

**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): September 9, 2022

CRESTWOOD EQUITY PARTNERS LP
(Exact name of Registrant as specified in its charter)

DELAWARE
(State of incorporation
or organization)

001-34664
(Commission
file number)

43-1918951
(I.R.S. employer
identification number)

811 Main St., Suite 3400
Houston, TX 77002
(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: (832) 519-2200

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 the 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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|----------------------|--|
| Common units representing limited partner interests | CEQP | New York Stock Exchange |
| Preferred Units representing limited partner interests | CEQP-P | 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 2.06. Material Impairments

On September 9, 2022, Crestwood Marcellus Midstream LLC, a wholly owned subsidiary of Crestwood Equity Partners LP (the “Partnership”), entered into a definitive agreement to divest its legacy, non-core Marcellus Shale assets to Antero Midstream LLC for \$205 million of cash, subject to certain adjustments (the “Marcellus Divestiture”). The Marcellus Divestiture contemplates the Partnership’s sale of its Marcellus natural gas gathering and compression assets. The Partnership anticipates that the proceeds from the sale will be less than its historical book value in the assets, and on September 9, 2022, the Partnership concluded that the sale will result in a loss on long-lived assets of approximately \$250 million to \$260 million. The Partnership does not expect this loss to result in any cash expenditures.

Item 7.01 Regulation FD Disclosure

Also, on September 12, 2022, the Partnership issued a press release announcing the Marcellus Divestiture. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information furnished pursuant to Item 7.01 shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing. The information furnished pursuant to Item 7.01 shall not be deemed an admission as to the materiality of any information in this report on Form 8-K that is required to be disclosed solely to satisfy the requirements of Regulation FD.

Item 9.01 Financial Statements and Exhibits**(d) Exhibits.**

| <u>Exhibit Number</u> | <u>Description</u> |
|-----------------------|---|
| 99.1 | Press Release dated September 12, 2022 |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

SIGNATURES

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.

CRESTWOOD EQUITY PARTNERS LP

By: Crestwood Equity GP LLC, its General Partner,

By: /s/ Steven M. Dougherty
Steven M. Dougherty
Executive Vice President and Chief Accounting Officer

Date: September 12, 2022



Crestwood Announces Divestiture of Marcellus Assets

HOUSTON, TEXAS, September 12, 2022 – Crestwood Equity Partners LP (NYSE: CEQP) (“Crestwood”) today announced the divestiture of its Marcellus natural gas gathering and compression assets to Antero Midstream Corporation (NYSE: AM), for \$205 million in cash, representing a multiple of over 7 times 2023E Adjusted EBITDA, subject to customary adjustments. These assets located in Doddridge County and Harrison County, West Virginia, comprise a legacy gas system that was acquired in 2012 and was impacted in recent years by Crestwood’s anchor producer focusing development activity on the rich gas window of the Southwest Marcellus Shale. As a result, Crestwood’s assets have been on natural field decline since 2017 and are non-core to Crestwood’s long-term growth strategy of becoming a leading midstream operator in the Williston, Delaware, and Power River basins. Crestwood intends to use the proceeds from the sale of these assets to enhance financial flexibility through a combination of debt reduction and opportunistic common unit repurchases.

“Over the past ten years, our employees in the Marcellus Shale have done an incredible job to build and operate a premier natural gas gathering and compression system, safely and sustainably. Many of Crestwood’s peer-group leading operational practices were developed in the Marcellus and form the basis of the best-in-class operations program across our midstream G&P portfolio. I would like to personally thank these employees for their dedication and loyalty,” commented Robert G. Phillips, Founder, Chairman, and Chief Executive Officer.

Mr. Phillips continued, “This timely and market-based divestiture is another strategic transaction that highlights Crestwood’s long-term commitment to maximizing unitholder value through portfolio optimization and redeployment of proceeds from legacy non-core assets to further strengthen our balance sheet and improve financial flexibility for unit repurchases and higher returning investment opportunities in our core areas. Over the past 18 months, Crestwood has strategically enhanced its asset portfolio to build competitive scale in its core basins, and as we focus on optimizing and integrating the Oasis Midstream, Sendero Midstream, and CPJV acquisitions, today’s announcement highlights our confidence in the portfolio achieving our long-term leverage ratio target of sub 3.5x in 2023 and demonstrates our commitment to generating accretive unitholder returns and solidifying our financial flexibility for the future.”

The transaction is expected to close in the fourth quarter, subject to customary regulatory approvals, including Hart-Scott-Rodino.

Advisors

Locke Lord L.L.P. served as legal advisor to Crestwood. Vinson & Elkins L.L.P. served as legal advisor to Antero Midstream Corporation.

Forward-Looking Statements

This news release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities and Exchange Act of 1934. The words “expects,” “believes,” “anticipates,” “plans,” “will,” “shall,” “estimates,” “intends,” and similar expressions identify forward-looking statements, which are generally not historical in nature. Forward-looking statements are subject to risks and uncertainties and are based on the beliefs and assumptions of management, based on information currently available to them. Although Crestwood believes that these forward-looking statements are based on reasonable assumptions, it can give no assurance that any such forward-looking statements will materialize. Important factors that could cause actual results to differ materially from those expressed in or implied from these forward-looking statements include the risks and uncertainties described in Crestwood’s reports filed with the Securities and Exchange

Commission, including its Annual Report on Form 10-K and its subsequent reports, which are available through the SEC's EDGAR system at www.sec.gov and on our website. Readers are cautioned not to place undue reliance on forward-looking statements, which reflect management's view only as of the date made, and Crestwood assumes no obligation to update these forward-looking statements.

About Crestwood Equity Partners LP

Houston, Texas based Crestwood Equity Partners LP (NYSE: CEQP) is a master limited partnership that owns and operates midstream businesses in multiple shale resource plays across the United States. Crestwood is engaged in the gathering, processing, treating, compression, storage and transportation of natural gas; storage, transportation, terminalling, and marketing of NGLs; gathering, storage, terminalling and marketing of crude oil; and gathering and disposal of produced water. To learn more about Crestwood Equity Partners LP, visit www.crestwoodlp.com; and to learn more about Crestwood's sustainability efforts, please visit <https://esg.crestwoodlp.com>.

Source: Crestwood Equity Partners LP

Crestwood Equity Partners LP

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