Once business needs and obligations are met, including cash reserves to provide funds for distribution payments on our units and the proper conduct of our business, which includes cash reserves for future capital expenditures and anticipated credit needs, this cash can be used to reduce debt, reinvest in the company for future growth, or return to unitholders.

ABOUT DCP MIDSTREAM, LP

DCP Midstream, LP (NYSE: DCP) is a Fortune 500 midstream master limited partnership headquartered in Denver, Colorado, with a diversified portfolio of gathering, processing, logistics and marketing assets. DCP is one of the largest natural gas liquids producers and marketers, and one of the largest natural gas processors in the U.S. The owner of DCP's general partner is a joint venture between Enbridge and Phillips 66. For more information, visit the DCP Midstream, LP website at www.dcpmidstream.com.

CAUTIONARY STATEMENTS

This press release may contain or incorporate by reference forward-looking statements as defined under the federal securities laws regarding DCP Midstream, LP, including projections, estimates, forecasts, plans and objectives. Although management believes that expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. In addition, these statements are subject to certain risks, uncertainties and other assumptions that are difficult to predict and may be beyond DCP's control. If any of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, DCP's actual results may vary materially from what management forecasted, anticipated, estimated, projected or expected.

The key risk factors that may have a direct bearing on DCP's results of operations and financial condition are described in detail in the "Risk Factors" section of DCP's most recently filed annual report and subsequently filed quarterly reports with the Securities and Exchange Commission. Investors are encouraged to closely consider the disclosures and risk factors contained in DCP's annual and quarterly reports filed from time to time with the Securities and Exchange Commission. The forward looking statements contained herein speak as of the date of this announcement. DCP undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Information contained in this press release is unaudited and subject to change.

Investors or Analysts:

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DCP MIDSTREAM, LP
FINANCIAL RESULTS AND
SUMMARY FINANCIAL DATA
(Unaudited)

	Three Months Ended March 31,	
	2021	2020
	(Millions, except per unit amounts)	
Sales of natural gas, NGLs and condensate	\$ 2,569	\$ 1,393
Transportation, processing and other	118	112
Trading and marketing (losses) gains, net	(369)	152
Total operating revenues	2,318	1,657
Purchases and related costs	(2,037)	(1,146)
Operating and maintenance expense	(149)	(153)
Depreciation and amortization expense	(91)	(99)
General and administrative expense	(38)	(56)
Asset impairments	—	(746)
Other expense, net	—	(3)
Total operating costs and expenses	(2,315)	(2,203)
Operating income (loss)	3	(546)
Interest expense, net	(77)	(78)
Earnings from unconsolidated affiliates	128	76
Income tax expense	—	(1)
Net income attributable to noncontrolling interests	(1)	(1)
Net income (loss) attributable to partners	53	(550)
Series A preferred partner's interest in net income	(9)	(9)
Series B preferred partner's interest in net income	(3)	(3)
Series C preferred partner's interest in net income	(2)	(2)
Net income (loss) allocable to limited partners	\$ 39	\$ (564)
Net income (loss) per limited partner unit — basic and diluted	\$ 0.19	\$ (2.71)
Weighted-average limited partner units outstanding — basic	208.4	208.3
Weighted-average limited partner units outstanding — diluted	208.5	208.3

	March 31,		December 31,	
	2021		2020	
	(Millions)			
Cash and cash equivalents	\$	5	\$	52
Other current assets		1,226		956
Property, plant and equipment, net		7,913		7,993
Other long-term assets		3,967		3,956
Total assets	\$	13,111	\$	12,957
Current liabilities	\$	1,240	\$	1,116
Current debt		504		505
Long-term debt		5,178		5,119
Other long-term liabilities		357		356
Partners' equity		5,805		5,834
Noncontrolling interests		27		27
Total liabilities and equity	\$	13,111	\$	12,957

DCP MIDSTREAM, LP
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(Unaudited)

	Three Months Ended March 31,	
	2021	2020
	(Millions)	
Reconciliation of Non-GAAP Financial Measures:		
Net income (loss) attributable to partners	\$ 53	\$ (550)
Interest expense, net	77	78
Depreciation, amortization and income tax expense, net of noncontrolling interests	91	100
Distributions from unconsolidated affiliates, net of earnings	1	77
Asset impairments	—	746
Other non-cash charges	—	4
Non-cash commodity derivative mark-to-market	53	(134)
Adjusted EBITDA	<u>275</u>	<u>321</u>
Interest expense, net	(77)	(78)
Sustaining capital expenditures, net of noncontrolling interest portion and reimbursable projects (a)	(10)	(10)
Distributions to preferred limited partners (b)	(14)	(14)
Other, net	1	1
Distributable cash flow	<u>175</u>	<u>220</u>
Distributions to limited partners	(81)	(162)
Expansion capital expenditures and equity investments, net of reimbursable projects	(4)	(89)
Other, net	(1)	(1)
Excess free cash flow	<u>\$ 89</u>	<u>\$ (32)</u>
Net cash (used in) provided by operating activities	\$ (4)	\$ 314
Interest expense, net	77	78
Net changes in operating assets and liabilities	152	76
Non-cash commodity derivative mark-to-market	53	(134)
Other, net	(3)	(13)
Adjusted EBITDA	<u>275</u>	<u>321</u>
Interest expense, net	(77)	(78)
Sustaining capital expenditures, net of noncontrolling interest portion and reimbursable projects (a)	(10)	(10)
Distributions to preferred limited partners (b)	(14)	(14)
Other, net	1	1
Distributable cash flow	<u>175</u>	<u>220</u>
Distributions to limited partners	(81)	(162)
Expansion capital expenditures and equity investments, net of reimbursable projects	(4)	(89)
Other, net	(1)	(1)
Excess free cash flow	<u>\$ 89</u>	<u>\$ (32)</u>

(a) Excludes reimbursements for leasehold improvements

(b) Represents cumulative cash distributions earned by the Series A, B and C Preferred Units, assuming distributions are declared by DCP's board of directors.

DCP MIDSTREAM, LP
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
SEGMENT FINANCIAL RESULTS AND OPERATING DATA
(Unaudited)

	Three Months Ended March 31,	
	2021	2020
	(Millions, except as indicated)	
Logistics and Marketing Segment:		
Financial results:		
Segment net income attributable to partners	\$ 146	\$ 236
Non-cash commodity derivative mark-to-market	5	(42)
Depreciation and amortization expense	3	3
Distributions from unconsolidated affiliates, net of earnings	1	10
Other charges	—	1
Adjusted segment EBITDA	\$ 155	\$ 208
Operating and financial data:		
NGL pipelines throughput (MBbls/d)	578	677
NGL fractionator throughput (MBbls/d)	43	58
Operating and maintenance expense	\$ 6	\$ 7
Gathering and Processing Segment:		
Financial results:		
Segment net income (loss) attributable to partners	\$ 27	\$ (645)
Non-cash commodity derivative mark-to-market	48	(92)
Depreciation and amortization expense, net of noncontrolling interest	81	89
Asset impairments	—	746
Distributions from unconsolidated affiliates, net of losses	—	67
Other charges	—	3
Adjusted segment EBITDA	\$ 156	\$ 168
Operating and financial data:		
Natural gas wellhead (MMcf/d)	4,077	4,940
NGL gross production (MBbls/d)	361	404
Operating and maintenance expense	\$ 140	\$ 142