
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 26, 2014 (November 21, 2014)

CRESTWOOD EQUITY PARTNERS LP

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34664
(Commission
File Number)

43-1918951
(IRS Employer
Identification Number)

700 Louisiana Street, Suite 2550
Houston, Texas 77002
(Address of principal executive offices)

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

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))
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Item 1.01. Entry Into a Material Definitive Agreement.

On November 21, 2014, Crestwood Equity Partners LP (the “**Partnership**”) entered into an agreement (the “**Equity Contribution Agreement**”) by and among the Partnership, Tres Palacios Holdings LLC, a Delaware limited liability company (the “**Company**”), BIF II Tres Aggregator (Delaware) LLC, a Delaware limited liability company (“**Brookfield**”), and CMLP Tres Manager LLC, a Delaware limited liability company (“**Crestwood**”, together with Brookfield, the “**Prospective Members**” and each of them a “**Prospective Member**”), and solely with respect to Sections 2.4.2, 4.3.2 and Articles 3 and 5 of the Equity Contribution Agreement, Crestwood Midstream Partners LP (the “**Crestwood Guarantor**”), and solely with respect to Sections 2.4.1, 2.6.1, 2.6.2 and Articles 3 and 5 of the Equity Contribution Agreement, Brookfield Infrastructure Fund II-A, L.P., a Delaware limited partnership (“**Fund A**”); Brookfield Infrastructure Fund II-A (CR), L.P., a Delaware limited partnership (“**Fund A (CR)**”), Brookfield Infrastructure Fund IIB, L.P., a Delaware limited partnership (“**Fund B**”); Brookfield Infrastructure Fund II-C, L.P., a Delaware limited partnership (“**Fund C**”); and Brookfield Infrastructure Fund II-D, L.P., a Delaware limited partnership (“**Fund D**”), Brookfield Infrastructure Fund II-D (CR), L.P., a Delaware limited (“**Fund D (CR)**”, and together with Fund A, Fund A (CR), Fund B, Fund C and Fund D, the “**Brookfield Guarantor**”).

Pursuant to the terms of the Equity Contribution Agreement, the Partnership has agreed to, at the closing of the transactions contemplated by the Equity Contribution Agreement (the “**Transactions**”), enter into a Membership Purchase Agreement (“**MIPA**”) with the Company pursuant to which the Company will acquire 100% of the membership interest in Tres Palacios Gas Storage, LLC, a Delaware limited liability company, from the Partnership, for aggregate cash consideration of \$130.0 million. After the closing of the Transactions, including the transactions contemplated by the MIPA, Crestwood Guarantor will indirectly own 50.1% of the Company, with the remaining 49.9% indirectly held by Brookfield Guarantor. The Partnership indirectly owns Crestwood Midstream GP LLC, the general partner of Crestwood Guarantor and, consequently, manages and controls Crestwood Guarantor. As of September 30, 2014, the Partnership also owned approximately 4% of Crestwood Guarantor’s limited partnership interests and 100% of its incentive distribution rights, which entitles the Partnership to receive 50% of all distributions paid by Crestwood Guarantor in excess of its initial quarterly distribution of \$0.37 per common unit.

The consummation of the Transactions is subject to the satisfaction of customary closing conditions. In addition, the consummation of the Transactions is subject to the Brookfield Guarantor causing certain of its affiliates to use commercially reasonable efforts to dispose of any equity interests it holds in the Partnership within 30 days of the effective date of the consummation of the Transactions. The Partnership has also agreed to pay the Brookfield Guarantor a “break-up fee” of \$20.0 million if any of the Partnership, Crestwood or the Crestwood Guarantor defaults on its obligations under the Equity Contribution Agreement. The Partnership has agreed to indemnify the Company and the Prospective Members for any losses or liabilities of the Company arising from or relating to any period prior to the closing date of the Transactions.

There is no assurance that all of the conditions to the consummation of the Transactions will be satisfied. The Partnership currently expects the Transactions to close in early December 2014.

On November 24, 2014, the Partnership issued a press release announcing the entry into the Equity Contribution Agreement. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release dated November 24, 2014.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, 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

Date: November 26, 2014

By: /s/ Michael J. Campbell
Michael J. Campbell
Senior Vice President and Chief Financial Officer

Exhibit Index

**Exhibit
Number**

Description

99.1 Press release dated November 24, 2014.



News Release
CRESTWOOD EQUITY PARTNERS LP
CRESTWOOD MIDSTREAM PARTNERS LP
 700 Louisiana Street, Suite 2550
 Houston, TX 77002
 www.crestwoodlp.com

Crestwood Equity Partners Announces Agreement to Sell Tres Palacios Natural Gas Storage and Pipeline Facility to Crestwood Midstream Partners and Brookfield Infrastructure

- *Tres Palacios sale improves Crestwood Equity's financial metrics through immediate debt reduction*
- *Transaction marks an important next step in creating pure-play GP; CEQP retains long-term upside potential from improving Gulf Coast storage market though incentive distribution rights of CMLP*
- *New 15 Bcf long-term storage contract provides immediate improvement of Tres Palacios operational performance*
- *Joint venture provides CMLP with strategic partner to pursue longer-term growth opportunities emerging in the Gulf Coast region*

HOUSTON – November 24, 2014 – Crestwood Equity Partners LP (NYSE: CEQP) (“Crestwood Equity”) and Crestwood Midstream Partners LP (NYSE: CMLP) (“Crestwood Midstream,” and together with Crestwood Equity, “Crestwood”) announced today that Crestwood Equity has entered into definitive agreements to sell 100% of the membership interest in Tres Palacios Gas Storage LLC (“Tres Palacios”) to a newly formed joint venture between Crestwood Midstream and an affiliate of Brookfield Infrastructure Group (“Brookfield Infrastructure”) for total cash consideration of \$130 million. Crestwood Midstream will own 50.01% of Tres Palacios Holdings LLC (“TPH LLC”) and will be the operator of Tres Palacios and its assets. The transaction is expected to close in early December 2014.

Brookfield Infrastructure is a global owner and operator of high quality long-lived infrastructure assets in the areas of utilities, transportation and energy. Brookfield Infrastructure’s North American energy platform includes approximately 15,500 km of natural gas transmission pipelines and 300 billion cubic feet (“Bcf”) of natural gas storage including its recently announced acquisition of the Lodi Natural Gas Storage facility in California. As a part of the transaction, Brookfield Infrastructure is entering into five-year, fixed-fee contracts with Tres Palacios for 15 Bcf of firm storage capacity and 150,000 dekatherms per day of enhanced interruptible wheeling services beginning November 2014. The contracts will provide Tres Palacios with incremental annual firm revenues of approximately \$16 million per year.

“We are pleased to announce this strategic partnership with Brookfield Infrastructure and the sale of Tres Palacios to TPH LLC,” said Robert G. Phillips, Chairman, President and Chief Executive Officer of Crestwood’s general partners. “Tres Palacios will immediately benefit as a result of the new long-term contract with Brookfield Infrastructure that will substantially increase the utilization of its available storage capacity. In addition, the strong financial resources from the Crestwood Midstream and Brookfield Infrastructure joint venture

significantly enhances Tres Palacios' ability to participate in future expansion opportunities along the Texas Gulf Coast region to serve anticipated natural gas demand growth associated with LNG export facilities, exports to Mexico, and local power generation and industrial markets. We look forward to completing the transaction and working closely with Brookfield Infrastructure as a partner, which has a superior reputation of developing world-class infrastructure investments."

The Tres Palacios natural gas storage facility is regulated by the Federal Energy Regulatory Commission ("FERC"). The facility has the capacity to store up to 38.4 Bcf of natural gas and provides more than 1.0 Bcf per day of injection and withdrawal capability. The high performance, multi-cycle storage facility has an approximately 60-mile bidirectional pipeline system with 10 pipeline interconnects and associated facilities. The Tres Palacios assets are located in Matagorda, Wharton, and Colorado Counties, Texas. The new joint venture will not impact Tres Palacios' previously filed application with the FERC to reduce certificated working gas storage capacity. Tres Palacios continues to expect a favorable ruling on the application by FERC.

Crestwood Midstream expects to initially fund its \$65 million portion of the purchase price utilizing its \$1.0 billion revolving credit facility. Crestwood Midstream has approximately \$125 million of remaining committed preferred equity available to be issued under its June 2014 equity agreement. Crestwood Midstream intends to utilize a portion of this remaining commitment to pay down revolver borrowings in connection with this transaction.

Crestwood Equity will use the net sale proceeds to repay \$130 million of loans outstanding under its revolving credit facility and reduce its loan commitments thereunder by an equal amount, which will result in Crestwood Equity having an aggregate borrowing capacity of \$495 million under its credit agreement. Pro forma for this transaction, CEQP's leverage ratio as defined in its revolving credit facility would have been 3.4x, as compared to 4.7x as of September 30, 2014.

"This transaction is an important step in executing our strategy to establish Crestwood Equity as a pure-play general partner MLP," added Phillips. "With the sale of Tres Palacios to a Crestwood Midstream joint venture, Crestwood Equity will continue to benefit from cash flow growth of the underlying assets through its ownership of the incentive distribution rights of Crestwood Midstream. In addition, the transaction will enable Crestwood Equity to reduce debt and improve its distribution coverage and leverage ratios, and to further diversify Crestwood Midstream's portfolio of shale-based midstream assets with long-term fee-based contracts."

The terms of the transaction were unanimously approved by the board of directors of the general partner of each of Crestwood Equity and Crestwood Midstream based on the unanimous approval and recommendation of their respective conflicts committees, which each consisted entirely of independent directors. Evercore Partners advised the conflicts committee of the board of directors of Crestwood Equity's general partner, and Tudor, Pickering, Holt & Co. advised the conflicts committee of the board of directors of Crestwood Midstream's general partner.

About Crestwood Midstream Partners LP

Houston, Texas, based Crestwood Midstream Partners LP (NYSE: CMLP) is a master limited partnership that owns and operates midstream businesses in multiple unconventional shale resource plays across the United States. Crestwood Midstream Partners LP is engaged in the gathering, processing, treating, compression, storage and transportation of natural gas; storage, transportation and terminalling of NGLs; and gathering, storage, terminalling and marketing of crude oil.

About Crestwood Equity Partners LP

Houston, Texas, based Crestwood Equity Partners LP (NYSE: CEQP) is a master limited partnership that owns the general partner interest, including the incentive distribution rights and an approximate 4% limited partner interest of Crestwood Midstream Partners LP. In addition, Crestwood Equity Partners LP's operations include an NGL supply and logistics business that serves customers in the United States and Canada.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws. Such forward-looking statements include, but are not limited to, statements about the future financial and operating results, objectives, expectations and intentions and other statements that are not historical facts. Crestwood believes that its expectations and forecasts are based on reasonable assumptions. No assurance, however, can be given that such expectations and forecasts will prove to have been correct. A number of factors could cause actual results to differ materially from the expectations and forecasts, anticipated results or other forward-looking information expressed in this press release, including risks and uncertainties regarding future results, capital expenditures, liquidity and financial market conditions, insufficient cash from operations, adverse market conditions, the extent and success of customer drilling efforts, construction delays, and governmental regulations. For a more complete list of these risk factors, please read Crestwood's filings with the SEC, which are available on Crestwood's Investor Relations website at www.crestwoodlp.com or on the SEC's website at www.sec.gov.

Investor Contact

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