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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2023

OR

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

For the transition period from ______ to ______.

(Exact name of registrant as specified in its charter)	Commission file number	State or other jurisdiction of incorporation or organization	(I.R.S. Employer Identification No.)
Crestwood Equity Partners LP	001-34664	Delaware	43-1918951
Crestwood Midstream Partners LP	001-35377	Delaware	20-1647837

811 Main Street	**Suite 3400**	**Houston**	**Texas**	**77002**
(Address of principal executive offices)				**(Zip code)**

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

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

	Title of each class	Trading Symbol	Name of each exchange on which registered
Crestwood Equity Partners LP	Common Units representing limited partnership interests	CEQP	New York Stock Exchange
Crestwood Equity Partners LP	Preferred Units representing limited partnership interests	CEQP-P	New York Stock Exchange
Crestwood Midstream Partners LP	None	None	None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 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.

Crestwood Equity Partners LP	Yes ☒ No ☐
Crestwood Midstream Partners LP	Yes ☒ No ☐

(Explanatory Note: Crestwood Midstream Partners LP is currently a voluntary filer and is not subject to the filing requirements of the Securities Exchange Act of 1934. Although not subject to these filing requirements, Crestwood Midstream Partners LP has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months.)

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 such files).

Crestwood Equity Partners LP	Yes ☒ No ☐
Crestwood Midstream Partners LP	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.

Crestwood Equity Partners LP	Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐	Smaller reporting company ☐	Emerging growth company ☐
Crestwood Midstream Partners LP	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.

Crestwood Equity Partners LP	☐
Crestwood Midstream Partners LP	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Crestwood Equity Partners LP	Yes ☐ No ☒
Crestwood Midstream Partners LP	Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date (July 28, 2023).

Crestwood Equity Partners LP	105,242,300
Crestwood Midstream Partners LP	None

Crestwood Midstream Partners LP, as a wholly-owned subsidiary of a reporting company, meets the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and is therefore filing this report with the reduced disclosure format as permitted by such instruction.

CRESTWOOD EQUITY PARTNERS LP
CRESTWOOD MIDSTREAM PARTNERS LP
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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CRESTWOOD EQUITY PARTNERS LP
CONSOLIDATED BALANCE SHEETS
(in millions, except unit information)

	June 30, 2023 *(unaudited)*	December 31, 2022
Assets		
Current assets:		
Cash	$ 7.7	$ 7.5
Accounts receivable, less allowance for doubtful accounts of $0.3 and $0.5 at June 30, 2023 and December 31, 2022	297.1	432.2
Inventory	98.3	122.6
Assets from price risk management activities	84.7	72.8
Prepaid expenses and other current assets	11.1	18.7
Total current assets	498.9	653.8
Property, plant and equipment	5,444.7	5,353.2
Less: accumulated depreciation	948.4	822.8
Property, plant and equipment, net	4,496.3	4,530.4
Intangible assets	1,306.3	1,306.3
Less: accumulated amortization	334.6	300.7
Intangible assets, net	971.7	1,005.6
Goodwill	223.0	223.0
Operating lease right-of-use assets, net	28.3	24.4
Investments in unconsolidated affiliates	77.8	119.5
Other non-current assets	10.5	10.3
Total assets	$ 6,306.5	$ 6,567.0
Liabilities and capital		
Current liabilities:		
Accounts payable	$ 197.6	$ 305.5
Accrued expenses and other liabilities	157.3	180.8
Liabilities from price risk management activities	9.2	23.9
Total current liabilities	364.1	510.2
Long-term debt, less current portion	3,259.1	3,378.3
Other long-term liabilities	326.5	333.4
Deferred income taxes	3.4	3.5
Total liabilities	3,953.1	4,225.4
Commitments and contingencies (*Note 9*)		
Interest of non-controlling partner in subsidiary	434.2	434.4
Partners' capital:		
Crestwood Equity Partners LP partners' capital (105,240,138 and 104,646,374 common units issued and outstanding at June 30, 2023 and December 31, 2022)	1,307.2	1,295.2
Preferred units (71,257,445 units issued and outstanding at both June 30, 2023 and December 31, 2022)	612.0	612.0
Total partners' capital	1,919.2	1,907.2
Total liabilities and capital	$ 6,306.5	$ 6,567.0

See accompanying notes.

CRESTWOOD EQUITY PARTNERS LP
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per unit data)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenues:				
Product revenues	$ 880.0	$ 1,215.0	$ 2,002.3	$ 2,605.5
Product revenues - related party (*Note 15*)	—	78.9	—	139.5
Service revenues	141.2	98.8	282.0	194.4
Service revenues - related party (*Note 15*)	—	55.3	—	92.4
Total revenues	1,021.2	1,448.0	2,284.3	3,031.8
Costs of product/services sold (exclusive of items shown separately below):				
Product costs	779.0	1,094.0	1,770.0	2,384.8
Product costs - related party *(Note 15)*	0.1	113.1	0.5	181.6
Service costs	5.5	6.1	11.5	11.2
Total costs of products/services sold	784.6	1,213.2	1,782.0	2,577.6
Operating expenses and other:				
Operations and maintenance	53.2	46.6	109.8	89.0
General and administrative	25.0	26.5	56.6	69.9
Depreciation, amortization and accretion	81.1	80.6	162.5	155.4
Loss on long-lived assets, net	1.8	7.2	2.2	11.0
	161.1	160.9	331.1	325.3
Operating income	75.5	73.9	171.2	128.9
Earnings from unconsolidated affiliates, net	132.4	6.0	134.1	9.0
Interest and debt expense, net	(55.4)	(40.1)	(111.0)	(76.2)
Other income (expense), net	—	(0.1)	0.1	0.2
Income before income taxes	152.5	39.7	194.4	61.9
Provision for income taxes	(0.6)	(0.3)	(0.9)	(0.3)
Net income	151.9	39.4	193.5	61.6
Net income attributable to non-controlling partner	10.3	10.3	20.5	20.5
Net income attributable to Crestwood Equity Partners LP	141.6	29.1	173.0	41.1
Net income attributable to preferred units	15.0	15.0	30.0	30.0
Net income attributable to partners	$ 126.6	$ 14.1	$ 143.0	$ 11.1
Net income per limited partner unit: (*Note 12*)				
Basic	$ 1.20	$ 0.14	$ 1.36	$ 0.12
Diluted	$ 1.16	$ 0.14	$ 1.31	$ 0.11
Weighted-average limited partners' units outstanding:				
Basic	105.3	98.0	105.2	92.0
Dilutive	4.1	4.6	4.2	4.7
Diluted	109.4	102.6	109.4	96.7

See accompanying notes.

CRESTWOOD EQUITY PARTNERS LP
CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
(in millions)
(unaudited)

	Preferred		Common		
	Units	Capital	Units	Capital	Total Partners' Capital
Balance at December 31, 2022	71.3	$ 612.0	104.6	$ 1,295.2	$ 1,907.2
Distributions to partners	—	(15.0)	—	(68.9)	(83.9)
Unit-based compensation	—	—	1.1	11.8	11.8
Taxes paid for unit-based compensation vesting	—	—	(0.5)	(14.8)	(14.8)
Other	—	—	0.1	1.6	1.6
Net income	—	15.0	—	16.4	31.4
Balance at March 31, 2023	71.3	$ 612.0	105.3	$ 1,241.3	$ 1,853.3
Distributions to partners	—	(15.0)	—	(68.9)	(83.9)
Unit-based compensation	—	—	—	9.2	9.2
Taxes paid for unit-based compensation vesting	—	—	(0.1)	(0.8)	(0.8)
Other	—	—	—	(0.2)	(0.2)
Net income	—	15.0	—	126.6	141.6
Balance at June 30, 2023	71.3	$ 612.0	105.2	$ 1,307.2	$ 1,919.2

	Preferred		Common		
	Units	Capital	Units	Capital	Total Partners' Capital
Balance at December 31, 2021	71.3	$ 612.0	63.0	$ 487.6	$ 1,099.6
Distributions to partners	—	(15.0)	—	(60.9)	(75.9)
Issuance of common units *(Note 3)*	—	—	33.8	930.0	930.0
Unit-based compensation	—	—	1.6	13.0	13.0
Taxes paid for unit-based compensation vesting	—	—	(0.5)	(14.9)	(14.9)
Other	—	—	0.1	2.2	2.2
Net income (loss)	—	15.0	—	(3.0)	12.0
Balance at March 31, 2022	71.3	$ 612.0	98.0	$ 1,354.0	$ 1,966.0
Distributions to partners	—	(15.0)	—	(64.2)	(79.2)
Unit-based compensation	—	—	—	8.6	8.6
Taxes paid for unit-based compensation vesting	—	—	—	(0.7)	(0.7)
Other	—	—	—	(0.4)	(0.4)
Net income	—	15.0	—	14.1	29.1
Balance at June 30, 2022	71.3	$ 612.0	98.0	$ 1,311.4	$ 1,923.4

See accompanying notes.

CRESTWOOD EQUITY PARTNERS LP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(unaudited)

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Operating activities		
Net income	$ 193.5	$ 61.6
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion	162.5	155.4
Amortization of debt-related deferred costs and fair value adjustment	1.6	1.2
Unit-based compensation	19.2	17.2
Loss on long-lived assets, net	2.2	11.0
Earnings from unconsolidated affiliates, net, adjusted for cash distributions received	(133.2)	(0.2)
Deferred income taxes	—	(0.1)
Other	(0.1)	(0.1)
Changes in operating assets and liabilities	21.4	6.0
Net cash provided by operating activities	267.1	252.0
Investing activities		
Acquisition, net of cash acquired (*Note 3*)	—	(145.1)
Purchases of property, plant and equipment	(115.7)	(78.2)
Investments in unconsolidated affiliates	(6.6)	(15.0)
Capital distributions from unconsolidated affiliates	3.1	6.2
Net proceeds from sale of assets, including equity investments	178.7	25.7
Net cash provided by (used in) investing activities	59.5	(206.4)
Financing activities		
Proceeds from the issuance of long-term debt	1,606.2	1,649.8
Payments on long-term debt	(1,717.9)	(1,470.8)
Payments on finance leases	(1.4)	(30.4)
Payments for deferred financing costs	(9.2)	(1.7)
Distributions to partners	(137.8)	(125.1)
Distributions to non-controlling partner	(20.7)	(20.7)
Distributions to preferred unitholders	(30.0)	(30.0)
Taxes paid for unit-based compensation vesting	(15.6)	(15.6)
Other	—	(0.6)
Net cash used in financing activities	(326.4)	(45.1)
Net change in cash	0.2	0.5
Cash at beginning of period	7.5	13.3
Cash at end of period	$ 7.7	$ 13.8
Supplemental schedule of noncash investing activities		
Net change to property, plant and equipment through accounts payable and accrued expenses	$ (17.2)	$ 14.5

See accompanying notes.

CRESTWOOD MIDSTREAM PARTNERS LP
CONSOLIDATED BALANCE SHEETS
(in millions)

	June 30, 2023 (unaudited)	December 31, 2022
Assets		
Current assets:		
Cash	$ 7.3	$ 7.1
Accounts receivable, less allowance for doubtful accounts of $0.3 and $0.5 at June 30, 2023 and December 31, 2022	297.0	432.2
Inventory	98.3	122.6
Assets from price risk management activities	84.7	72.8
Prepaid expenses and other current assets	11.1	18.7
Total current assets	498.4	653.4
Property, plant and equipment	5,441.5	5,350.0
Less: accumulated depreciation	948.1	822.6
Property, plant and equipment, net	4,493.4	4,527.4
Intangible assets	1,306.3	1,306.3
Less: accumulated amortization	334.6	300.7
Intangible assets, net	971.7	1,005.6
Goodwill	223.0	223.0
Operating lease right-of-use assets, net	28.3	24.4
Investments in unconsolidated affiliates	77.8	119.5
Other non-current assets	8.5	8.1
Total assets	$ 6,301.1	$ 6,561.4
Liabilities and capital		
Current liabilities:		
Accounts payable	$ 197.6	$ 305.4
Accrued expenses and other liabilities	156.5	179.5
Liabilities from price risk management activities	9.2	23.9
Total current liabilities	363.3	508.8
Long-term debt, less current portion	3,259.1	3,378.3
Other long-term liabilities	324.8	330.3
Deferred income taxes	2.4	2.3
Total liabilities	3,949.6	4,219.7
Commitments and contingencies (*Note 9*)		
Interest of non-controlling partner in subsidiary	434.2	434.4
Partners’ capital	1,917.3	1,907.3
Total liabilities and capital	$ 6,301.1	$ 6,561.4

See accompanying notes.

CRESTWOOD MIDSTREAM PARTNERS LP
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Revenues:				
Product revenues	$ 880.0	$ 1,215.0	$ 2,002.3	$ 2,605.5
Product revenues - related party (*Note 15*)	—	78.9	—	139.5
Service revenues	141.2	98.8	282.0	194.4
Service revenues - related party (*Note 15*)	—	55.3	—	92.4
Total revenues	1,021.2	1,448.0	2,284.3	3,031.8
Costs of product/services sold (exclusive of items shown separately below):				
Product costs	779.0	1,094.0	1,770.0	2,384.8
Product costs - related party *(Note 15)*	0.1	113.1	0.5	181.6
Service costs	5.5	6.1	11.5	11.2
Total costs of product/services sold	784.6	1,213.2	1,782.0	2,577.6
Operating expenses and other:				
Operations and maintenance	53.2	46.6	109.8	89.0
General and administrative	23.6	25.0	53.8	66.7
Depreciation, amortization and accretion	81.1	83.0	162.4	161.2
Loss on long-lived assets, net	1.8	60.5	2.2	64.3
	159.7	215.1	328.2	381.2
Operating income	76.9	19.7	174.1	73.0
Earnings from unconsolidated affiliates, net	132.4	6.0	134.1	9.0
Interest and debt expense, net	(55.4)	(40.1)	(111.0)	(76.2)
Income (loss) before income taxes	153.9	(14.4)	197.2	5.8
Provision for income taxes	(0.5)	(0.2)	(0.8)	(0.2)
Net income (loss)	153.4	(14.6)	196.4	5.6
Net income attributable to non-controlling partner	10.3	10.3	20.5	20.5
Net income (loss) attributable to Crestwood Midstream Partners LP	$ 143.1	$ (24.9)	$ 175.9	$ (14.9)

See accompanying notes.

CRESTWOOD MIDSTREAM PARTNERS LP
CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
(in millions)
(unaudited)

	Total Partners' Capital
Balance at December 31, 2022	$ 1,907.3
Distributions to partners	(85.9)
Unit-based compensation	11.8
Taxes paid for unit-based compensation vesting	(14.8)
Net income	32.8
Balance at March 31, 2023	$ 1,851.2
Distributions to partners	(85.4)
Unit-based compensation	9.2
Taxes paid for unit-based compensation vesting	(0.8)
Net income	143.1
Balance at June 30, 2023	$ 1,917.3

	Total Partners' Capital
Balance at December 31, 2021	$ 1,232.3
Non-cash contribution from partner *(Note 11)*	1,075.1
Cash contribution from partner *(Note 11)*	14.9
Distributions to partners	(238.1)
Unit-based compensation	13.0
Taxes paid for unit-based compensation vesting	(14.9)
Other	0.1
Net income	10.0
Balance at March 31, 2022	$ 2,092.4
Distributions to partners	(81.6)
Unit-based compensation	8.6
Taxes paid for unit-based compensation vesting	(0.7)
Net loss	(24.9)
Balance at June 30, 2022	$ 1,993.8

See accompanying notes.

CRESTWOOD MIDSTREAM PARTNERS LP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(unaudited)

	Six Months Ended June 30,	
	2023	**2022**
Operating activities		
Net income	$ 196.4	$ 5.6
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion	162.4	161.2
Amortization of debt-related deferred costs and fair value adjustment	1.6	1.2
Unit-based compensation	19.2	17.2
Loss on long-lived assets, net	2.2	64.3
Earnings from unconsolidated affiliates, net, adjusted for cash distributions received	(133.2)	(0.2)
Deferred income taxes	0.1	0.1
Other	(0.1)	(0.1)
Changes in operating assets and liabilities	22.0	5.9
Net cash provided by operating activities	270.6	255.2
Investing activities		
Purchases of property, plant and equipment	(115.7)	(77.5)
Investments in unconsolidated affiliates	(6.6)	(15.0)
Capital distributions from unconsolidated affiliates	3.1	6.2
Net proceeds from sale of assets, including equity investments	178.7	25.7
Net cash provided by (used in) investing activities	59.5	(60.6)
Financing activities		
Proceeds from the issuance of long-term debt	1,606.2	1,649.8
Payments on long-term debt	(1,717.9)	(1,470.8)
Payments on finance leases	(1.4)	(30.4)
Payments for deferred financing costs	(9.2)	(1.7)
Contributions from partner	—	14.9
Distributions to partners	(171.3)	(319.7)
Distributions to non-controlling partner	(20.7)	(20.7)
Taxes paid for unit-based compensation vesting	(15.6)	(15.6)
Net cash used in financing activities	(329.9)	(194.2)
Net change in cash	0.2	0.4
Cash at beginning of period	7.1	12.9
Cash at end of period	$ 7.3	$ 13.3
Supplemental schedule of non-cash investing activities		
Net change to property, plant and equipment through accounts payable and accrued expenses	$ (17.2)	$ 14.5

See accompanying notes.

CRESTWOOD EQUITY PARTNERS LP
CRESTWOOD MIDSTREAM PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1 – Organization and Business Description

The accompanying notes to the consolidated financial statements apply to Crestwood Equity Partners LP (Crestwood Equity or CEQP) and Crestwood Midstream Partners LP (Crestwood Midstream or CMLP).

The accompanying consolidated financial statements and related notes should be read in conjunction with our 2022 Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) on February 27, 2023. The financial information as of June 30, 2023 and for the three and six months ended June 30, 2023 and 2022, is unaudited. The consolidated balance sheets as of December 31, 2022 were derived from the audited balance sheets filed in our 2022 Annual Report on Form 10-K.

Unless otherwise indicated, references in this report to "we," "us," "our," "ours," "our company," the "Partnership," the "Company," "Crestwood Equity," "CEQP," and similar terms refer to either Crestwood Equity Partners LP itself or Crestwood Equity Partners LP and its consolidated subsidiaries, as the context requires. Unless otherwise indicated, references to "Crestwood Midstream" and "CMLP" refer to Crestwood Midstream Partners LP and its consolidated subsidiaries, as the context requires.

Organization

Crestwood Equity Partners LP. CEQP is a publicly-traded (NYSE: CEQP) Delaware limited partnership formed in March 2001. Crestwood Equity GP LLC, our wholly-owned subsidiary, owns our non-economic general partnership interest.

Crestwood Midstream Partners LP. Crestwood Equity owns a 99.9% limited partnership interest in Crestwood Midstream and Crestwood Gas Services GP LLC, a wholly-owned subsidiary of Crestwood Equity, owns a 0.1% limited partnership interest in Crestwood Midstream. Crestwood Midstream GP LLC, a wholly-owned subsidiary of Crestwood Equity, owns the non-economic general partnership interest of Crestwood Midstream.

Business Description

Crestwood Equity develops, acquires, owns or controls, and operates primarily fee-based assets and operations within the energy midstream sector. We provide broad-ranging infrastructure solutions across the value chain to service premier liquids-rich natural gas and crude oil shale plays across North America. We own and operate a diversified portfolio of natural gas liquids (NGLs), crude oil, natural gas and produced water gathering, processing, storage, disposal and transportation assets that connect fundamental energy supply with energy demand across the United States. Crestwood Equity is a holding company and all of its consolidated operating assets are owned by or through its wholly-owned subsidiary, Crestwood Midstream.

See Note 13 for information regarding our operating and reporting segments.

Note 2 – Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

Our consolidated financial statements are prepared in accordance with Generally Accepted Accounting Principles in the United States (U.S. GAAP) and include the accounts of all consolidated subsidiaries after the elimination of all intercompany accounts and transactions. In management's opinion, all necessary adjustments to fairly present our results of operations, financial position and cash flows for the periods presented have been made and all such adjustments are of a normal and recurring nature. Certain information and footnote disclosures normally included in annual consolidated financial statements prepared in accordance with U.S. GAAP have been omitted pursuant to the rules and regulations of the SEC.

Significant Accounting Policies

There were no material changes in our significant accounting policies from those described in our 2022 Annual Report on Form 10-K.

Note 3 – Acquisition and Divestitures

Oasis Merger

On February 1, 2022, we completed the merger with Oasis Midstream Partners LP (Oasis Midstream), in an equity and cash transaction which was valued at approximately $1.8 billion (the Oasis Merger). Pursuant to the merger agreement, Oasis Petroleum Inc., now known as Chord Energy Corporation (Chord), received $150 million in cash plus approximately 20.9 million newly issued CEQP common units in exchange for its 33.8 million common units held in Oasis Midstream. In addition, Oasis Midstream's public unitholders received approximately 12.9 million newly issued CEQP common units in exchange for the approximately 14.8 million Oasis Midstream common units held by them. Additionally, under the merger agreement, Chord received a $10 million cash payment in exchange for its ownership of the general partner of Oasis Midstream.

Divestitures

In July 2022, we sold our assets in the Barnett Shale to EnLink Midstream, LLC for approximately $290 million, and during the three months ended June 30, 2022, Crestwood Midstream recognized a loss on long-lived assets of approximately $53.3 million, for the difference between the historical carrying value of the net assets and liabilities to be sold and the proceeds received from the sale. Crestwood Equity's historical carrying value of the property, plant and equipment related to our Barnett Shale assets was less than the anticipated sales proceeds due to historical impairments previously recorded on the property, plant and equipment by Crestwood Equity and as a result, Crestwood Equity did not record a loss on long-lived assets during the three and six month ended June 30, 2022 related to the sale of the Barnett Shale assets.

During the three months ended June 30, 2022, we recorded a loss on long-lived assets of approximately $7.0 million related to the sale of parts inventory related to our legacy Granite Wash operations.

Note 4 – Certain Balance Sheet Information

Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities consisted of the following (*in millions*):

	June 30, 2023	December 31, 2022
CMLP		
Accrued expenses	$ 38.8	$ 66.5
Accrued property taxes	7.5	8.4
Income tax payable	0.6	0.9
Interest payable	62.5	43.2
Accrued additions to property, plant and equipment	15.1	35.6
Operating leases	12.1	10.9
Finance leases	1.5	1.9
Contract liabilities	17.6	11.7
Asset retirement obligations	0.8	0.4
Total CMLP accrued expenses and other liabilities	$ 156.5	$ 179.5
CEQP		
Accrued expenses	0.8	1.2
Income tax payable	—	0.1
Total CEQP accrued expenses and other liabilities	$ 157.3	$ 180.8

Other Long-Term Liabilities

Other long-term liabilities consisted of the following (*in millions*):

	June 30, 2023	December 31, 2022
CMLP		
Contract liabilities	$ 206.4	$ 212.3
Intangible liabilities, net	47.0	50.0
Asset retirement obligations	37.8	36.4
Operating leases	19.7	17.4
Other	13.9	14.2
Total CMLP other long-term liabilities	$ 324.8	$ 330.3
CEQP		
Other	1.7	3.1
Total CEQP other long-term liabilities	$ 326.5	$ 333.4

Note 5 - Investments in Unconsolidated Affiliates

Tres Holdings Divestiture

On February 20, 2023, we and Brookfield Infrastructure Group (Brookfield) entered into an agreement with a subsidiary of Enbridge, Inc. to sell each of our respective interests in Tres Palacios Holdings LLC (Tres Holdings) for approximately $335 million, plus working capital adjustments. The sale was completed on April 3, 2023 and we received net cash proceeds of approximately $178 million. We recorded a gain on the sale of approximately $132 million, which is reflected as an increase in our earnings from unconsolidated affiliates in our consolidated statements of operations during the three and six months ended June 30, 2023.

Net Investments and Earnings (Loss) of Unconsolidated Affiliates

Our net investments in and earnings (loss) from our unconsolidated affiliates are as follows (*in millions*):

	Investment		Earnings (Loss) from Unconsolidated Affiliates		Earnings (Loss) from Unconsolidated Affiliates	
			Three Months Ended June 30,		Six Months Ended June 30,	
	June 30, 2023	December 31, 2022	2023	2022	2023	2022
Crestwood Permian Basin LLC(1)	$ 74.6	$ 76.5	$ 0.6	$ —	$ 0.9	$ —
Tres Palacios Holdings LLC(2)	—	39.8	131.9	1.3	133.5	1.9
Powder River Basin Industrial Complex, LLC(3)	3.2	3.2	(0.1)	(0.1)	(0.3)	(0.3)
Crestwood Permian Basin Holdings LLC(4)	—	—	—	4.8	—	7.4
Total	$ 77.8	$ 119.5	$ 132.4	$ 6.0	$ 134.1	$ 9.0

(1) In July 2022, we acquired the remaining 50% equity interest in Crestwood Permian Basin Holdings LLC (Crestwood Permian), whose operations included its 50% equity interest in Crestwood Permian Basin LLC (Crestwood Permian Basin). As of June 30, 2023, our equity in the underlying net assets of Crestwood Permian Basin was less than the carrying value of our investment balance by approximately $2.2 million. During the three and six months ended June 30, 2023, we recorded amortization of less than $0.1 million and approximately $0.1 million, respectively, related to this basis difference, which is reflected as a decrease in our earnings from unconsolidated affiliates in our consolidated statement of operations. Our Crestwood Permian Basin investment is included in our gathering and processing south segment.

(2) In April 2023, we sold our equity interest in Tres Holdings and we recorded a gain on the sale of approximately $132 million, which eliminated our $19.9 million historical basis difference between our investment balance and the equity in the underlying net assets of Tres Holdings. During the six months ended June 30, 2023, we recorded amortization of approximately $0.3 million related to this excess basis, which is reflected as an increase in our earnings from unconsolidated affiliates in our consolidated statements of operations, and during the three and six months ended June 30, 2022, we recorded amortization of approximately $0.3 million and $0.6 million related to this excess basis. Our Tres Holdings investment was included in our storage and logistics segment. See *Tres Holdings Divestiture* above for a further discussion of the sale of our Tres Holdings equity investment.

(3) As of June 30, 2023, our equity in the underlying net assets of Powder River Basin Industrial Complex, LLC (PRBIC) approximates the carrying value of our investment balance. Our PRBIC investment is included in our storage and logistics segment.

(4) As discussed above, in July 2022, we acquired the remaining 50% equity interest in Crestwood Permian and as a result, we control and own 100% of the equity interests in Crestwood Permian. Our Crestwood Permian equity investment was previously included in our gathering and processing south segment.

Distributions and Contributions

The following table summarizes our distributions from and contributions to our unconsolidated affiliates *(in millions)*:

	Distributions		Contributions	
	Six Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Crestwood Permian Basin	$ 4.0	$ —	$ 1.2	$ —
Tres Holdings	—	1.4	5.1	6.5
PRBIC	—	—	0.3	—
Crestwood Permian	—	13.6	—	8.5
Total	$ 4.0	$ 15.0	$ 6.6	$ 15.0

Note 6 – Risk Management

We are exposed to certain market risks related to our ongoing business operations. These risks include exposure to changing commodity prices. We utilize derivative instruments to manage our exposure to fluctuations in commodity prices, which is discussed below. Additional information related to our derivatives is discussed in Note 7.

Risk Management Activities

We sell NGLs (such as propane, ethane, butane and heating oil), crude oil and natural gas to energy-related businesses and may use a variety of financial and other instruments including forward contracts involving physical delivery of NGLs, crude oil and natural gas. We periodically enter into offsetting positions to economically hedge against the exposure our customer contracts create. Certain of these contracts and positions are derivative instruments. We do not designate any of our commodity-based derivatives as hedging instruments for accounting purposes. Our commodity-based derivatives are reflected at fair value in our consolidated balance sheets, and changes in the fair value of these derivatives that impact the consolidated statements of operations are reflected in costs of product/services sold. Our commodity-based derivatives that are settled with physical commodities are reflected as an increase to product revenues, and the commodity inventory that is utilized to satisfy those physical obligations is reflected as an increase to product costs in our consolidated statements of operations. Our commodity-based derivatives that are settled financially are also reflected in product costs in our consolidated statements of operations. The following table summarizes the increase (decrease) in our product revenues and product costs, net, in our consolidated statements of operations related to our commodity-based derivatives (*in millions*):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Product revenues	$ 41.1	$ 108.8	$ 186.9	$ 311.0
Product costs, net	$ (24.3)	$ 3.7	$ (31.5)	$ 51.3

We attempt to balance our contractual portfolio in terms of notional amounts and timing of performance and delivery obligations. This balance in the contractual portfolio significantly reduces the volatility in product costs related to these instruments.

Notional Amounts and Terms

The notional amounts of our derivative financial instruments include the following:

	June 30, 2023		December 31, 2022	
	Fixed Price Payor	Fixed Price Receiver	Fixed Price Payor	Fixed Price Receiver
Propane, ethane, butane, heating oil and crude oil (MMBbls)	81.1	84.5	67.2	70.2
Natural gas (Bcf)	17.1	17.3	44.2	48.4

Notional amounts reflect the volume of transactions, but do not represent the amounts exchanged by the parties to the financial instruments. Accordingly, notional amounts do not reflect our monetary exposure to market or credit risks. All contracts subject to price risk had a maturity of 36 months or less; however, 91% of the contracted volumes will be delivered or settled within 12 months.

Credit Risk

Inherent in our contractual portfolio are certain credit risks. Credit risk is the risk of loss from nonperformance by suppliers, customers or financial counterparties to a contract. We take an active role in managing credit risk and have established control procedures, which are reviewed on an ongoing basis. We attempt to minimize credit risk exposure through credit policies and periodic monitoring procedures as well as through customer deposits, letters of credit and entering into netting agreements that allow for offsetting counterparty receivable and payable balances for certain financial transactions, as deemed appropriate. The counterparties associated with our price risk management activities are energy marketers and propane retailers, resellers and dealers.

Certain of our derivative instruments have credit limits that require us to post collateral. The amount of collateral required to be posted is a function of the net liability position of the derivative as well as our established credit limit with the respective counterparty. If our credit rating were to change, the counterparties could require us to post additional collateral. The amount of additional collateral that would be required to be posted would vary depending on the extent of change in our credit rating as well as the requirements of the individual counterparty. All collateral amounts have been netted against the asset or liability with the respective counterparty and are reflected in our consolidated balance sheets as assets and liabilities from price risk management activities. For a summary of the fair value of our commodity derivative instruments with credit-risk related contingent features and their associated collateral, see Note 7.

Note 7 – Fair Value Measurements

The accounting standard for fair value measurement establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:

- Level 1 — Includes inputs that are observable in active markets for identical assets or liabilities as of the reporting date such as exchange-traded derivatives, listed equities and U.S. government treasury securities.

- Level 2 — Includes inputs that are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. Instruments in this category include non-exchange-traded derivatives such as over the counter (OTC) forwards, options and physical exchanges.

- Level 3 — Includes significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

Financial Assets and Liabilities

As of June 30, 2023 and December 31, 2022, we held certain assets and liabilities that are required to be measured at fair value on a recurring basis, which include our derivative instruments related to crude oil, NGLs and natural gas. Our derivative instruments consist of forwards, swaps, futures, physical exchanges and options. Our derivative instruments that are traded on the New York Mercantile Exchange have been categorized as Level 1. Our derivative instruments also include OTC contracts, which have been categorized as Level 2.

The following tables summarize the fair value hierarchy of our financial instruments that were reflected in our consolidated balance sheets (*in millions*):

	June 30, 2023						
	Level 1	**Level 2**	**Level 3**	**Gross Fair Value**	**Contract Netting[1]**	**Collateral/Margin Received or Paid**	**Fair Value**
Assets							
Assets from price risk management	$ 10.2	$ 610.6	$ —	$ 620.8	$ (534.4)	$ (1.7)	$ 84.7
Other investments[2]	2.6	—	—	2.6	—	—	2.6
Total assets at fair value	$ 12.8	$ 610.6	$ —	$ 623.4	$ (534.4)	$ (1.7)	$ 87.3
Liabilities							
Liabilities from price risk management with credit-risk-related contingent features	$ 7.4	$ 563.6	$ —	$ 571.0	$ (534.4)	$ (33.1)	$ 3.5
Liabilities from price risk management without credit-risk-related contingent features	—	5.6	—	5.6	—	0.1	5.7
Total liabilities at fair value	$ 7.4	$ 569.2	$ —	$ 576.6	$ (534.4)	$ (33.0)	$ 9.2

	December 31, 2022						
	Level 1	Level 2	Level 3	Gross Fair Value	Contract Netting[1]	Collateral/Margin Received or Paid	Fair Value
Assets							
Assets from price risk management	$ 62.8	$ 474.3	$ —	$ 537.1	$ (452.1)	$ (12.2)	$ 72.8
Other investments[2]	2.6	—	—	2.6	—	—	2.6
Total assets at fair value	$ 65.4	$ 474.3	$ —	$ 539.7	$ (452.1)	$ (12.2)	$ 75.4
Liabilities							
Liabilities from price risk management with credit-risk-related contingent features	$ 65.7	$ 420.1	$ —	$ 485.8	$ (452.1)	$ (25.6)	$ 8.1
Liabilities from price risk management without credit-risk-related contingent features	—	11.9	—	11.9	—	3.9	15.8
Total liabilities at fair value	$ 65.7	$ 432.0	$ —	$ 497.7	$ (452.1)	$ (21.7)	$ 23.9

(1) Amounts represent the impact of legally enforceable master netting agreements that allow us to settle positive and negative positions.

(2) Amount primarily relates to our investment in Suburban Propane Partners, L.P. units, which is reflected in other non-current assets on CEQP's consolidated balance sheets.

Cash, Accounts Receivable and Accounts Payable

As of June 30, 2023 and December 31, 2022, the carrying amounts of cash, accounts receivable and accounts payable approximate fair value based on the short-term nature of these instruments.

Credit Facilities

The fair value of the amounts outstanding under our credit facilities approximates their respective carrying amounts as of June 30, 2023 and December 31, 2022, primarily due to the variable nature of the interest rates of the instruments, which is considered a Level 2 fair value measurement. See Note 8 for a further discussion of our credit facilities.

Senior Notes

We estimate the fair value of our senior notes primarily based on quoted market prices for the same or similar issuances (representing a Level 2 fair value measurement). The following table represents the carrying amount (reduced for deferred financing costs associated with the respective notes) and fair value of our senior notes (*in millions*):

	June 30, 2023		December 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
2025 Senior Notes	$ 498.1	$ 493.9	$ 497.6	$ 486.7
2027 Senior Notes	$ 595.9	$ 567.5	$ 595.3	$ 556.9
February 2029 Senior Notes	$ 692.8	$ 654.6	$ 692.1	$ 642.1
April 2029 Senior Notes[1]	$ 474.6	$ 458.4	$ 476.7	$ 450.0
2031 Senior Notes	$ 591.3	$ 593.5	$ —	$ —

(1) The carrying amount includes a fair value adjustment we recorded in conjunction with the merger with Oasis Midstream discussed in Note 3. For a further discussion of this fair value adjustment, see Note 8.

Note 8 – Long-Term Debt

Long-term debt consisted of the following (*in millions*):

	June 30, 2023	December 31, 2022
CMLP Credit Facility	$ 417.4	$ 922.3
CPBH Credit Facility	—	206.8
2025 Senior Notes	500.0	500.0
2027 Senior Notes	600.0	600.0
February 2029 Senior Notes	700.0	700.0
April 2029 Senior Notes	450.0	450.0
April 2029 Senior Notes fair value adjustment, net[(1)]	24.6	26.7
2031 Senior Notes	600.0	—
Less: deferred financing costs, net	32.9	27.5
Total long-term debt	$ 3,259.1	$ 3,378.3

(1) In conjunction with the merger with Oasis Midstream discussed in Note 3, we assumed the April 2029 Senior Notes, and we recorded a fair value adjustment of approximately $30.7 million. We recorded a reduction to our interest and debt expense related to the amortization of the fair value adjustment of approximately $1.1 million and $2.1 million during the three and six months ended June 30, 2023 and $1.1 million and $1.8 million during the three and six months ended June 30, 2022.

Credit Facilities

CMLP Credit Facility. Crestwood Midstream's five-year $1.75 billion revolving credit facility (the CMLP Credit Facility) is available to fund acquisitions, working capital and internal growth projects and for general partnership purposes. Subject to limited exception, the CMLP Credit Facility is guaranteed and secured by substantially all of the equity interests and assets of Crestwood Midstream's subsidiaries, except for Crestwood Infrastructure Holdings LLC, Crestwood Niobrara LLC, PRBIC and their respective subsidiaries. In January 2023, Crestwood Permian and certain of its subsidiaries were designated as guarantor subsidiaries of Crestwood Midstream's credit facility and senior notes.

In conjunction with the merger with Oasis Midstream on February 1, 2022, we borrowed amounts under the CMLP Credit Facility to fund the cash paid of $160 million to Oasis Petroleum and to repay approximately $218 million of borrowings on Oasis Midstream's credit facility, which was retired on February 1, 2022.

Under the credit agreement, Crestwood Midstream is required to maintain a net debt to consolidated EBITDA ratio (as defined in the credit agreement) of not more than 5.50 to 1.0, a consolidated EBITDA to consolidated interest expense ratio (as defined in the credit agreement) of not less than 2.50 to 1.0, and a senior secured leverage ratio (as defined in the credit agreement) of not more than 3.50 to 1.0. At June 30, 2023, the net debt to consolidated EBITDA ratio was approximately 4.25 to 1.0, the consolidated EBITDA to consolidated interest expense ratio was approximately 3.95 to 1.0, and the senior secured leverage ratio was 0.54 to 1.0.

At June 30, 2023, Crestwood Midstream had $967.2 million of available capacity under the CMLP Credit Facility considering the most restrictive debt covenants in the credit agreement. At June 30, 2023 and December 31, 2022, outstanding standby letters of credit under the CMLP Credit Facility were $7.9 million and $8.2 million. Borrowings under the CMLP Credit Facility accrue interest at either prime or the Adjusted Term SOFR (as defined in the credit agreement) plus applicable spreads, which resulted in interest rates between 7.44% and 9.50% at June 30, 2023 and 6.28% and 8.50% at December 31, 2022. The weighted-average interest rate on outstanding borrowings as of June 30, 2023 and December 31, 2022 was 7.56% and 6.40%.

CPBH Credit Facility. In conjunction with the acquisition of the remaining 50% equity interest in Crestwood Permian in July 2022, we assumed a credit agreement entered into by CPB Subsidiary Holdings LLC, a wholly-owned subsidiary of Crestwood Permian (the CPBH Credit Facility). In January 2023, we utilized borrowings under the CMLP Credit Facility to repay and terminate the CPBH Credit Facility.

Senior Notes

2031 Senior Notes. In January 2023, Crestwood Midstream issued $600 million of 7.375% unsecured senior notes due 2031 (the 2031 Senior Notes). The 2031 Senior Notes will mature on February 1, 2031, and interest is payable semi-annually in arrears on February 1 and August 1 of each year, beginning on August 1, 2023. The net proceeds from this offering of approximately $592.5 million were used to repay borrowings outstanding under the CMLP Credit Facility.

Note 9 – Commitments and Contingencies

Legal Proceedings

Linde Lawsuit. On December 23, 2019, Linde Engineering North America Inc. (Linde) filed a lawsuit in the District Court of Harris County, Texas alleging that Arrow Field Services, LLC, our consolidated subsidiary, and Crestwood Midstream breached a contract entered into in March 2018 under which Linde was to provide engineering, procurement and construction services to us related to the completion of the construction of the Bear Den II cryogenic processing plant.

A jury trial concluded on June 17, 2022, and a final judgement was entered on October 24, 2022. The final judgment includes an award of damages of approximately $20.7 million, a pre-judgement interest award of approximately $17.7 million and attorney fees and other costs of approximately $4.7 million. We have insurance coverage related to certain pre-judgement interest awards but have not recorded a receivable related to any potential insurance recovery at June 30, 2023. On January 9, 2023, we paid approximately $21.2 million to the Court Registry under protest to mitigate the impact of post-judgement interest. We filed a Notice of Appeal on January 13, 2023, and we are unable to predict the ultimate outcome on the appeal related to this matter.

General. We are periodically involved in litigation proceedings. If we determine that a negative outcome is probable and the amount of loss is reasonably estimable, then we accrue the estimated amount. The results of litigation proceedings cannot be predicted with certainty. We could incur judgments, enter into settlements or revise our expectations regarding the outcome of certain matters, and such developments could have a material adverse effect on our results of operations or cash flows in the period in which the amounts are paid and/or accrued. As of June 30, 2023 and December 31, 2022, we had approximately $8.9 million and $35.0 million accrued for outstanding legal matters. Based on currently available information, we believe it is remote that future costs related to known contingent liability exposures for which we can estimate will exceed current accruals by an amount that would have a material adverse impact on our consolidated financial statements. As we learn new facts concerning contingencies, we reassess our position both with respect to accrued liabilities and other potential exposures.

Any loss estimates are inherently subjective, based on currently available information, and are subject to management's judgment and various assumptions. Due to the inherently subjective nature of these estimates and the uncertainty and unpredictability surrounding the outcome of legal proceedings, actual results may differ materially from any amounts that have been accrued.

Regulatory Compliance

In the ordinary course of our business, we are subject to various laws and regulations. In the opinion of our management, compliance with current laws and regulations will not have a material effect on our results of operations, cash flows or financial condition.

Environmental Compliance

Our operations are subject to stringent and complex laws and regulations pertaining to worker health, safety, and the environment. We are subject to laws and regulations at the federal, state, regional and local levels that relate to air and water quality, hazardous and solid waste management and disposal, and other environmental matters. The cost of planning, designing, constructing and operating our facilities must incorporate compliance with environmental laws and regulations and safety standards. Failure to comply with these laws and regulations may trigger a variety of administrative, civil and potentially criminal enforcement measures. At both June 30, 2023 and December 31, 2022, our accrual for environmental matters was less than $1.0 million and our potential exposure related to environmental matters was less than $1.0 million at June 30, 2023.

Self-Insurance

We utilize third-party insurance subject to varying retention levels of self-insurance, which management considers prudent. Such self-insurance relates to losses and liabilities primarily associated with medical claims, workers' compensation claims and general, product, vehicle and environmental liability. Losses are accrued based upon management's estimates of the aggregate liability for claims incurred using certain assumptions followed in the insurance industry and based on past experience. The primary assumption utilized is actuarially determined loss development factors. The loss development factors are based primarily on historical data. Our self-insurance reserves could be affected if future claim developments differ from the historical trends. We believe changes in health care costs, trends in health care claims of our employee base, accident frequency and severity and other factors could materially affect the estimate for these liabilities. We continually monitor changes in employee demographics, incident and claim type and evaluate our insurance accruals and adjust our accruals based on our evaluation of these qualitative data points. We are liable for the development of claims for our previously disposed of retail propane operations, provided they were reported prior to August 1, 2012. The following table summarizes CEQP's and CMLP's self-insurance reserves (*in millions*):

	CEQP		CMLP	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Self-insurance reserves[1]	$ 5.5	$ 5.6	$ 4.7	$ 4.8

(1) At June 30, 2023, CEQP and CMLP classified approximately $3.2 million and $2.7 million, respectively, of these reserves as other long-term liabilities on their consolidated balance sheets.

Indemnifications

We periodically provide indemnification arrangements related to assets or businesses we have sold. Our potential exposure under indemnification arrangements can range from a specified amount to an unlimited amount, depending on the nature of the claim, specificity as to duration, and the particular transaction. As of June 30, 2023 and December 31, 2022, we have no amounts accrued for these indemnifications.

Note 10 - Leases

The following table summarizes the balance sheet information related to our operating and finance leases *(in millions)*:

	June 30, 2023	December 31, 2022
Operating Leases		
Operating lease right-of-use assets, net	$ 28.3	$ 24.4
Accrued expenses and other liabilities	$ 12.1	$ 10.9
Other long-term liabilities	19.7	17.4
Total operating lease liabilities	$ 31.8	$ 28.3
Finance Leases		
Property, plant and equipment	$ 10.0	$ 13.6
Less: accumulated depreciation	6.0	8.9
Property, plant and equipment, net	$ 4.0	$ 4.7
Accrued expenses and other liabilities	$ 1.5	$ 1.9
Other long-term liabilities	2.4	2.7
Total finance lease liabilities	$ 3.9	$ 4.6

Lease expense. Our operating lease expense, net totaled $3.6 million and $2.3 million for the three months ended June 30, 2023 and 2022 and $7.4 million and $5.8 million for the six months ended June 30, 2023 and 2022. Our finance lease expense totaled $0.7 million and $0.9 million for the three months ended June 30, 2023 and 2022 and $1.5 million and $1.8 million for the six months ended June 30, 2023 and 2022.

Other. During March 2022, we exercised an option to purchase crude oil railcars under certain of our finance leases as a result of our plan to exit our crude oil railcar operations. In April 2022, we sold the crude oil railcars to a third party for approximately $24.7 million and we recognized a loss on the sale of approximately $0.1 million and $4.1 million during the three and six months ended June 30, 2022.

Note 11 – Partners' Capital and Non-Controlling Partner

Common Units

On February 1, 2022, we completed the merger with Oasis Midstream. Pursuant to the merger agreement, Chord received cash and approximately 20.9 million newly issued CEQP common units in exchange for its common units held in Oasis Midstream. In addition, Oasis Midstream's public unitholders received approximately 12.9 million newly issued CEQP common units in exchange for the Oasis Midstream common units held by them. For a further discussion of the merger with Oasis Midstream, see Note 3.

Distributions

Crestwood Equity

Limited Partners. A summary of CEQP's limited partner quarterly cash distributions for the six months ended June 30, 2023 and 2022 is presented below:

Record Date	Payment Date	Per Unit Rate	Cash Distributions (*in millions*)
2023			
February 7, 2023	February 14, 2023	$ 0.655	$ 68.9
May 8, 2023	May 15, 2023	$ 0.655	68.9
			$ 137.8
2022			
February 7, 2022	February 14, 2022	$ 0.625	$ 60.9
May 6, 2022	May 13, 2022	$ 0.655	64.2
			$ 125.1

On July 20, 2023, we declared a distribution of $0.655 per limited partner unit to be paid on August 14, 2023 to unitholders of record on August 7, 2023 with respect to the quarter ended June 30, 2023.

Preferred Unitholders. During both the six months ended June 30, 2023 and 2022, we paid cash distributions of approximately $30 million to our preferred unitholders. On July 20, 2023, the board of directors of our general partner authorized a cash distribution of approximately $15 million to our preferred unitholders with respect to the quarter ended June 30, 2023.

Crestwood Midstream

During the six months ended June 30, 2023 and 2022, Crestwood Midstream paid cash distributions of $171.3 million and $319.7 million to its partners.

On February 1, 2022, Crestwood Midstream received a non-cash contribution of approximately $1,075.1 million from Crestwood Equity related to net assets it acquired in conjunction with the merger with Oasis Midstream. In addition, on February 1, 2022, Crestwood Equity contributed cash acquired in conjunction with the merger with Oasis Midstream of approximately $14.9 million to Crestwood Midstream.

Non-Controlling Partner

Crestwood Niobrara LLC (Crestwood Niobrara) issued preferred interests to CN Jackalope Holdings LLC (Jackalope Holdings), which are reflected as non-controlling interest in subsidiary apart from partners' capital (i.e., temporary equity) on our consolidated balance sheets. We adjust the carrying amount of our non-controlling interest to its redemption value each period through net income attributable to non-controlling partner.

The following tables show the change in our non-controlling interest in subsidiary at June 30, 2023 and 2022 *(in millions)*:

Balance at December 31, 2022	$	434.4
Distributions to non-controlling partner		(20.7)
Net income attributable to non-controlling partner		20.5
Balance at June 30, 2023	$	434.2

Balance at December 31, 2021	$	434.6
Distributions to non-controlling partner		(20.7)
Net income attributable to non-controlling partner		20.5
Balance at June 30, 2022	$	434.4

In July 2023, Crestwood Niobrara paid a cash distribution of approximately $10.3 million to Jackalope Holdings with respect to the quarter ended June 30, 2023.

Other

In February 2023, Crestwood Equity issued 245,929 performance units (the February 2023 Units) under the Crestwood Equity Partners LP 2018 Long-Term Incentive Plan (Crestwood LTIP). The performance units are designed to provide an incentive for continuous employment to certain key employees. The vesting of performance units is subject to the attainment of certain performance and market goals over a three-year period, and entitle a participant to receive common units of Crestwood Equity without payment of an exercise price upon vesting. As of June 30, 2023, we had total unamortized compensation expense of approximately $4.9 million related to the February 2023 Units. During the three and six months ended June 30, 2023, we recognized compensation expense of $1.0 million and $1.4 million related to the February 2023 Units, which is included in general and administrative expenses on our consolidated statements of operations.

During the six months ended June 30, 2023, 161,278 performance units that were previously issued in 2020 under the Crestwood LTIP vested, and as a result of the attainment of certain performance and market goals and related distributions during the three years that the awards were outstanding, we issued 217,702 common units during the six months ended June 30, 2023 related to those performance units.

Note 12 - Earnings Per Limited Partner Unit

We calculate the dilutive effect of the preferred units and Crestwood Niobrara preferred units using the if-converted method which assumes units are converted at the beginning of the period (beginning with their respective issuance date), and the resulting common units are included in the denominator of the diluted net income per common unit calculation for the period being presented. Distributions declared in the period and undeclared distributions that accumulated during the period are added back to the numerator for purposes of the if-converted calculation. The dilutive effect of the stock-based compensation performance units is calculated using the treasury stock method which considers the impact to net income or loss attributable to Crestwood Equity Partners and limited partner units from the potential issuance of limited partner units.

We exclude potentially dilutive securities from the determination of diluted earnings per unit (as well as their related income statement impacts) when their impact is anti-dilutive. The following table summarizes information regarding the weighted-average of common units excluded during the three and six months ended June 30, 2023 and 2022 *(in millions)*:

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2023	**2022**	**2023**	**2022**
Preferred units[(1)]	7.1	7.1	7.1	7.1

(1) For additional information regarding the potential conversion/redemption of our preferred units, see our 2022 Annual Report on Form 10-K.

The following table shows Crestwood Equity's common unitholders' interest in net income and weighted-average limited partner units used in computing basic and diluted net income per limited partner unit for the three and six months ended June 30, 2023 and 2022 *(in millions, except for per unit data):*

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Common unitholders' interest in net income	$ 126.6	$ 14.1	$ 143.0	$ 11.1
Diluted net income	$ 126.6	$ 14.1	$ 143.0	$ 11.1
Weighted-average limited partners' units outstanding - basic	105.3	98.0	105.2	92.0
Dilutive effect of Crestwood Niobrara preferred units(1)	4.1	4.5	4.1	4.5
Dilutive effect of unit-based compensation performance units(1)	—	0.1	0.1	0.2
Weighted-average limited partners' units outstanding - diluted	109.4	102.6	109.4	96.7
Net income per limited partner unit:				
Basic	$ 1.20	$ 0.14	$ 1.36	$ 0.12
Diluted	$ 1.16	$ 0.14	$ 1.31	$ 0.11

(1) For additional information regarding the potential conversion/redemption of Crestwood Niobrara's preferred units to CEQP common units, and additional information regarding our performance units, see our 2022 Annual Report on Form 10-K.

Note 13 – Segments

Our financial statements reflect three operating and reporting segments: (i) gathering and processing north operations; (ii) gathering and processing south operations; and (iii) storage and logistics operations. Our corporate operations include all general and administrative expenses that are not allocated to our reportable segments.

Below is a description of our operating and reporting segments.

- *Gathering and Processing North*. Our gathering and processing north operations provide natural gas gathering, compression, treating and processing services, crude oil gathering and storage services and produced water gathering and disposal services to producers in the Williston Basin and Powder River Basin.

- *Gathering and Processing South*. Our gathering and processing south operations provide natural gas gathering, compression, treating and processing services, crude oil gathering services and produced water gathering and disposal services to producers in the Delaware Basin.

- *Storage and Logistics*. Our storage and logistics operations provide NGLs, crude oil and natural gas storage, terminal, marketing and transportation (including rail, truck and pipeline) services to producers, refiners, marketers, utilities and other customers.

We assess the performance of our operating segments based on EBITDA, which is identified as income (loss) before debt-related costs (interest and debt expense, net), income taxes and depreciation, amortization and accretion expense. Below is a reconciliation of CEQP's and CMLP's net income to EBITDA (*in millions*):

	CEQP				CMLP			
	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
Net income (loss)	$ 151.9	$ 39.4	$ 193.5	$ 61.6	$ 153.4	$ (14.6)	$ 196.4	$ 5.6
Add:								
Interest and debt expense, net	55.4	40.1	111.0	76.2	55.4	40.1	111.0	76.2
Provision for income taxes	0.6	0.3	0.9	0.3	0.5	0.2	0.8	0.2
Depreciation, amortization and accretion	81.1	80.6	162.5	155.4	81.1	83.0	162.4	161.2
EBITDA	$ 289.0	$ 160.4	$ 467.9	$ 293.5	$ 290.4	$ 108.7	$ 470.6	$ 243.2

The following tables summarize CEQP's and CMLP's reportable segment data for the three and six months ended June 30, 2023 and 2022 (*in millions*). Intersegment revenues included in the following tables are accounted for as arms-length transactions that apply our revenue recognition policy described in our 2022 Annual Report on Form 10-K. Included in earnings from unconsolidated affiliates, net reflected in the tables below was approximately $1.4 million and $4.9 million of our proportionate share of net interest income, income taxes, depreciation and amortization expense and gains on long-lived assets, net recorded by our equity investments for the three months ended June 30, 2023 and 2022 and $3.9 million and $9.5 million for the six months ended June 30, 2023 and 2022.

Segment EBITDA Information

	Three Months Ended June 30, 2023				
	Gathering and Processing North	Gathering and Processing South	Storage and Logistics	Corporate	Total
Crestwood Midstream					
Revenues	$ 238.9	$ 119.4	$ 662.9	$ —	$ 1,021.2
Intersegment revenues, net	61.1	32.5	(93.6)	—	—
Costs of product/services sold	136.9	100.2	547.5	—	784.6
Operations and maintenance expense	26.4	15.2	11.6	—	53.2
General and administrative expense	—	—	—	23.6	23.6
Gain (loss) on long-lived assets, net	—	(1.9)	—	0.1	(1.8)
Earnings from unconsolidated affiliates, net [(1)]	—	0.6	131.8	—	132.4
Crestwood Midstream EBITDA	$ 136.7	$ 35.2	$ 142.0	$ (23.5)	$ 290.4
Crestwood Equity					
General and administrative expense	—	—	—	1.4	1.4
Crestwood Equity EBITDA	$ 136.7	$ 35.2	$ 142.0	$ (24.9)	$ 289.0

(1) In April 2023, we sold our equity interest in Tres Holdings which is reflected in our storage and logistics segment. During the three months ended June 30, 2023, we recorded a gain on the sale of approximately $132 million, which is reflected as an increase in our earnings from unconsolidated affiliates.

	Three Months Ended June 30, 2022				
	Gathering and Processing North	Gathering and Processing South	Storage and Logistics	Corporate	Total
Crestwood Midstream					
Revenues	$ 279.4	$ 35.3	$ 1,133.3	$ —	$ 1,448.0
Intersegment revenues, net	151.6	—	(151.6)	—	—
Costs of product/services sold	250.8	0.6	961.8	—	1,213.2
Operations and maintenance expense	27.5	7.6	11.5	—	46.6
General and administrative expense	—	—	—	25.0	25.0
Loss on long-lived assets, net	—	(60.4)	(0.1)	—	(60.5)
Earnings from unconsolidated affiliates, net	—	4.8	1.2	—	6.0
Crestwood Midstream EBITDA	$ 152.7	$ (28.5)	$ 9.5	$ (25.0)	$ 108.7
Crestwood Equity					
General and administrative expense	—	—	—	1.5	1.5
Elimination of loss on long-lived assets(1)	—	53.3	—	—	53.3
Other expense, net	—	—	—	(0.1)	(0.1)
Crestwood Equity EBITDA	$ 152.7	$ 24.8	$ 9.5	$ (26.6)	$ 160.4

(1) Represents the elimination of the loss on long-lived assets recorded by CMLP related to the sale of our legacy assets in the Barnett Shale. For a further discussion of this loss on long-lived assets, see Note 3.

	Six Months Ended June 30, 2023				
	Gathering and Processing North	Gathering and Processing South	Storage and Logistics	Corporate	Total
Crestwood Midstream					
Revenues	$ 454.3	$ 250.3	$ 1,579.7	$ —	$ 2,284.3
Intersegment revenues, net	160.1	66.7	(226.8)	—	—
Costs of product/services sold	289.3	208.7	1,284.0	—	1,782.0
Operations and maintenance expense	55.7	30.3	23.8	—	109.8
General and administrative expense	—	—	—	53.8	53.8
Gain (loss) on long-lived assets, net	0.1	(2.7)	—	0.4	(2.2)
Earnings from unconsolidated affiliates, net (1)	—	0.9	133.2	—	134.1
Crestwood Midstream EBITDA	$ 269.5	$ 76.2	$ 178.3	$ (53.4)	$ 470.6
Crestwood Equity					
General and administrative expense	—	—	—	2.8	2.8
Other income, net	—	—	—	0.1	0.1
Crestwood Equity EBITDA	$ 269.5	$ 76.2	$ 178.3	$ (56.1)	$ 467.9

(1) In April 2023, we sold our equity interest in Tres Holdings which is reflected in our storage and logistics segment. During the six months ended June 30, 2023, we recorded a gain on the sale of approximately $132 million, which is reflected as an increase in our earnings from unconsolidated affiliates.

	Six Months Ended June 30, 2022				
	Gathering and Processing North	Gathering and Processing South	Storage and Logistics	Corporate	Total
Crestwood Midstream					
Revenues	$ 514.6	$ 66.0	$ 2,451.2	$ —	$ 3,031.8
Intersegment revenues, net	279.0	—	(279.0)	—	—
Costs of product/services sold	456.4	—	2,121.2	—	2,577.6
Operations and maintenance expense	51.2	14.3	23.5	—	89.0
General and administrative expense	—	—	—	66.7	66.7
Loss on long-lived assets, net	—	(60.2)	(4.1)	—	(64.3)
Earnings from unconsolidated affiliates, net	—	7.4	1.6	—	9.0
Crestwood Midstream EBITDA	$ 286.0	$ (1.1)	$ 25.0	$ (66.7)	$ 243.2
Crestwood Equity					
General and administrative expense	—	—	—	3.2	3.2
Elimination of loss on long-lived assets(1)	—	53.3	—	—	53.3
Other income, net	—	—	—	0.2	0.2
Crestwood Equity EBITDA	$ 286.0	$ 52.2	$ 25.0	$ (69.7)	$ 293.5

(1) Represents the elimination of the loss on long-lived assets recorded by CMLP related to the sale of our legacy assets in the Barnett Shale. For a further discussion of this loss on long-lived assets, see Note 3.

Other Segment Information

	CEQP		CMLP	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Total Assets				
Gathering and Processing North	$ 3,935.1	$ 4,003.6	$ 3,935.1	$ 4,003.6
Gathering and Processing South	1,451.6	1,473.0	1,451.6	1,473.0
Storage and Logistics	888.4	1,057.6	888.4	1,057.6
Corporate	31.4	32.8	26.0	27.2
Total assets	$ 6,306.5	$ 6,567.0	$ 6,301.1	$ 6,561.4

Note 14 - Revenues

Contract Assets and Contract Liabilities

Our contract assets and contract liabilities are reported in a net position on a contract-by-contract basis at the end of each reporting period. Our receivables related to our revenue contracts accounted for under Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)* totaled $275.0 million and $368.2 million at June 30, 2023 and December 31, 2022, and are included in accounts receivable on our consolidated balance sheets. Our contract assets are included in other non-current assets on our consolidated balance sheets. Our contract liabilities primarily consist of current and non-current deferred revenues. On our consolidated balance sheets, our current deferred revenues are included in accrued expenses and other liabilities and our non-current deferred revenues are included in other long-term liabilities. The majority of revenues associated with our deferred revenues is expected to be recognized as the performance obligations under the related contracts are satisfied over the next 14 years.

The following table summarizes our contract assets and contract liabilities *(in millions)*:

	June 30, 2023	December 31, 2022
Contract assets (non-current)	$ 6.0	$ 5.4
Contract liabilities (current)(1)	$ 17.6	$ 11.7
Contract liabilities (non-current)(1)	$ 206.4	$ 212.3

(1) During the three and six months ended June 30, 2023, we recognized revenues of approximately $2.4 million and $10.4 million that were previously included in contract liabilities at December 31, 2022. The remaining change in our contract liabilities during the three and six months ended June 30, 2023 related to capital reimbursements associated with our revenue contracts and revenue deferrals associated with our contracts with increasing (decreasing) rates.

The following table summarizes the transaction price allocated to our remaining performance obligations under certain contracts that have not been recognized as of June 30, 2023 *(in millions)*:

Remainder of 2023	$ 32.9
2024	47.4
2025	6.6
2026	4.4
2027	2.1
Thereafter	1.1
Total	$ 94.5

Our remaining performance obligations presented in the table above exclude estimates of variable rate escalation clauses in our contracts with customers, and is generally limited to fixed-fee and percentage-of-proceeds service contracts which have fixed pricing and minimum volume terms and conditions. Our remaining performance obligations generally exclude, based on the following practical expedients that we elected to apply, disclosures for (i) variable consideration allocated to a wholly-unsatisfied promise to transfer a distinct service that forms part of the identified single performance obligation; (ii) unsatisfied performance obligations where the contract term is one year or less; and (iii) contracts for which we recognize revenues as amounts are invoiced.

Disaggregation of Revenues

The following tables summarize our revenues from contracts with customers disaggregated by type of product/service sold and by commodity type for each of our segments for the three and six months ended June 30, 2023 and 2022 (*in millions*). We believe this summary best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by economic factors. Our non-*Topic 606* revenues presented in the tables below primarily represents revenues related to our commodity-based derivatives.

	Three Months Ended June 30, 2023				
	Gathering and Processing North	Gathering and Processing South	Storage and Logistics	Intersegment Elimination	Total
Topic 606 revenues					
Gathering					
Natural gas	$ 29.7	$ 4.5	$ —	$ —	$ 34.2
Crude oil	15.2	2.2	—	—	17.4
Water	46.4	8.2	—	—	54.6
Processing					
Natural gas	17.4	7.3	—	—	24.7
Storage					
Crude oil	0.5	—	0.1	(0.1)	0.5
NGLs	—	—	2.1	—	2.1
Pipeline					
Crude oil	1.2	0.1	0.5	—	1.8
NGLs	—	5.7	—	(5.7)	—
Transportation					
NGLs	—	—	4.4	—	4.4
Rail Loading					
Crude oil	—	—	0.2	—	0.2
Product Sales					
Natural gas	22.5	32.1	55.0	(47.8)	61.8
Crude oil	128.5	0.2	323.4	(12.7)	439.4
NGLs	36.8	92.2	235.1	(27.1)	337.0
Water	0.9	—	—	—	0.9
Other	0.3	—	0.8	(0.2)	0.9
Total Topic 606 revenues	299.4	152.5	621.6	(93.6)	979.9
Non-Topic 606 revenues	0.6	(0.6)	41.3	—	41.3
Total revenues	$ 300.0	$ 151.9	$ 662.9	$ (93.6)	$ 1,021.2

	Three Months Ended June 30, 2022				
	Gathering and Processing North	Gathering and Processing South	Storage and Logistics	Intersegment Elimination	Total
Topic 606 revenues					
Gathering					
Natural gas	$ 32.9	$ 24.5	$ —	$ —	$ 57.4
Crude oil	14.1	1.9	—	—	16.0
Water	41.2	3.3	—	—	44.5
Processing					
Natural gas	19.7	1.2	—	—	20.9
Compression					
Natural gas	—	3.1	—	—	3.1
Storage					
Crude oil	0.6	—	0.3	(0.1)	0.8
NGLs	—	—	1.9	—	1.9
Pipeline					
Crude oil	1.5	0.3	0.4	(0.1)	2.1
NGLs	—	—	0.1	—	0.1
Transportation					
NGLs	—	—	5.5	—	5.5
Product Sales					
Natural gas	95.6	0.6	160.9	(73.5)	183.6
Crude oil	145.9	—	393.5	(12.9)	526.5
NGLs	77.5	—	461.2	(65.0)	473.7
Water	1.3	—	—	—	1.3
Other	0.4	—	—	—	0.4
Total Topic 606 revenues	430.7	34.9	1,023.8	(151.6)	1,337.8
Non-Topic 606 revenues	0.3	0.4	109.5	—	110.2
Total revenues	$ 431.0	$ 35.3	$ 1,133.3	$ (151.6)	$ 1,448.0

	Six Months Ended June 30, 2023				
	Gathering and Processing North	Gathering and Processing South	Storage and Logistics	Intersegment Elimination	Total
Topic 606 revenues					
Gathering					
Natural gas	$ 63.3	$ 8.8	$ —	$ —	$ 72.1
Crude oil	29.4	4.1	—	—	33.5
Water	88.9	16.8	—	—	105.7
Processing					
Natural gas	36.6	12.7	—	—	49.3
Storage					
Crude oil	1.1	—	0.1	(0.2)	1.0
NGLs	—	—	4.3	—	4.3
Pipeline					
Crude oil	2.3	0.3	0.9	—	3.5
NGLs	—	10.9	0.1	(10.9)	0.1
Transportation					
NGLs	—	—	10.2	—	10.2
Rail Loading					
Crude oil	—	—	0.4	—	0.4
Product Sales					
Natural gas	67.7	66.1	133.7	(112.8)	154.7
Crude oil	237.8	0.3	602.2	(42.7)	797.6
NGLs	83.7	198.1	639.4	(60.0)	861.2
Water	1.9	—	—	—	1.9
Other	0.6	—	0.9	(0.2)	1.3
Total Topic 606 revenues	613.3	318.1	1,392.2	(226.8)	2,096.8
Non-Topic 606 revenues	1.1	(1.1)	187.5	—	187.5
Total revenues	$ 614.4	$ 317.0	$ 1,579.7	$ (226.8)	$ 2,284.3

	Six Months Ended June 30, 2022				
	Gathering and Processing North	Gathering and Processing South	Storage and Logistics	Intersegment Elimination	Total
Topic 606 revenues					
Gathering					
Natural gas	$ 58.8	$ 46.9	$ —	$ —	$ 105.7
Crude oil	28.9	2.9	—	—	31.8
Water	75.9	5.5	—	—	81.4
Processing					
Natural gas	34.1	2.3	—	—	36.4
Compression					
Natural gas	—	6.6	—	—	6.6
Storage					
Crude oil	1.1	—	0.3	(0.2)	1.2
NGLs	—	—	4.7	—	4.7
Pipeline					
Crude oil	2.7	0.4	0.9	(0.1)	3.9
NGLs	—	—	0.1	—	0.1
Transportation					
NGLs	—	—	11.3	—	11.3
Rail Loading					
Crude oil	—	—	0.4	—	0.4
Product Sales					
Natural gas	159.5	0.9	259.6	(125.6)	294.4
Crude oil	274.0	—	767.5	(24.1)	1,017.4
NGLs	154.4	—	1,093.9	(129.0)	1,119.3
Water	2.9	—	—	—	2.9
Other	0.6	—	0.3	—	0.9
Total Topic 606 revenues	792.9	65.5	2,139.0	(279.0)	2,718.4
Non-Topic 606 revenues	0.7	0.5	312.2	—	313.4
Total revenues	$ 793.6	$ 66.0	$ 2,451.2	$ (279.0)	$ 3,031.8

Note 15 – Related Party Transactions

We enter into transactions with our affiliates within the ordinary course of business, including product purchases, marketing services and various operating agreements, including operating leases. We also enter into transactions with our affiliates related to services provided on our expansion projects. For a further description of our related party agreements, see our 2022 Annual Report on Form 10-K. During the six months ended June 30, 2023, we paid approximately $0.7 million of capital expenditures to Applied Consultants, Inc., an affiliate of First Reserve.

The following table shows transactions with our affiliates which are reflected in our consolidated statements of operations (*in millions*).

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Revenues at CEQP and CMLP(1)	$ —	$ 134.2	$ —	$ 231.9
Costs of product/services sold at CEQP and CMLP(2)	$ 0.1	$ 113.1	$ 0.5	$ 181.6
Operations and maintenance expenses at CEQP and CMLP(3)	$ 1.2	$ 5.0	$ 3.6	$ 9.8
General and administrative expenses charged by CEQP to CMLP, net(4)	$ 8.1	$ 7.5	$ 17.0	$ 15.0
General and administrative expenses at CEQP and CMLP(5)	$ —	$ 0.4	$ —	$ 1.3

(1) Includes (i) $76.9 million and $135.9 million during the three and six months ended June 30, 2022 primarily related to the sale of crude oil and NGLs to a subsidiary of Chord; (ii) $54.6 million and $91.2 million during the three and six months ended June 30, 2022 primarily related to gathering and processing services provided to a subsidiary of Chord; (iii) $2.0 million and $3.6 million during the three and six months ended June 30, 2022 related to the sale of NGLs to a subsidiary of Crestwood Permian; and (iv) $0.7 million and $1.2 million during the three and six months ended June 30, 2022 related to compressor leases with a subsidiary of Crestwood Permian.

(2) Includes (i) $0.3 million during the six months ended June 30, 2023 and $0.5 million and $1.4 million during the three and six months ended June 30, 2022 primarily related to purchases of natural gas from a subsidiary of Tres Holdings; (ii) $0.1 million and $0.2 million during the three and six months ended June 30, 2023 related to gathering services under agreements with Crestwood Permian Basin; (iii) $41.2 million and $72.6 million during the three and six months ended June 30, 2022 primarily related to purchases of NGLs from a subsidiary of Chord; and (iv) $71.4 million and $107.6 million during the three and six months ended June 30, 2022 related to purchases of natural gas and NGLs from a subsidiary of Crestwood Permian.

(3) We have operating agreements with certain of our unconsolidated affiliates pursuant to which we charge them operations and maintenance expenses in accordance with their respective agreements, and these charges are reflected as a reduction of operations and maintenance expenses in our consolidated statements of operations. During the three and six months ended June 30, 2023, we charged $0.2 million and $1.5 million to Tres Holdings and $1.0 million and $2.1 million to Crestwood Permian Basin. During the three and six months ended June 30, 2022, we charged $1.1 million and $2.3 million to Tres Holdings and $3.9 million and $7.5 million to Crestwood Permian.

(4) Includes $9.2 million and $19.2 million of unit-based compensation allocated from CEQP to CMLP during the three and six months ended June 30, 2023 and $8.6 million and $17.2 million during the three and six months ended June 30, 2022. In addition, includes $1.1 million and $2.2 million of CMLP's general and administrative costs allocated to CEQP during the three and six months ended June 30, 2023 and $1.1 million and $2.2 million during the three and six months ended June 30, 2022.

(5) Represents general and administrative expenses related to a transition services agreement with Chord.

The following table shows accounts receivable and accounts payable from our affiliates (*in millions*):

	June 30, 2023	December 31, 2022
Accounts receivable at CEQP and CMLP	$ 0.4	$ 1.6
Accounts payable at CEQP and CMLP	$ 0.1	$ 3.0

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Our Management’s Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the unaudited consolidated financial statements and accompanying footnotes included in this Quarterly Report on Form 10-Q and Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations included in our 2022 Annual Report on Form 10-K.

This report, including information included or incorporated by reference herein, contains forward-looking statements concerning the financial condition, results of operations, plans, objectives, future performance and business of our company and its subsidiaries. These forward-looking statements include:

- statements that are not historical in nature, including, but not limited to: (i) our belief that anticipated cash from operations, cash distributions from entities that we control, and borrowing capacity under our credit facility will be sufficient to meet our anticipated liquidity needs for the foreseeable future; (ii) our belief that we do not have material potential liability in connection with legal proceedings that would have a significant financial impact on our consolidated financial condition, results of operations or cash flows; and (iii) our belief that our assets will continue to benefit from the development of unconventional shale plays as significant supply basins; and

- statements preceded by, followed by or that contain forward-looking terminology including the words “believe,” “expect,” “may,” “will,” “should,” “could,” “anticipate,” “estimate,” “intend” or the negation thereof, or similar expressions.

Forward-looking statements are not guarantees of future performance or results. They involve risks, uncertainties and assumptions. Actual results may differ materially from those contemplated by the forward-looking statements due to, among others, the following factors:

- our ability to successfully implement our business plan for our assets and operations;
- governmental legislation and regulations;
- industry and global factors that influence the supply of and demand for crude oil, natural gas and NGLs;
- industry factors that influence the demand for services in the markets (particularly unconventional shale plays) in which we provide services;
- weather conditions;
- outbreak of illness, pandemic or any other public health crisis, including the COVID-19 pandemic;
- the availability of crude oil, natural gas and NGLs, and the price of those commodities, to consumers relative to the price of alternative and competing fuels;
- the availability of storage and transportation infrastructure for hydrocarbons;
- the ability of members of the Organization of Petroleum Exporting Countries and other oil-producing countries to agree and maintain oil price and production controls;
- changes in global economic conditions, including capital and credit market conditions, inflation and interest rates;
- costs or difficulties related to the integration of acquisitions;
- environmental claims;
- operating hazards and other risks incidental to the provision of midstream services, including gathering, compressing, treating, processing, fractionating, transporting and storing energy products (i.e., crude oil, NGLs and natural gas) and related products (i.e., produced water);
- the price and availability of debt and equity financing, including our ability to raise capital through alternatives like joint ventures; and
- the ability to sell or monetize assets, to reduce indebtedness, to repurchase our equity securities, to make strategic investments, or for other general partnership purposes.

For additional factors that could cause actual results to be materially different from those described in the forward-looking statements above, see Part I, Item 1A. Risk Factors of our 2022 Annual Report on Form 10-K.

Outlook and Trends

Our business objective is to create long-term value for our unitholders. We expect to create value for our investors by generating stable operating margins and improving cash flows from our diversified midstream operations by prudently financing investments in our assets and expansions of our portfolio, maximizing throughput and optimizing services on our assets, and effectively controlling our capital expenditures, operating and administrative costs.

On April 3, 2023, we and Brookfield sold our respective interests in Tres Holdings to a subsidiary of Enbridge, Inc. We received approximately $178 million of proceeds related to the sale, and this sale largely completes our strategic realignment of divesting non-core assets.

In 2023, we plan to continue executing on our core-asset optimization strategy. To accomplish this strategy, we have taken steps to (i) engage with our customers to maintain and grow volumes across our asset portfolio; (ii) minimize growth capital expenditures to better align with development activity by our gathering and processing customers; (iii) realign our organization to reduce operating and administrative expenses from recent acquisitions and divestitures; (iv) optimize our storage, transportation and marketing assets to take advantage of regional commodity price volatility; and (v) evaluate our debt and equity structure to preserve liquidity, further enhance balance sheet strength and lower our cost of capital. Given our efforts over the past few years to improve the Partnership's competitive position in the businesses we operate, manage costs, improve margins and create a stronger balance sheet, we believe we are well positioned to execute our business plan.

How We Evaluate Our Operations

We evaluate our overall business performance based primarily on EBITDA and Adjusted EBITDA. We do not utilize depreciation, amortization and accretion expense in our key measures because we focus our performance management on cash flow generation and our assets have long useful lives.

EBITDA and Adjusted EBITDA - We believe that EBITDA and Adjusted EBITDA are widely accepted financial indicators of a company's operational performance and its ability to incur and service debt, fund capital expenditures and make distributions. We believe that EBITDA and Adjusted EBITDA are useful to our investors because it allows them to use the same performance measure analyzed internally by our management to evaluate the performance of our businesses and investments without regard to the manner in which they are financed or our capital structure. EBITDA is defined as income (loss) before debt-related costs (interest and debt expense, net), income taxes and depreciation, amortization and accretion expense. Adjusted EBITDA considers the adjusted earnings impact of our unconsolidated affiliates by adjusting our equity earnings or losses from our unconsolidated affiliates to reflect our proportionate share (based on the distribution percentage) of their EBITDA, excluding gains and losses on long-lived assets and other impairments. Adjusted EBITDA also considers the impact of certain significant items, such as unit-based compensation, gains or losses on long-lived assets, third-party costs incurred related to potential and completed acquisitions, certain environmental remediation costs, the change in fair value of commodity inventory-related derivative contracts, costs associated with the realignment and restructuring of our operations and corporate structure, and other transactions identified in a specific reporting period. The change in fair value of commodity inventory-related derivative contracts is considered in determining Adjusted EBITDA given that the timing of recognizing gains and losses on these derivative contracts differs from the recognition of revenue for the related underlying sale of inventory to which these derivatives relate. Changes in the fair value of other derivative contracts are not considered in determining Adjusted EBITDA given the relatively short-term nature of those derivative contracts. EBITDA and Adjusted EBITDA are not measures calculated in accordance with U.S. GAAP, as they do not include deductions for items such as depreciation, amortization and accretion, interest and income taxes, which are necessary to maintain our business. EBITDA and Adjusted EBITDA should not be considered as alternatives to net income, operating cash flow or any other measure of financial performance presented in accordance with U.S. GAAP. EBITDA and Adjusted EBITDA calculations may vary among entities, so our computation may not be comparable to measures used by other companies. See our reconciliation of net income to EBITDA and Adjusted EBITDA in "*Results of Operations*" below.

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Results of Operations

The following tables summarize our results of operations (*in millions*):

	Crestwood Equity				Crestwood Midstream			
	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenues	$ 1,021.2	$ 1,448.0	$ 2,284.3	$ 3,031.8	$ 1,021.2	$ 1,448.0	$ 2,284.3	$ 3,031.8
Costs of product/services sold	784.6	1,213.2	1,782.0	2,577.6	784.6	1,213.2	1,782.0	2,577.6
Operations and maintenance expense	53.2	46.6	109.8	89.0	53.2	46.6	109.8	89.0
General and administrative expense	25.0	26.5	56.6	69.9	23.6	25.0	53.8	66.7
Depreciation, amortization and accretion	81.1	80.6	162.5	155.4	81.1	83.0	162.4	161.2
Loss on long-lived assets, net	1.8	7.2	2.2	11.0	1.8	60.5	2.2	64.3
Operating income	75.5	73.9	171.2	128.9	76.9	19.7	174.1	73.0
Earnings from unconsolidated affiliates, net	132.4	6.0	134.1	9.0	132.4	6.0	134.1	9.0
Interest and debt expense, net	(55.4)	(40.1)	(111.0)	(76.2)	(55.4)	(40.1)	(111.0)	(76.2)
Other income (expense), net	—	(0.1)	0.1	0.2	—	—	—	—
Provision for income taxes	(0.6)	(0.3)	(0.9)	(0.3)	(0.5)	(0.2)	(0.8)	(0.2)
Net income (loss)	151.9	39.4	193.5	61.6	153.4	(14.6)	196.4	5.6
Add:								
Interest and debt expense, net	55.4	40.1	111.0	76.2	55.4	40.1	111.0	76.2
Provision for income taxes	0.6	0.3	0.9	0.3	0.5	0.2	0.8	0.2
Depreciation, amortization and accretion	81.1	80.6	162.5	155.4	81.1	83.0	162.4	161.2
EBITDA	$ 289.0	$ 160.4	$ 467.9	$ 293.5	$ 290.4	$ 108.7	$ 470.6	$ 243.2
Unit-based compensation	9.2	8.6	19.2	17.2	9.2	8.6	19.2	17.2
Loss on long-lived assets, net	1.8	7.2	2.2	11.0	1.8	60.5	2.2	64.3
Earnings from unconsolidated affiliates, net	(132.4)	(6.0)	(134.1)	(9.0)	(132.4)	(6.0)	(134.1)	(9.0)
Adjusted EBITDA from unconsolidated affiliates, net	2.0	10.9	6.2	18.5	2.0	10.9	6.2	18.5
Change in fair value of commodity inventory-related derivative contracts	3.0	(4.9)	(0.5)	0.8	3.0	(4.9)	(0.5)	0.8
Significant transaction and environmental related costs and other items	3.3	3.5	7.6	20.5	3.3	3.5	7.6	20.5
Adjusted EBITDA	$ 175.9	$ 179.7	$ 368.5	$ 352.5	$ 177.3	$ 181.3	$ 371.2	$ 355.5

	Crestwood Equity				Crestwood Midstream			
	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
Net cash provided by operating activities	$ 21.2	$ 29.5	$ 267.1	$ 252.0	$ 22.6	$ 31.3	$ 270.6	$ 255.2
Net changes in operating assets and liabilities	91.7	106.9	(21.4)	(6.0)	91.8	106.9	(22.0)	(5.9)
Amortization of debt-related deferred costs and fair value adjustment	(0.8)	(0.4)	(1.6)	(1.2)	(0.8)	(0.4)	(1.6)	(1.2)
Interest and debt expense, net	55.4	40.1	111.0	76.2	55.4	40.1	111.0	76.2
Unit-based compensation	(9.2)	(8.6)	(19.2)	(17.2)	(9.2)	(8.6)	(19.2)	(17.2)
Loss on long-lived assets, net	(1.8)	(7.2)	(2.2)	(11.0)	(1.8)	(60.5)	(2.2)	(64.3)
Earnings from unconsolidated affiliates, net, adjusted for cash distributions received	131.8	(0.2)	133.2	0.2	131.8	(0.2)	133.2	0.2
Deferred income taxes	—	—	—	0.1	—	(0.1)	(0.1)	(0.1)
Provision for income taxes	0.6	0.3	0.9	0.3	0.5	0.2	0.8	0.2
Other non-cash expense	0.1	—	0.1	0.1	0.1	—	0.1	0.1
EBITDA	$ 289.0	$ 160.4	$ 467.9	$ 293.5	$ 290.4	$ 108.7	$ 470.6	$ 243.2
Unit-based compensation	9.2	8.6	19.2	17.2	9.2	8.6	19.2	17.2
Loss on long-lived assets, net	1.8	7.2	2.2	11.0	1.8	60.5	2.2	64.3
Earnings from unconsolidated affiliates, net	(132.4)	(6.0)	(134.1)	(9.0)	(132.4)	(6.0)	(134.1)	(9.0)
Adjusted EBITDA from unconsolidated affiliates, net	2.0	10.9	6.2	18.5	2.0	10.9	6.2	18.5
Change in fair value of commodity inventory-related derivative contracts	3.0	(4.9)	(0.5)	0.8	3.0	(4.9)	(0.5)	0.8
Significant transaction and environmental related costs and other items	3.3	3.5	7.6	20.5	3.3	3.5	7.6	20.5
Adjusted EBITDA	$ 175.9	$ 179.7	$ 368.5	$ 352.5	$ 177.3	$ 181.3	$ 371.2	$ 355.5

Segment Results

The following tables and discussion are a summary of EBITDA by segment for the three and six months ended June 30, 2023 compared to the same periods in 2022 (*in millions*):

	Three Months Ended June 30, 2023			Three Months Ended June 30, 2022		
	Gathering and Processing North	Gathering and Processing South	Storage and Logistics	Gathering and Processing North	Gathering and Processing South	Storage and Logistics
Revenues	$ 238.9	$ 119.4	$ 662.9	$ 279.4	$ 35.3	$ 1,133.3
Intersegment revenues	61.1	32.5	(93.6)	151.6	—	(151.6)
Costs of product/services sold	136.9	100.2	547.5	250.8	0.6	961.8
Operations and maintenance expenses	26.4	15.2	11.6	27.5	7.6	11.5
Gain (loss) on long-lived assets, net	—	(1.9)	—	—	(60.4)	(0.1)
Earnings from unconsolidated affiliates, net	—	0.6	131.8	—	4.8	1.2
Crestwood Midstream EBITDA	$ 136.7	$ 35.2	$ 142.0	$ 152.7	$ (28.5)	$ 9.5
Elimination of loss on long-lived assets(1)	—	—	—	—	53.3	—
Crestwood Equity EBITDA	$ 136.7	$ 35.2	$ 142.0	$ 152.7	$ 24.8	$ 9.5

(1) Represents the elimination of the loss on long-lived assets recorded by CMLP related to the sale of our legacy assets in the Barnett Shale. For a further discussion of this loss on long-lived assets, see Item 1. Financial Statements, Note 3.

	Six Months Ended June 30, 2023			Six Months Ended June 30, 2022		
	Gathering and Processing North	Gathering and Processing South	Storage and Logistics	Gathering and Processing North	Gathering and Processing South	Storage and Logistics
Revenues	$ 454.3	$ 250.3	$ 1,579.7	$ 514.6	$ 66.0	$ 2,451.2
Intersegment revenues	160.1	66.7	(226.8)	279.0	—	(279.0)
Costs of product/services sold	289.3	208.7	1,284.0	456.4	—	2,121.2
Operations and maintenance expenses	55.7	30.3	23.8	51.2	14.3	23.5
Gain (loss) on long-lived assets, net	0.1	(2.7)	—	—	(60.2)	(4.1)
Earnings from unconsolidated affiliates, net	—	0.9	133.2	—	7.4	1.6
Crestwood Midstream EBITDA	$ 269.5	$ 76.2	$ 178.3	$ 286.0	$ (1.1)	$ 25.0
Elimination of loss on long-lived assets(1)	—	—	—	—	53.3	—
Crestwood Equity EBITDA	$ 269.5	$ 76.2	$ 178.3	$ 286.0	$ 52.2	$ 25.0

(1) Represents the elimination of the loss on long-lived assets recorded by CMLP related to the sale of our legacy assets in the Barnett Shale. For a further discussion of this loss on long-lived assets, see Item 1. Financial Statements, Note 3.

Gathering and Processing North

EBITDA for our gathering and processing north segment decreased by approximately $16.0 million and $16.5 million during the three and six months ended June 30, 2023 compared to the same periods in 2022. Our gathering and processing north segment's revenues decreased by approximately $131.0 million and $179.2 million during the three and six months ended June 30, 2023 compared to the same periods in 2022, while our costs of product/services sold decreased by approximately $113.9 million and $167.1 million during those same periods.

During the three and six months ended June 30, 2023, the average commodity prices received by our Arrow operations on natural gas, NGLs and crude oil it purchases and sells pursuant to its agreements decreased by more than 50%, 40% and 30%, respectively, compared to the same periods in 2022, which largely contributed to the decrease in our gathering and processing north segment's revenues and costs of product/services sold period over period. We manage our company-wide oil, natural gas and NGL commodity exposures through price risk management activities conducted by our storage and logistics segment, which is further described under *Storage and Logistics* below. In addition, Arrow's natural gas gathering and processing volumes decreased by approximately 4% and 5%, respectively, during the three months ended June 30, 2023 and during the six months ended June 30, 2023, Arrow's natural gas gathering and processing volumes decreased by approximately 7% and 8%, respectively, compared to the same periods in 2022. These decreases were primarily due to downtime experienced by our producer customers related to maintenance and completion activity associated with new well connections and unusual weather conditions experienced at the end of 2022 and into early 2023.

Our Rough Rider operations acquired in conjunction with the merger with Oasis Midstream in February 2022 also experienced a decrease in its natural gas gathering and processing volumes of approximately 4% and 6%, respectively, during the three months ended June 30, 2023 compared to the same period in 2022 due to reduced gas onloads from our customers. During the six months ended June 30, 2023, our Rough Rider operations experienced an increase in its natural gas gathering and processing volumes of approximately 17% and 13% respectively, compared to the same period in 2022 due to the full contribution from these operations during the six months ended June 30, 2023. Our Rough Rider operations' crude oil and water gathering volumes increased by approximately 43% and 18%, respectively, during the three months ended June 30, 2023 and during the six months ended June 30, 2023, Rough Rider's crude oil and water gathering volumes increased by approximately 82% and 28%, respectively, compared to the same periods in 2022. These increases were due to placing in service a three-product gathering system, increased activity from our producer customers related to new well connections and the full contribution from these operations during the six months ended June 30, 2023.

Our gathering and processing north segment's operations and maintenance expenses decreased by approximately $1.1 million during the three months ended June 30, 2023 compared to the same period in 2022, primarily due to operating synergies achieved in conjunction with the merger with Oasis Midstream. Our gathering and processing north segment's operations and maintenance expenses increased by approximately $4.5 million during the six months ended June 30, 2023 compared to the same period in 2022, primarily due to our Rough Rider operations acquired in conjunction with the merger with Oasis Midstream in February 2022.

Gathering and Processing South

EBITDA for CMLP's gathering and processing south segment increased by approximately $63.7 million and $77.3 million during the three and six months ended June 30, 2023 compared to the same periods in 2022. Our gathering and processing south segment's revenues, costs of product/services sold and operations and maintenance expenses increased by approximately $116.6 million, $99.6 million, and $7.6 million, respectively, during the three months ended June 30, 2023 and approximately $251.0 million, $208.7 million, and $16.0 million, respectively, during the six months ended June 30, 2023 compared to the same periods in 2022. These increases were primarily driven by the impact of the acquisitions in July 2022 of Sendero Midstream Partners LP and the remaining 50% equity interest in Crestwood Permian, which increased our gathering and processing south segment's revenues, costs of product/services sold and operations and maintenance expenses by approximately $149.9 million, $102.6 million and $14.7 million, respectively during the three months ended June 30, 2023 and approximately $312.8 million, $211.9 million, and $29.9 million, respectively, during the six months ended June 30, 2023.

Partially offsetting the increases described above were the divestitures of our Barnett and Marcellus legacy, non-core operations during 2022, which decreased our gathering and processing south segment's revenues and operations and maintenance expenses by approximately $29.6 million and $7.4 million, respectively, during the three months ended June 30, 2023, and approximately $57.2 million and $14.0 million, respectively, during the six months ended June 30, 2023 compared to the same periods in 2022.

Also impacting CMLP's gathering and processing south segment's EBITDA during the three and six months ended June 30, 2022 was a loss on long-lived assets of approximately $53.3 million related to the divestiture of our Barnett operations, which is further discussed in Item 1. Financial Statements, Note 3. CMLP also recognized a loss on long-lived assets of approximately $7.0 million during the three months ended June 30, 2022 related to the sale of parts inventory related to our legacy Granite Wash operations.

CMLP's gathering and processing south segment's EBITDA was also impacted by a decrease in earnings from unconsolidated affiliates of approximately $4.2 million and $6.5 million during the three and six months ended June 30, 2023 compared to the same periods in 2022, primarily due to the consolidation of our Crestwood Permian equity investment as a result of acquiring the remaining 50% equity interest in Crestwood Permian in July 2022.

EBITDA for CEQP's gathering and processing south segment increased by approximately $10.4 million and $24.0 million during the three and six months ended June 30, 2023 compared to the same periods in 2022. The change in CEQP's gathering and processing south segment's EBITDA period over period was due to the factors discussed above for CMLP. However, CEQP did not record a loss on long-lived assets during the three months ended June 30, 2022 related to the divestiture of our Barnett operations due to historical impairments previously recorded by CEQP on Barnett's long-lived assets, which is further discussed in Item 1. Financial Statements, Note 3.

Storage and Logistics

EBITDA for our storage and logistics segment increased by approximately $132.5 million and $153.3 million during the three and six months ended June 30, 2023 compared to the same periods in 2022. Our EBITDA for the three and six months ended June 30, 2023 was impacted by a $132 million increase to the equity earnings from our Tres Holdings equity method investment as a result of recording a gain on the sale of the equity method investment as further discussed below.

Our storage and logistics segment's revenues decreased by $412.4 million and $819.3 million during the three and six months ended June 30, 2023 compared to the same periods in 2022, and our costs of product/services sold decreased by $414.3 million and $837.2 million during those same periods.

Our NGL marketing and logistics operations experienced a decrease in revenues of approximately $261.9 million and $520.9 million during the three and six months ended June 30, 2023 compared to the same periods in 2022, and a decrease in costs of product/services sold of approximately $269.1 million and $546.0 million during those same periods. These decreases were primarily driven by lower NGL prices during 2023 as a result of overall decreases in commodity prices during 2023 compared to 2022. Our NGL marketing and logistics operations' costs of product/services sold decreased more than its revenues primarily due to the increased demand for our storage and terminalling services during early 2023 due to unusual winter weather conditions in the Midwest and East Coast and the impact of commodity prices on our assets and liabilities from price risk management activities that manage our company-wide crude oil, natural gas and NGL commodity price exposures. Included in our costs of product/services sold was a gain of $24.3 million and $31.5 million during the three and six months ended June 30, 2023, and a loss of $3.7 million and $51.3 million during the three and six months ended June 30, 2022 related to our price risk management activities, which were also driven by the decreasing commodity prices described above.

Our crude oil and natural gas marketing operations experienced a decrease in its revenues of approximately $151.0 million and $298.3 million during the three and six months ended June 30, 2023, compared to the same periods in 2022, and a decrease in product costs of approximately $145.2 million and $291.3 million during those same periods. These decreases were primarily driven by lower crude oil purchases and sales as a result of decreases in commodity prices during 2023 compared to 2022.

Our storage and logistics segment's EBITDA during the six months ended June 30, 2022 was impacted by a loss on long-lived assets of approximately $4.1 million primarily due to the buyout of leases related to our exiting the crude oil railcar leasing business.

Our storage and logistics segment's EBITDA was also impacted by a net increase in earnings from unconsolidated affiliates of approximately $130.6 million and $131.6 million during the three and six months ended June 30, 2023 compared to the same periods in 2022. On April 3, 2023, we and Brookfield sold our respective interests in Tres Holdings to a subsidiary of Enbridge, Inc. We recorded a gain on the sale of approximately $132 million as an increase to the equity earnings from our Tres Holding equity method investment. Aside from recording the gain on the sale, our earnings from our Tres Holdings equity investment were relatively flat during the six months ended June 30, 2023 compared to the same period in 2022. For a further discussion of the sale of our Tres Holding equity investment, see Item 1. Financial Statements, Note 5.

Other EBITDA Results

General and Administrative Expenses. During the three and six months ended June 30, 2023, our general and administrative expenses decreased by approximately $1 million and $13 million compared to the same periods in 2022, primarily due to transaction costs incurred in connection with our strategic transactions executed during 2022.

Items not affecting EBITDA include the following:

Depreciation, Amortization and Accretion Expense. During the three months ended June 30, 2023, CMLP's depreciation, amortization and accretion expense decreased primarily due to the divestitures of our legacy Barnett and Marcellus operations in 2022, partially offset by our acquisitions during 2022. During the three months ended June 30, 2023, CEQP's depreciation, amortization and accretion expense was relatively flat. During the six months ended June 30, 2023, CEQP's and CMLP's depreciation, amortization and accretion expense increased compared to the same period in 2022, primarily due to our acquisitions during 2022, partially offset by the divestitures of our legacy Barnett and Marcellus operations in 2022.

Interest and Debt Expense, Net. During the three and six months ended June 30, 2023, our interest and debt expense, net increased by approximately $15 million and $35 million compared to the same periods in 2022, primarily due to the 2031 Senior Notes issued in January 2023 and higher interest rates on borrowings under the CMLP Credit Facility during 2023 compared to 2022.

The following table provides a summary of our interest and debt expense, net (*in millions*):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Credit facilities	$ 8.8	$ 5.3	$ 20.4	$ 8.7
Senior notes	46.2	35.1	90.3	67.2
Other, net	1.1	0.4	2.1	1.3
Gross interest and debt expense	56.1	40.8	112.8	77.2
Less: capitalized interest	0.7	0.7	1.8	1.0
Interest and debt expense, net	$ 55.4	$ 40.1	$ 111.0	$ 76.2

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Liquidity and Sources of Capital

Crestwood Equity is a holding company that derives all of its operating cash flow from its operating subsidiaries. Our principal sources of liquidity include cash generated by operating activities from our subsidiaries, distributions from our joint ventures, borrowings under the CMLP credit facility, and sales of equity and debt securities. Our equity investments use cash from their respective operations and contributions from us to fund their operating activities and maintenance and growth capital expenditures. We believe our liquidity sources and operating cash flows are sufficient to address our future operating, debt service and capital requirements.

We make quarterly cash distributions to our common unitholders within approximately 45 days after the end of each fiscal quarter in an aggregate amount equal to our available cash for such quarter. We also pay quarterly cash distributions of approximately $15 million to our preferred unitholders and quarterly cash distributions of approximately $10 million to Crestwood Niobrara's non-controlling partner. The $434.2 million of preferred securities issued to Crestwood Niobrara's non-controlling partner are redeemable by us and are also redeemable by the non-controlling partner beginning in January 2024, and we believe we have adequate borrowing capacity under the Crestwood Midstream credit facility along with adequate other potential sources of capital to fund any such potential redemption.

On July 20, 2023, we declared a quarterly cash distribution of $0.655 per unit to our common unitholders with respect to the second quarter of 2023, which will be paid on August 14, 2023. Our Board of Directors evaluates the level of distributions to our common and preferred unitholders every quarter and considers a wide range of strategic, commercial, operational and financial factors, including current and projected operating cash flows. We believe our operating cash flows will exceed cash distributions to our partners, preferred unitholders and non-controlling partner, and as a result, we will have adequate operating cash flows as a source of liquidity for our growth capital expenditures.

As of June 30, 2023, we had $967.2 million of available capacity under the Crestwood Midstream credit facility, considering the most restrictive debt covenants in the credit agreement. As of June 30, 2023, we were in compliance with all of our debt covenants applicable to our credit facility and senior notes. See Item 1. Financial Statements, Note 8 for a description of the covenants related to our credit facility.

We may from time to time seek to retire or purchase our outstanding debt through cash purchases and/or exchanges for equity securities, in open market purchases, privately negotiated transactions, tender offers or otherwise. Such repurchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material. In January 2023, Crestwood Midstream issued $600 million of 7.375% unsecured senior notes due 2031 (the 2031 Senior Notes). We used the net proceeds from the issuance of the 2031 Senior Notes to repay borrowings under the Crestwood Midstream credit facility and to repay all outstanding borrowings under the Crestwood Permian credit facility, which was terminated in January 2023. In April 2023, we sold our 50% equity interest in Tres Holdings for approximately $178 million, including working capital adjustments, and we used the proceeds from the sale to repay amounts outstanding under the Crestwood Midstream credit facility.

Cash Flows

The following table provides a summary of Crestwood Equity's cash flows by category (*in millions*):

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Net cash provided by operating activities	$ 267.1	$ 252.0
Net cash provided by (used in) investing activities	$ 59.5	$ (206.4)
Net cash used in financing activities	$ (326.4)	$ (45.1)

Operating Activities

Our cash flows from operating activities increased by approximately $15.1 million during the six months ended June 30, 2023 compared to the same period in 2022. The net increase was primarily driven by our gathering and processing operations acquired in the Delaware Basin during 2022, partially offset by a reduction in operating cash flows from our Barnett and Marcellus operations which were divested during 2022. In addition, our general and administrative expenses decreased during the six months ended June 30, 2023 compared to the same period in 2022, primarily due to transaction costs incurred in connection with our strategic transactions executed during 2022.

Investing Activities

Capital Expenditures. The energy midstream business is capital intensive, requiring significant investments for the acquisition or development of new facilities. We categorize our capital expenditures as either:

- growth capital expenditures, which are made to construct additional assets, expand and upgrade existing systems, or acquire additional assets; or
- maintenance capital expenditures, which are made to replace partially or fully depreciated assets, to maintain the existing operating capacity of our assets, extend their useful lives or comply with regulatory requirements.

Our growth and reimbursable capital expenditures during the year will increase the services we can provide to our customers and the operating efficiencies of our systems. We expect to finance our capital expenditures with a combination of cash generated by our operating subsidiaries, distributions received from our equity investments and borrowings under our credit facility. Additional commitments or expenditures will be made at our discretion, and any discontinuation of the construction of these projects could result in less future operating cash flows and earnings.

The following table summarizes our capital expenditures for the six months ended June 30, 2023 (*in millions*):

Growth capital(1)	$	93.7
Maintenance capital		15.3
Other(2)		6.7
Purchases of property, plant and equipment	$	115.7

(1) Includes payments of approximately $21 million related to litigation on the construction of the Bear Den II cryogenic processing plant.

(2) Represents purchases of property, plant and equipment that are reimbursable by third parties.

Acquisition and Divestiture. In February 2022, we acquired Oasis Midstream, which included cash consideration of $160 million, net of cash acquired of approximately $14.9 million. In April 2023, we sold our 50% equity interest in Tres Holdings for approximately $178.4 million.

Investments in Unconsolidated Affiliates. Pursuant to our joint venture agreements with our respective equity investments, we periodically make contributions to our equity investments to fund their expansion projects and for other operating purposes. During the six months ended June 30, 2023 and 2022, we contributed approximately $6.6 million and $15.0 million to our equity investments.

Financing Activities

The following equity and debt transactions impacted our financing activities during the six months ended June 30, 2023 compared to the same period in 2022:

- During the six months ended June 30, 2023, distributions to our partners increased by approximately $12.7 million compared to the same period in 2022, primarily due to an increase in common units outstanding as a result of the units issued in conjunction with our strategic transactions during 2022 as well as an increase in our distribution per limited partner unit from $0.625 per unit to $0.655 per unit beginning in the second quarter of 2022;
- During the six months ended June 30, 2023, we received approximately $592.5 million from the issuance of the 2031 Senior Notes;
- During the six months ended June 30, 2022, payments under our finance leases increased primarily due to an option we exercised to purchase crude oil railcars under certain of our finance leases;
- During the six months ended June 30, 2022, we borrowed amounts under the Crestwood Midstream credit facility to (i) fund $160.0 million of cash consideration paid in conjunction with the merger with Oasis Midstream; and (ii) to repay approximately $218.4 million outstanding under the credit facility acquired in conjunction with the merger with Oasis Midstream; and
- During the six months ended June 30, 2023, our other debt-related transactions resulted in net repayments under our credit facilities of approximately $713.4 million compared to net borrowings of approximately $17.3 million during the same period in 2022.

Guarantor Summarized Financial Information

Crestwood Midstream and Crestwood Midstream Finance Corp. are issuers of our debt securities (the Issuers). Crestwood Midstream is a holding company and owns no operating assets and has no significant operations independent of its subsidiaries. Crestwood Midstream Finance Corp. is Crestwood Midstream's 100% owned subsidiary and has no material assets or operations other than those related to its service as co-issuer of our senior notes. Obligations under Crestwood Midstream's senior notes and its credit facility are jointly and severally guaranteed by substantially all of its subsidiaries (collectively, the Guarantor Subsidiaries), except for Crestwood Infrastructure Holdings LLC, Crestwood Niobrara LLC, and Powder River Basin Industrial Complex LLC and their respective subsidiaries (collectively, Non-Guarantor Subsidiaries). The assets and credit of our Non-Guarantor Subsidiaries are not available to satisfy the debts of the Issuers or Guarantor Subsidiaries, and the liabilities of our Non-Guarantor Subsidiaries do not constitute obligations of the Issuers or Guarantor Subsidiaries. In January 2023, Crestwood Permian and certain of its subsidiaries were designated as Guarantor Subsidiaries of Crestwood Midstream's senior notes and its credit facility. For additional information regarding the Crestwood Midstream credit facility and senior notes and related guarantees, see our 2022 Annual Report on Form 10-K.

The following tables provide summarized financial information for the Issuers and Guarantor Subsidiaries (collectively, the Obligor Group) on a combined basis after elimination of significant intercompany balances and transactions between entities in the Obligor Group. The investment balances in the Non-Guarantor Subsidiaries have been excluded from the supplemental summarized combined financial information. Transactions with other related parties, including the Non-Guarantor Subsidiaries, represent affiliate transactions and are presented separately in the summarized combined financial information below.

Summarized Combined Balance Sheet Information (in millions)

	June 30, 2023		December 31, 2022	
Current assets	$	479.5	$	588.4
Current assets - affiliates	$	1.3	$	1.3
Property, plant and equipment, net	$	3,797.9	$	3,295.8
Non-current assets	$	996.5	$	1,012.9
Current liabilities	$	355.3	$	466.1
Current liabilities - affiliates	$	2.9	$	41.5
Long-term debt, less current portion	$	3,259.1	$	3,171.5
Non-current liabilities	$	198.2	$	147.6

Summarized Combined Statement of Operations Information (in millions)

	Six Months Ended June 30, 2023	
Revenues	$	2,247.7
Revenues - affiliates	$	0.8
Cost of products/services sold	$	1,773.1
Cost of products/services sold - affiliates	$	9.4
Operations and maintenance expenses[1]	$	99.7
General and administrative expenses[2]	$	53.8
Operating income	$	178.7
Net income	$	66.8

(1) We have operating agreements with certain of our affiliates pursuant to which we charge them operations and maintenance expenses in accordance with their respective agreements, and these charges are reflected as a reduction of operations and maintenance expenses in our consolidated statements of operations. During the six months ended June 30, 2023, we charged $8.8 million to our affiliates under these agreements.

(2) Includes $17.0 million of net general and administrative expenses that were charged by our affiliates to us.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our interest rate, commodity price, market and credit risks are discussed in our 2022 Annual Report on Form 10-K. There have been no material changes in those exposures from December 31, 2022 to June 30, 2023.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

As of June 30, 2023, Crestwood Equity and Crestwood Midstream carried out an evaluation under the supervision and with the participation of their respective management, including the Chief Executive Officer and Chief Financial Officer of their General Partners, as to the effectiveness, design and operation of our disclosure controls and procedures (as defined in the Securities Exchange Act of 1934, as amended (Exchange Act) Rules 13a-15(e) and 15d-15(e)). Crestwood Equity and Crestwood Midstream maintain controls and procedures designed to provide reasonable assurance that information required to be disclosed in their respective reports that are filed or submitted under the Exchange Act of 1934, as amended, are recorded, processed, summarized and reported within the time periods specified by the rules and forms of the SEC, and that information is accumulated and communicated to their respective management, including the Chief Executive Officer and Chief Financial Officer of their General Partners, as appropriate, to allow timely decisions regarding required disclosure. Such management, including the Chief Executive Officer and Chief Financial Officer of their General Partners, does not expect that the disclosure controls and procedures or the internal controls will prevent and/or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Crestwood Equity's and Crestwood Midstream's disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives and the Chief Executive Officer and Chief Financial Officer of their General Partners concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of June 30, 2023.

Changes in Internal Control over Financial Reporting

There have been no changes in Crestwood Equity's or Crestwood Midstream's internal control over financial reporting during the three and six months ended June 30, 2023 that have materially affected, or are reasonably likely to materially affect Crestwood Equity's or Crestwood Midstream's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Part I, Item 1. Financial Statements, Note 9 to the Consolidated Financial Statements, of this Form 10-Q is incorporated herein by reference.

Item 1A. Risk Factors

Our business faces many risks. Any of the risks discussed elsewhere in this Form 10-Q or our other SEC filings could have a material impact on our business, financial position or results of operations. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also impair our business operations. For a detailed discussion of the risk factors that should be understood by any investor contemplating investment in our common units, see Part I, Item 1A. Risk Factors in our 2022 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended June 30, 2023, none of our directors of officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

Item 6. Exhibits

Exhibit Number	Description
2.1	Purchase and Sale Agreement, dated as of May 31, 2021 among Con Edison Gas Pipeline and Storage Northeast, LLC, Crestwood Pipeline and Storage Northeast LLC, as the Sellers, Stagecoach Gas Services LLC as the Company, Kinder Morgan Operating LLC "A" as Buyer, Con Edison Transmission, Inc. (solely for the limited purposes set forth therein) and Crestwood Midstream Partners LP (solely for the limited purposes set forth therein) (incorporated by reference to Exhibit 2.1 to Crestwood Equity Partners LP's Form 8-K filed on June 1, 2021)
2.2	Equity Purchase Agreement, dated as of May 25, 2022, by and among Sendero Midstream Partners, LP, Energy Capital Partners III, LP, Energy Capital Partners III-A, LP, Energy Capital Partners III-B (Sendero IP), LP, Energy Capital Partners III-C (Sendero IP), LP, Carlsbad Co-Invest, LP, ECP III (Sendero Co-Invest) Corp, Sendero Midstream Management, LLC, Sendero Midstream GP, LLC, Crestwood Midstream Partners LP, Crestwood Sendero GP LLC, and Crestwood Equity Partners LP (solely for the limited purposes set forth therein) (incorporated by reference to Exhibit 2.1 to Crestwood Equity Partners LP's Form 8-K filed on May 26, 2022)
2.3	Contribution Agreement, dated as of May 25, 2022, by and between FR XIII Crestwood Permian Basin Holdings LLC and Crestwood Equity Partners LP (incorporated by reference to Exhibit 2.2 to Crestwood Equity Partners LP's Form 8-K filed on May 26, 2022)
3.1	Certificate of Limited Partnership of Inergy, L.P. (incorporated by reference to Exhibit 3.1 to Inergy, L.P.'s Registration Statement on Form S-1 filed on March 14, 2001)
3.2	Certificate of Correction of Certificate of Limited Partnership of Inergy, L.P. (incorporated by reference to Exhibit 3.1 to Inergy, L.P.'s Form 10-Q filed on May 12, 2003)
3.3	Amendment to the Certificate of Limited Partnership of Crestwood Equity Partners LP (the "Company") (f/k/a Inergy, L.P.) dated as of October 7, 2013 (incorporated herein by reference to Exhibit 3.2 to Crestwood Equity Partners LP's Form 8-K filed on October 10, 2013)
3.4	Certificate of Formation of Inergy GP, LLC (incorporated by reference to Exhibit 3.5 to Inergy, L.P.'s Registration Statement on Form S-1/A filed on May 7, 2001)
3.5	Certificate of Amendment of Crestwood Equity GP LLC (the "General Partner") (f/k/a Inergy GP, LLC) dated as of October 7, 2013 (incorporated by reference to Exhibit 3.3A to Crestwood Equity Partners LP's Form 10-Q filed on November 8, 2013)
3.6	First Amended and Restated Limited Liability Company Agreement of Inergy GP, LLC dated as of September 27, 2012 (incorporated by reference to Exhibit 3.1 to Inergy, L.P.'s Form 8-K filed on September 27, 2012)
3.7	Amendment No. 1 to the First Amended and Restated Limited Liability Company Agreement of the General Partner entered into and effective as of October 7, 2013 (incorporated by reference to Exhibit 3.4A to Crestwood Equity Partners LP's Form 10-Q filed on November 8, 2013)
3.8	Fifth Amended and Restated Agreement of Limited Partnership of Crestwood Equity Partners LP dated as of April 11, 2014 (incorporated herein by reference to Exhibit 3.1 to Crestwood Equity Partners LP's Form 8-K filed on April 11, 2014)
3.9	First Amendment to the Fifth Amended and Restated Agreement of Limited Partnership of Crestwood Equity Partners LP entered into and effective as of September 30, 2015 (incorporated by reference to Exhibit 3.1 to Crestwood Equity Partner LP's Form 8-K filed on October 1, 2015)
3.10	Second Amendment to the Fifth Amended and Restated Agreement of Limited Partnership of Crestwood Equity Partners LP entered into and effective as of November 8, 2017 (incorporated by reference to Exhibit 3.1 to Crestwood Equity Partners LP's Form 8-K filed on November 13, 2017)
3.11	Third Amendment to the Fifth Amended and Restated Agreement of Limited Partnership of Crestwood Equity Partners LP entered into and effective as of May 30, 2018 (incorporated by reference to Exhibit 3.1 to Crestwood Equity Partners LP's Form 8-K filed on June 4, 2018)
3.12	Second Amended and Restated Agreement of Limited Partnership of Crestwood Midstream Partners LP, dated as of September 30, 2015 (incorporated by reference to Exhibit 3.1 to Crestwood Midstream Partners LP's Form 8-K filed on October 1, 2015)
3.13	Certificate of Formation of NRGM GP, LLC (incorporated herein by reference to Exhibit 3.7 to Inergy Midstream, L.P.'s Form S-1/A filed on November 21, 2011)

3.14	Amended and Restated Limited Liability Company Agreement of NRGM GP, LLC, dated December 21, 2011 (incorporated herein by reference to Exhibit 3.2 to Inergy Midstream, L.P.'s Form 8-K filed on December 22, 2011)
3.15	Amendment No. 1 to the Amended and Restated Limited Liability Company Agreement of Crestwood Midstream GP LLC (f/k/a NRGM GP, LLC) (incorporated herein by reference to Exhibit 3.39 to Crestwood Midstream Partners LP's Form S-4/A filed on October 28, 2013)
3.16	Fourth Amendment to the Fifth Amended and Restated Agreement of Limited Partnership of Crestwood Equity Partners LP entered into and effective as of June 28, 2019 (incorporated by reference to Exhibit 3.1 to Crestwood Equity Partners LP's Form 8-K filed on June 28, 2019)
3.17	Sixth Amended and Restated Agreement of Limited Partnership of Crestwood Equity Partners LP dated August 20, 2021 (incorporated by reference to Exhibit 3.1 to Crestwood Equity Partners LP's Form 8-K filed on August 20, 2021)
3.18	Second Amended and Restated Limited Liability Company Agreement of Crestwood Equity GP LLC dated August 20, 2021 (incorporated by reference to Exhibit 3.2 to Crestwood Equity Partners LP's Form 8-K on August 20, 2021)
*10.1	2023 Second Omnibus Amendment to Employment Agreements dated January 1, 2023.
*10.2	Amendment to Employment Agreement between Crestwood Operations LLC and Diaco Aviki dated June 30, 2023.
*10.3	Amendment to Employment Agreement between Crestwood Operations LLC and John Black dated June 30, 2023.
*10.4	Third Amendment to the Crestwood Equity Partners LP 2018 Long-Term Incentive Plan
*31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended - Crestwood Equity Partners LP
*31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended - Crestwood Equity Partners LP
*31.3	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended - Crestwood Midstream Partners LP
*31.4	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended - Crestwood Midstream Partners LP
*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 - Crestwood Equity Partners LP
*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 - Crestwood Equity Partners LP
*32.3	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 - Crestwood Midstream Partners LP
*32.4	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 - Crestwood Midstream Partners LP
**101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
**101.SCH	Inline XBRL Taxonomy Extension Schema Document
**101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
**101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
**101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
**101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (contained in Exhibit 101)

* Filed herewith

** Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

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 thereunto duly authorized.

CRESTWOOD EQUITY PARTNERS LP
By: CRESTWOOD EQUITY GP LLC
(its general partner)

Date: August 3, 2023

By: /s/ JOHN BLACK
John Black
Executive Vice President and Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

CRESTWOOD MIDSTREAM PARTNERS LP
By: CRESTWOOD MIDSTREAM GP LLC
(its general partner)

Date: August 3, 2023

By: /s/ JOHN BLACK
John Black
Executive Vice President and Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

2023 SECOND OMNIBUS AMENDMENT TO EMPLOYMENT AGREEMENTS

This 2023 Second Omnibus Amendment to Employment Agreements (this "***2023 Second Amendment***") is entered into effective as of January 1, 2023 (the "***Amendment Effective Date***") between Crestwood Operations LLC (the "***Employer***"), and each of Robert Halpin ("***Halpin***"), Steven Dougherty ("***Dougherty***"), Joel Lambert ("***Lambert***"), William H. Moore ("***Moore***"), Diaco Aviki ("***Aviki***") and John Black ("***Black***"). Halpin, Dougherty, Lambert, Moore, Aviki and Blark are the collectively referred to herein as the "***Employees.***"

RECITALS

WHEREAS, the Employer and Halpin are parties to that certain Employment Agreement effective as of January 21, 2014 (as amended, the "***Halpin Employment Agreement***");

WHEREAS, the Employer and Dougherty are parties to that certain Employment Agreement effective as of January 21, 2014 (as amended, the "***Dougherty Employment Agreement***");

WHEREAS, the Employer and Lambert are parties to that certain Employment Agreement effective as of January 21, 2014 (as amended, the "***Lambert Employment Agreement***");

WHEREAS, the Employer and Moore are parties to that certain Employment Agreement effective as of January 21, 2014 (as amended, the "***Moore Employment Agreement***");

WHEREAS, the Employer and Aviki are parties to that certain Amended and Restated Employment Agreement effective as of January 18, 2022 (as amended, the "***Aviki Employment Agreement***");

WHEREAS, the Employer and Black are parties to that certain Employment Agreement effective as of August 15, 2022 (as amended, the "***Black Employment Agreement***" and, together with the Halpin Employment Agreement, Dougherty Employment Agreement, Lambert Employment Agreement, Moore Employment Agreement and Aviki Employment Agreement, the "***Employment Agreements***"); and

WHEREAS, the Employer and Employees desire to amend the Employment Agreements to define the term "CIC Protection Period".

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the sufficiency of which is hereby acknowledged, the parties agree that the Employment Agreements are hereby amended as follows, effective as of the Amendment Effective Date:

AGREEMENTS

1. Each of the Employment Agreements is hereby amended by adding the following language to the end of Section 3.3(b)(iv), to be and to read in its entirety as follows:

> "For purposes of this provision, the "<u>CIC Protection Period</u>" shall be the period beginning three months prior to a Change in Control and ending twelve months after the closing of a Change in Control."

2. All references in the Employment Agreements shall be deemed to refer to such agreements as amended.

3. Except as expressly amended hereby, the Employment Agreements, as amended, are unchanged and remain in full force and effect.

4. This 2023 Second Amendment is made a part of, and is incorporated into, each of the Employment Agreements and is subject to all provisions therein (as amended hereby), including the amendments, waivers, construction, notices, governing law and entire agreement provisions thereof. This 2023 Second Amendment shall be governed by and construed in accordance with the laws of the State of Texas without reference to principles of conflict of laws.

[Remainder of Page Intentionally Blank; Signature Page Follows]

IN WITNESS WHEREOF, Employee has hereunto set Employee’s hand and the Employer has caused this 2023 Second Amendment to be executed in its name on its behalf, effective as of the dates provided for herein.

EMPLOYER

By: /s/ Robert G. Phillips
Name: Robert G. Phillips
Title: Chief Executive Officer

EMPLOYEE

By: /s/ Joel Lambert
Name: Joel Lambert

IN WITNESS WHEREOF, Employee has hereunto set Employee's hand and the Employer has caused this 2023 Second Amendment to be executed in its name on its behalf, effective as of the dates provided for herein.

EMPLOYER

By: /s/ Joel Lambert
Name: Joel Lambert
Title: Executive Vice President

EMPLOYEE

By: /s/ Robert Halpin
Name: Robert Halpin

IN WITNESS WHEREOF, Employee has hereunto set Employee's hand and the Employer has caused this 2023 Second Amendment to be executed in its name on its behalf, effective as of the dates provided for herein.

EMPLOYER

By: /s/ Joel Lambert
Name: Joel Lambert
Title: Executive Vice President

EMPLOYEE

By: /s/ Steven Dougherty
Name: Steven Dougherty

IN WITNESS WHEREOF, Employee has hereunto set Employee's hand and the Employer has caused this 2023 Second Amendment to be executed in its name on its behalf, effective as of the dates provided for herein.

EMPLOYER

By: /s/ Joel Lambert
Name: Joel Lambert
Title: Executive Vice President

EMPLOYEE

By: /s/ William Moore
Name: William Moore

IN WITNESS WHEREOF, Employee has hereunto set Employee’s hand and the Employer has caused this 2023 Second Amendment to be executed in its name on its behalf, effective as of the dates provided for herein.

EMPLOYER

By: /s/ Joel Lambert
Name: Joel Lambert
Title: Executive Vice President

EMPLOYEE

By: /s/ Diaco Aviki
Name: Diaco Aviki

IN WITNESS WHEREOF, Employee has hereunto set Employee’s hand and the Employer has caused this 2023 Second Amendment to be executed in its name on its behalf, effective as of the dates provided for herein.

EMPLOYER

By: /s/ Joel Lambert
Name: Joel Lambert
Title: Executive Vice President

EMPLOYEE

By: /s/ John Black
Name: John Black

AMENDMENT TO EMPLOYMENT AGREEMENT

THIS AMENDMENT TO EMPLOYMENT AGREEMENT (this “***Amendment***”) is entered into effective as of June 30, 2023 (the “***Amendment Effective Date***”) by and between Crestwood Operations LLC (“***Employer***”) and Diaco Aviki (“***Employee***”).

WHEREAS, Employer and Employee are parties to that certain Amended and Restated Employment Agreement effective on January 18, 2022, as amended by the 2023 Omnibus Amendment (as hereinafter defined), the “***Employment Agreement***”);

WHEREAS, Employer and Employee are parties to that certain 2023 Omnibus Amendment to Employment Agreement effective January 1, 2023 (as amended, the “***2023 Omnibus Amendment***”); and

WHEREAS, Employer and Employee desire to further amend the Employment Agreement in certain respects.

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements contained herein, the sufficiency of which is hereby acknowledged, the parties hereby agree that the Employment Agreement is hereby amended as follows, effective as of the Amendment Effective Date:

1. The Employment Agreement is hereby amended by adding the following language to the end of Section 3.3(b)(i) to be read as follows:

   > “During the period that Employee is entitled to receive severance payments pursuant to this Section 3.3(b), the Employer shall also provide medical benefits to Employee under terms and conditions that are not less favorable than are provided to executive officers of Employer; provided, however, that (X) Employee must elect to receive continuation of health insurance coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act (COBRA); (Y) Employee will be required to pay the amount that an active employee of Employer would pay to receive such coverage and Employer will be responsible for the employer portion of the insurance premium payments (which amount will be treated as imputed income to Employee); and (Z) Employer’s obligation to pay a portion of Employee’s COBRA premium shall cease on the first day of the month after Employer obtains reasonably comparable health care coverage from a subsequent employer or other source.”

2. All references in the Employment Agreement shall be deemed to refer to such agreement as amended.

3. Except as expressly amended hereby, the Employment Agreement, as amended, is unchanged and remains in full force and effect.

4. This Amendment is made part of, and is incorporated into, the Employment Agreement and is subject to all provisions therein (as amended hereby), including the amendments, waivers, construction, notices, governing law and entire agreement provisions thereof. This Amendment shall be governed by and construed in accordance with the laws of the State of Texas without reference to principles of conflicts of laws.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of the Effective Date.

EMPLOYER

By: /s/ Joel C. Lambert
Joel C Lambert
Executive Vice President

EMPLOYEE

By: /s/ Diaco Aviki

Diaco Aviki

AMENDMENT TO EMPLOYMENT AGREEMENT

THIS AMENDMENT TO EMPLOYMENT AGREEMENT (this "***Amendment***") is entered into effective as of June 30, 2023 (the "***Amendment Effective Date***") by and between Crestwood Operations LLC ("***Employer***") and John Black ("***Employee***").

WHEREAS, Employer and Employee are parties to that certain Amended and Restated Employment Agreement effective on August 15, 2022, as amended by the 2023 Omnibus Amendment (as hereinafter defined), the "***Employment Agreement***");

WHEREAS, Employer and Employee are parties to that certain 2023 Omnibus Amendment to Employment Agreement effective January 1, 2023 (as amended, the "***2023 Omnibus Amendment***"); and

WHEREAS, Employer and Employee desire to further amend the Employment Agreement in certain respects.

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements contained herein, the sufficiency of which is hereby acknowledged, the parties hereby agree that the Employment Agreement is hereby amended as follows, effective as of the Amendment Effective Date:

1. The Employment Agreement is hereby amended by adding the following language to the end of Section 3.3(b)(i) to be read as follows:

    "During the period that Employee is entitled to receive severance payments pursuant to this Section 3.3(b), the Employer shall also provide medical benefits to Employee under terms and conditions that are not less favorable than are provided to executive officers of Employer; provided, however, that (X) Employee must elect to receive continuation of health insurance coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act (COBRA); (Y) Employee will be required to pay the amount that an active employee of Employer would pay to receive such coverage and Employer will be responsible for the employer portion of the insurance premium payments (which amount will be treated as imputed income to Employee); and (Z) Employer's obligation to pay a portion of Employee's COBRA premium shall cease on the first day of the month after Employer obtains reasonably comparable health care coverage from a subsequent employer or other source."

2. All references in the Employment Agreement shall be deemed to refer to such agreement as amended.

3. Except as expressly amended hereby, the Employment Agreement, as amended, is unchanged and remains in full force and effect.

4. This Amendment is made part of, and is incorporated into, the Employment Agreement and is subject to all provisions therein (as amended hereby), including the amendments, waivers, construction, notices, governing law and entire agreement provisions thereof. This Amendment shall be governed by and construed in accordance with the laws of the State of Texas without reference to principles of conflicts of laws.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of the Effective Date.

EMPLOYER

By: /s/ Joel C. Lambert
Joel C Lambert
Executive Vice President

EMPLOYEE

By: /s/ John Black

John Black

THIRD AMENDMENT TO THE CRESTWOOD EQUITY PARTNERS LP 2018 LONG TERM INCENTIVE PLAN

WHEREAS, Crestwood Equity GP, LLC, a Delaware limited liability company (the "***General Partner***"), the general partner of Crestwood Equity Partners LP, a Delaware limited partnership (the "***Partnership***") has previously adopted the Crestwood Equity Partners LP 2018 Long Term Incentive Plan (the "***Plan***");

WHEREAS, the Plan was previously amended pursuant to the First Amendment to the Plan which amendment was effective immediately prior to the closing of the acquisition by the Partnership of all of the outstanding limited liability company interests in the General Partner (the "***First Amendment Effective Date***"); and

WHEREAS, the General Partner now desires to amend the Plan to increase the number of units available for issuance pursuant to the Plan by 2.5 million Units, effective as of April 1, 2023 (the "***Third Amendment Effective Date***") subject to the approval of the Partnership's unitholders.

NOW, THEREFORE, the Plan shall be amended pursuant to this Third Amendment as follows effective April 1, 2023, subject to approval of the Partnership's unitholders at the 2023 Annual Meeting:

1. The first sentence of Section 4(a) of the Plan shall be deleted and the following shall be substituted therefor:

   "Subject to adjustment as provided in Section 4(c) and Section 7, the number of Units that may be delivered on and after the First Amendment Effective Date with respect to Awards under the Plan is 6.5 million and includes 4 million Units available as of the First Amendment Effective Date and an additional 2.5 million Units available as of the Third Amendment Effective Date."

2. As amended hereby, the Plan is specifically ratified and reaffirmed.

IN WITNESS WHEREOF, the undersigned has caused this Third Amendment to be on the Third Amendment Effective Date, effective for all purposes as provided above.

CRESTWOOD EQUITY GP LLC

By: /s/ Robert G. Phillips
Name: Robert G. Phillips
Title: Founder, Chairman and Chief Executive Officer

Exhibit 31.1

CERTIFICATIONS

I, Robert G. Phillips, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Crestwood Equity Partners LP (the “registrant”);

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: August 3, 2023

/s/ Robert G. Phillips

Robert G. Phillips
Founder, Chairman and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, John Black, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Crestwood Equity Partners LP (the “registrant”);

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: August 3, 2023

/s/ John Black

John Black
Executive Vice President and Chief Financial Officer

Exhibit 31.3

CERTIFICATIONS

I, Robert G. Phillips, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Crestwood Midstream Partners LP (the “registrant”);

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: August 3, 2023

/s/ Robert G. Phillips

Robert G. Phillips
Founder, Chairman and Chief Executive Officer

Exhibit 31.4

CERTIFICATIONS

I, John Black, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Crestwood Midstream Partners LP (the “registrant”);

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: August 3, 2023

/s/ John Black

John Black

Executive Vice President and Chief Financial Officer

Exhibit 32.1

Certification of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Crestwood Equity Partners LP (the “Company”) on Form 10-Q for the period ended June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Robert G. Phillips, Chief Executive Officer of Crestwood Equity Partners LP, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

/s/ Robert G. Phillips

Robert G. Phillips
Chief Executive Officer

August 3, 2023

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

Certification of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Crestwood Equity Partners LP (the “Company”) on Form 10-Q for the period ended June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, John Black, Chief Financial Officer of Crestwood Equity Partners LP, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

/s/ John Black

John Black
Chief Financial Officer

August 3, 2023

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.3

Certification of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Crestwood Midstream Partners LP (the "Company") on Form 10-Q for the period ended June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert G. Phillips, Chief Executive Officer of Crestwood Midstream Partners LP, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

/s/ Robert G. Phillips

Robert G. Phillips
Chief Executive Officer

August 3, 2023

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.4

Certification of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Crestwood Midstream Partners LP (the "Company") on Form 10-Q for the period ended June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Black, Chief Financial Officer of Crestwood Midstream Partners LP, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

/s/ John Black

John Black
Chief Financial Officer

August 3, 2023

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.