

DCP Midstream, LP
Form 8-K
November 20, 2017

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): November 20, 2017

DCP MIDSTREAM, LP

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation)

001-32678
(Commission

File No.)
370 17th Street, Suite 2500

03-0567133
(IRS Employer

Identification No.)

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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))
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 3.03 Material Modification to Rights of Security Holders.

The information set forth under Item 5.03 is incorporated by reference into this Item 3.03.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On November 20, 2017, DCP Midstream, LP (the Partnership) issued 500,000 of its 7.375% Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units representing limited partner interests in the Partnership (the Series A Preferred Units), at a price to the public of \$1,000 per unit, pursuant to the previously filed Underwriting Agreement, dated as of November 13, 2017, by and between the Partnership, DCP Midstream GP, LP, DCP Midstream GP, LLC, and J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, RBC Capital Markets, LLC and Wells Fargo Securities, LLC, as representatives of the several underwriters named therein (the Underwriters). The Series A Preferred Units entitle their holders to certain rights that are senior to the rights of holders of common units representing limited partner interests in the Partnership (the Common Units), such as rights to certain distributions and rights upon liquidation of the Partnership. A form of the unit certificate for the Series A Preferred Units is filed as Exhibit 4.1 hereto.

In connection with the closing of the offering of the Series A Preferred Units on November 20, 2017, the Partnership executed Amendment No. 5 (the Amendment) to its Second Amended and Restated Agreement of Limited Partnership, dated as of November 1, 2006 (as amended, the Partnership Agreement) to, among other things, authorize and establish the rights and preferences of the Series A Preferred Units and to revise certain provisions relating to the Bipartisan Budget Act of 2015.

Series A Preferred Units

The Series A Preferred Units represent perpetual equity interests in the Partnership and, unlike the Partnership's indebtedness, will not give rise to a claim for payment of a principal amount at a particular date. The Series A Preferred Units are not subject to mandatory redemption or any sinking fund. The Series A Preferred rank senior to the Common Units, the incentive distribution rights and to each other class or series of limited partner interests or other equity securities in the Partnership that may be established after the date hereof that is not expressly made senior to or on parity with the Series A Preferred Units as to the payment of distributions and amounts payable upon a liquidation event (the Junior Securities). The Series A Preferred Units will rank *pari passu* with each class or series of limited partner interests or other equity securities in the Partnership established after the date hereof with terms expressly providing that such class or series ranks on parity with the Series A Preferred Units as to the payment of distributions and amounts payable upon a liquidation event (Parity Securities). The Series A Preferred Units will rank junior to (i) each other class or series of limited partner interests or equity securities in the Partnership established after the date hereof with terms expressly made senior to the Series A Preferred Units as to the payment of distributions and amounts payable upon a liquidation event (the Senior Securities), and (ii) all of the Partnership's existing and future indebtedness and other liabilities with respect to assets available to satisfy claims against the Partnership.

Distributions on the Series A Preferred Units will accrue and be cumulative and compounding from the date hereof and will be payable semi-annually in arrears on the 15th day of each June and December through and including December 15, 2022, and, after December 15, 2022, quarterly in arrears on the 15th day of March, June, September and December, when, as and if declared by the board of directors of DCP Midstream GP, LLC, which is the general partner of the Partnership's general partner, DCP Midstream GP, LP, out of legally available funds for such purpose. The initial distribution on the Series A Preferred Units will be payable on June 15, 2018. The Partnership will not declare or pay, or set apart for payment, distributions on any Junior Securities (other than a distribution payable solely in Junior Securities) unless full cumulative distributions have been or contemporaneously are being paid or set apart for payment on all outstanding Series A Preferred Units and any Parity Securities through the most recent respective

distribution payment dates.

The initial distribution rate for the Series A Preferred Units from and including the date hereof to, but not including, December 15, 2022 will be 7.375% per annum of the \$1,000 liquidation preference per unit (equal to \$73.75 per unit per annum). On and after December 15, 2022, distributions on the Series A Preferred Units will accumulate for each distribution period at a percentage of the \$1,000 liquidation preference equal to an annual floating rate of the then-current three-month LIBOR plus a spread of 5.148%.

At any time prior to December 15, 2022, within 120 days after the conclusion of any review or appeal process instituted by the Partnership following the occurrence of a Ratings Event (as defined below), the Partnership may, at its option, redeem the Series A Preferred Units in whole, but not in part, at a redemption price in cash per Series A Preferred Unit equal to \$1,020 (102% of the liquidation preference of \$1,000), plus an amount equal to all accumulated and unpaid distributions thereon to, but not including, the date fixed for redemption, whether or not declared. Any such redemption would be effected only out of funds legally available for such purpose and will be subject to compliance with the provisions of the Partnership's outstanding indebtedness. A Ratings Event means

a change by any Rating Agency (as defined in the Partnership Agreement) to the equity credit criteria of a Rating Agency for securities such as the Series A Preferred Units, as such criteria are in effect as of the date hereof (the Series A Preferred Current Criteria), which change results in (i) any shortening of the length of time for which the Series A Preferred Current Criteria are scheduled to be in effect with respect to the Series A Preferred Units, or (ii) a lower equity credit being given to the Series A Preferred Units than the equity credit that would have been assigned to the Series A Preferred Units by such Rating Agency pursuant to the Series A Preferred Current Criteria.

At any time on or after December 15, 2022, the Partnership may redeem, in whole or in part, the Series A Preferred Units at a redemption price of \$1,000 per Series A Preferred Unit, plus an amount equal to all accumulated and unpaid distributions thereon to, but not including, the date of redemption, whether or not declared. The Partnership must provide not less than 30 days and not more than 60 days written notice of any such redemption. Any such redemption would be effected only out of funds legally available for such purpose and will be subject to compliance with the provisions of the Partnership s outstanding indebtedness.

Upon the occurrence of a Change of Control Triggering Event (as defined in the Partnership Agreement) of the Partnership, (i) the Partnership may, at its option, redeem the Series A Preferred Units in whole or in part within 120 days after the first date on which such Change of Control Triggering Event occurred, by paying \$1,000 per Series A Preferred Unit, plus all accumulated and unpaid distributions to, but not including, the redemption date, whether or not declared; and (ii) each holder of Series A Preferred Units will have the right (unless the Partnership provided notice of its election to redeem such holder s Series A Preferred Units) to convert some or all of the Series A Preferred Units held by such holder on the Series A Preferred Change of Control Conversion Date (as defined in the Partnership Agreement) into a number of the Partnership s Common Units per Series A Preferred Unit, as calculated in accordance with the procedures set forth in the Partnership Agreement. Any cash payments to holders of Series A Preferred Units will be subject to the limitations contained in the Partnership s revolving credit facility and in any other agreements governing the Partnership s indebtedness.

Holders of the Series A Preferred Units generally have no voting rights, except for limited voting rights with respect to (i) potential amendments to the Partnership Agreement that would have a material adverse effect on the terms of the Series A Preferred Units, (ii) the creation or issuance of any Parity Securities if the cumulative distributions on Series A Preferred Units are in arrears, (iii) the creation or issuance of any Senior Securities, or (iv) the making of distributions to the Partnership s common unitholders out of Capital Surplus (as defined in the Partnership Agreement).

The description of the Partnership Agreement contained in this Item 5.03 is qualified in its entirety by reference to the full text of the Amendment, which is filed as Exhibit 3.1 hereto and is incorporated by reference herein.

Item 8.01 Other Events

The opinions of Holland & Hart LLP relating to the Series A Preferred Units are filed herewith as Exhibits 5.1 and 8.1 and are incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| Exhibit No. | Description |
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| 3.1 | |
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Amendment No. 5 to the Second Amended and Restated Agreement of Limited Partnership of DCP Midstream, LP, dated as of November 20, 2017.

- 4.1 Form of Unit Certificate for 7.375% Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units.
- 5.1 Opinion of Holland & Hart LLP.
- 8.1 Opinion of Holland & Hart LLP, as to certain tax matters.
- 23.1 Consent of Holland & Hart LLP (included in Exhibit 5.1).
- 23.2 Consent of Holland & Hart LLP (included in Exhibit 8.1).

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.

Dated: November 20, 2017

DCP MIDSTREAM, LP

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

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

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