

PVR PARTNERS, L. P.
Form 425
December 10, 2013

Filed by Regency Energy Partners LP pursuant
to Rule 425 under the Securities Act of 1933 and
deemed filed pursuant to Rule 14a-12 of the Securities
Exchange Act of 1934.

Subject Company: PVR Partners, L.P.

Commission File No.: 001-16735

IMPORTANT ADDITIONAL INFORMATION WILL BE FILED WITH THE SEC

INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND THE REGISTRATION STATEMENT REGARDING THE TRANSACTION CAREFULLY WHEN THEY ARE AVAILABLE. These documents (when they become available), and any other documents filed by PVR or Regency with the Securities and Exchange Commission (the SEC), may be obtained free of charge at the SEC's website, at www.sec.gov. In addition, security holders will be able to obtain free copies of the proxy statement/prospectus (when available) from PVR by contacting Investor Relations by mail at Attention: Investor Relations, Three Radnor Corporate Center, Suite 301, 100 Matsonford Road, Radnor, Pennsylvania 19087.

PARTICIPANTS IN THE SOLICITATION

Regency and PVR, and their respective directors and executive officers, may be deemed to be participants in the solicitation of proxies in respect of the transactions contemplated by the Agreement and Plan of Merger. Information regarding the directors and executive officers of Regency GP LLC, the general partner of Regency's general partner, is contained in Regency's Form 10-K for the year ended December 31, 2012, which has been filed with the SEC. Information regarding PVR's directors and executive officers is contained in PVR's Form 10-K for the year ended December 31, 2012 and its proxy statement filed on April 25, 2013, which are filed with the SEC. A more complete description will be available in the Registration Statement and the Proxy Statement/Prospectus.

SAFE HARBOR FOR FORWARD-LOOKING STATEMENTS

Statements in this document regarding the proposed transaction between Regency and PVR, the expected timetable for completing the proposed transaction, future financial and operating results, benefits and synergies of the proposed transaction, future opportunities for the combined company and any other statements about Regency's or PVR's management's future expectations, beliefs, goals, plans or prospects constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that are not statements of historical fact (including statements containing the words believes, plans, anticipates, expects, estimates and similar expressions) should also be considered to be forward-looking statements.

Regency and PVR cannot give any assurance that expectations and projections about future events will prove to be correct. Forward-looking statements are subject to a variety of risks, uncertainties and assumptions. These risks and uncertainties include the risks that the proposed transaction may not be consummated or the benefits contemplated therefrom may not be realized. Additional risks include: the ability to obtain requisite regulatory and unitholder approval and the satisfaction of the other conditions to the consummation of the proposed transaction, the ability of

Regency to successfully integrate PVR's operations and employees and realize anticipated synergies and cost savings, the potential impact of the announcement or consummation of the proposed transaction on relationships, including with employees, suppliers, customers, competitors and credit rating agencies, the ability to achieve revenue, DCF and EBITDA growth, volatility in the price of oil, natural gas, and natural gas liquids, declines in the credit markets and the availability of credit for the combined company as well as for producers connected to the combined company's system and its customers, the level of creditworthiness of, and performance by counterparties and customers, the ability to access capital to fund organic growth projects and acquisitions, including significant acquisitions, and the ability to obtain debt and equity financing on satisfactory terms, the use of derivative financial instruments to hedge commodity and interest rate risks, the amount of collateral required to be posted from time-to-time, changes in commodity prices, interest rates, and demand for the combined company's services, changes in laws and regulations impacting the midstream sector of the natural gas industry, weather and other natural phenomena, acts of terrorism and war, industry changes including the impact of consolidations and changes in competition, the ability to obtain required approvals for construction or modernization of facilities and

the timing of production from such facilities, and the effect of accounting pronouncements issued periodically by accounting standard setting boards. Therefore, actual results and outcomes may differ materially from those expressed in such forward-looking statements.

These and other risks and uncertainties are discussed in more detail in filings made by Regency and PVR with the SEC, which are available to the public. Regency and PVR undertake no obligation to update publicly or to revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Regency Energy Partners LP
Wells Fargo MLP Conference
December 10 -
11, 2013

Forward-Looking Statements

2

Certain matters discussed in this report include forward-looking statements. Forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. Statements using words such as anticipate, believe, intend, project, plan, expect, continue, estimate, goal, forecast, may or similar expressions help identify forward-looking statements. Although we believe our forward-looking statements are based on reasonable assumptions and current expectations and projections about future events,

we cannot give assurances that such expectations will prove to be correct. Forward-looking statements are subject to a variety of risks, uncertainties and assumptions. Additional risks include, volatility in the price of oil, natural gas, and natural gas liquids, declines in the credit markets and the availability of credit for the Partnership as well as for producers connected to the Partnership's system and its customers, the level of creditworthiness of, and performance by the Partnership's counterparties and customers, the Partnership's ability to access capital to fund organic growth projects and acquisitions, and the Partnership's ability to obtain debt and equity financing on satisfactory terms, the Partnership's use of derivative financial instruments to hedge commodity and interest rate risks, the amount of collateral required to be posted from time-to-time in the Partnership's transactions, changes in commodity prices, interest rates, and demand for the Partnership's services, changes in laws and regulations impacting the midstream sector of the natural gas industry, weather and other natural phenomena, industry changes including the impact of consolidations and changes in competition, the Partnership's ability to obtain required approvals for construction or modernization of the Partnership's facilities and the timing of production from such facilities, and the effect of accounting pronouncements issued periodically by accounting standard setting boards. Therefore, actual results and outcomes may differ materially from those expressed in such forward-looking information.

In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than the Partnership has described. The Partnership undertakes no obligation to update publicly or to revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Adjusted EBITDA increased 50% and DCF increased 67% over Legacy third quarter 2012 results, respectively³

Average volumes for the third quarter of 2013 increased by more than 50% and NGL production increased 166%, compared to third quarter 2012 volumes

Lone Star's NGL Transportation throughput increased 30% compared to the third quarter of 2012

Revenue generating horsepower reached an all-time high

Key 2013 Highlights

3

1

Via Lone Star Joint Venture

2

Including assumption of net debt

3

Third quarter 2012 adjusted EBITDA results exclude SUGS

In September, announced public offering of \$400 million of 5.75% Senior Notes due 2020

Had approximately \$1 billion of available liquidity at the end of the third quarter

Pro forma leverage ratio of 4.1x as of 9/30/2013

Completed the acquisition of SUGS in May, and integration is substantially complete

Completed construction of 209,000 Bbls/d Gateway NGL

Pipeline and first two 100,000 Bbls/d Mont Belvieu fractionators¹

Added more than 410 MMcf/d of processing capacity and 150 MMcf/d of treating capacity via organic growth projects

Completed projects continue ramp up in 2014

Creates a leading gathering and processing footprint in key, high-growth plays in the United States with a strong platform for additional growth

Adds a strong growth platform in the Marcellus and Utica Shales and significantly expands Regency's position in the Midcontinent

Expect approximately \$30 million in synergies per year

Anticipate project cash flows will contribute to significant increase in DCF and EBITDA over time

Further Strengthened Balance Sheet

Announced Plans to Purchase PVR Partners for \$5.6 Billion²

Delivered solid financial and operating performance, driven by increased volumes in liquids-rich regions

Completed more than \$3 billion of major, organic growth projects and acquisitions in the last 12 months

4
Expanding Asset Base
1
As of 9/30/12 and 9/30/2013, respectively
2
2012 throughput does not include SUGS
3

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Via Haynesville Joint Venture, in which Regency has a 49.99% interest, and MEP Joint Venture, in which Regency has a 50% interest, in Harrison County, Texas to Caddo Parish, Louisiana

4

Via Lone Star Joint Venture, in which Regency has a 30% interest

Diversified asset portfolio is strategically positioned to benefit from drilling activity in liquids-rich plays

Asset Summary

2012¹

2013¹

Gathering Pipeline (miles)

6,345

11,945

Gathering and Processing

Throughput

(Mmbtu/d)

2

1.4 million

2.2 million

Treating/Processing Plants

11

19

Processing Capacity (MMcf/d)

695

1,600

Transportation Pipeline

(miles)

3

960

960

Contract Compression (HP)

873,000

1,014,000

NGL

Transportation

(miles)

4

1,170

1,740

NGL

Fractionation

(Bbls/d)

4

25,000

225,000

47

47

Eagle Ford

Increased capacity of Eagle Ford

Expansion Project by 125 MMcf/d

and added 150 MMcf/d of treating capacity

Permian

Acquired SUGS and completed

125 MMcf/d Ranch JV facility

Haynesville/Cotton Valley

Added 90 MMcf/d of

processing capacity

Midcontinent

Granite Wash

Mississippi Lime

Marcellus

Utica

NGL

Storage

(MMBbls/d)

4

5

Gathering & Processing: West Texas
Year-Over-Year Growth¹

Total volumes increased 410% over Legacy Q3 2012

NGL production increased 690% over Legacy Q3 2012

SUGS system integration complete

Processing capacity increased from 125 MMcf/d to 940 MMcf/d

Recently completed 140 MMcf/d of gathering expansions into Reeves County (Delaware Basin)
2014 Opportunities

Currently constructing 125 MMcf/d of additional gathering capacity into Andrews and Culberson counties (Delaware Basin)

Plans to add 200 MMcf/d of incremental processing capacity in early 2015

Expanding condensate stabilization and transportation systems

1

Comparison is third quarter 2012 versus third quarter 2013; third quarter 2012 results exclude SUGS

Red Bluff Expansion

Ranch JV Expansion

6

Gathering & Processing: South Texas
Year-Over-Year Growth¹

Total South Texas volumes have increased nearly 40%

Total NGL production has increased nearly 40%

Eagle Ford Expansion Project volumes have increased
60%

Increased total treating capacity from 170 MMcf/d to
320 MMcf/d

Added 17,000 Bbls/d of oil gathering capacity
2014 Opportunities

Continued volume ramp up across all systems

Pursuing approximately 70,000 Bbls/d of crude
gathering

Expect to further increase treating capacity

1

Comparison is third quarter 2012 versus third quarter 2013; third quarter 2012 results exclude SUGS

Eagle Ford Expansion

Edwards Lime

Expansion

Tilden

Expansion

7
Gathering & Processing: North Louisiana
Dubach
Expansion
Dubberly
Expansion
2014 Opportunities

Completing construction of 400 MMcf/d of additional gathering capacity by January 1, 2014

Completing 200 MMcf/d processing upgrade at Dubberly

Planning to add 100 MMcf/d of gathering capacity

Evaluating new cryogenic processing expansion at Dubberly

Growth from Cotton Valley expected to bring new volumes to RIGS

1

Comparison is third quarter 2012 versus third quarter 2013; third quarter 2012 results exclude SUGS

Dubach volumes have increased more than 60%

Dubach NGL production has increased more than 50%

Increased processing capacity from 140 MMcf/d to 210 MMcf/d

Built 22 miles of high-pressure gathering pipeline with a capacity of 100 MMcf/d

8
Lone Star Opportunities
Expect Lone Star's EBITDA to increase significantly as projects come online and volumes
ramp up in 2014 and 2015
West Texas Gateway NGL
Pipeline
Frac 1 & 2

Mariner
South
209,000 Bbls/d Gateway Pipeline in service and began
ramp up
Announced 6 million Bbls/month LPG export facility
(In service 2015)
Continued volume ramp up on Gateway and Fracs I and II
Permitting 100,000 Bbls/d Frac III
Evaluating expansion of NGL transportation capacity from
Permian Basin
Opportunities to expand downstream transportation
infrastructure and NGL purity product markets
Year-Over-Year Growth
2014
Opportunities
Added
200,000
Bbls/d
of
Fractionation
Capacity
(Frac
II
came
online
November
2013)

Contract Services Opportunities

New opportunities driving increased capex spending for compression due to continued strong demand, particularly in the Permian Basin, Eagle Ford, Niobrara and Appalachian Shales

Contract Compression Growth Opportunities

As of November 1

st

, have approximately

50,000 HP booked to be set for the remainder of 2013

Larger gas-lift opportunities and turn-key facility installations, including for compression and production facilities, will drive growth in the Eagle Ford and Permian

100,000

HP

potential

Oil and liquids activity is increasing Utica Shale

opportunities

for

2014

40,000

HP

potential

Expect additional growth in the Niobrara Shale as customers solidify expansion plans

40,000

HP

potential

Other

20,000

HP

potential

9

Barnett/Haynesville

Marcellus/Utica

Niobrara

Fayetteville

Permian/Avalon/

Bone Spring

Granite Wash

Gulf Coast

Eagle Ford

Overview of PVR
Partners Acquisition

Strategic Highlights

Combination of Regency and PVR creates a premiere, diversified gas gathering and processing MLP with scaled presence in the most economic, high-growth, oil and gas plays in North America

Increased Scale and
Basin Diversification

PVR
adds

a
strategic
presence
in
three
prolific
areas;
the
Marcellus
and
Utica
Shales
in
the
Appalachian
Basin, and the Granite Wash in the Mid-Continent
Meaningful Growth
Projects
PVR has several projects under development or construction
which are expected to add significant
volumes in 2015
Announced Utica Ohio River Project will provide a substantial growth opportunity with in-service date
early 2015
First-mover
advantage
Significant upside
Acquisition of Largely
Fee-Based EBITDA
Stable contracted, fee-based asset portfolio with a majority of PVR gross margin under fixed-fee
contracts
Marcellus expected to comprise ~55% of PVR EBITDA in 2013E
and is all fee-based; significant demand
charges on trunklines
Enhanced Long-Term
Value Creation
Significant increase in EBITDA and DCF expected over time as the combined company benefits from
project cash flows
Estimate achieving synergies of approximately \$30 million per year (beginning in year 1)
Transaction and pro forma credit profile is in keeping with Regency long-term investment grade rating
objective
11
Combination strengthens Regency's position for long-term distribution growth

12

Expanding Asset Base

Pro Forma Asset Base

PVR combination will expand Regency's position in the major growth plays in the lower 48

Expands reach into

Cline Shale

Greatly expands

Midcontinent

into Granite Wash

Mississippi Lime

Adds major position in

Marcellus and

Utica Shales

1

As of 9/30/13

2

Operated within Regency's Gathering & Processing Segment

3

Via Haynesville Joint Venture, in which Regency has a 49.99% interest, and MEP Joint Venture, in which Regency has a 50%

Harrison County, Texas to Caddo Parish, Louisiana

4

Via Lone Star Joint Venture, in which Regency has a 30% interest

Announced Utica Ohio

River Project

1

Gathering Pipeline (miles)

16,738

Treating/Processing Plants

25

Transportation Pipeline (miles)

960

Contract Compression (HP)

1,014,000

NGL Transportation (miles)

1,740

NGL Fractionation (Bbls/d)

225,000

NGL Storage

(MMBbls/d)

47

Pro Forma Asset Summary

4

4

2

3

4

13

Marcellus Productivity: Finding the Sweet Spots

Source: U.S. Capital Advisors

Indicates county in which PVR has operations in service

Indicates county in which PVR has acreage dedications/systems under development

PVR's assets sit in most of the top producing counties in the Marcellus Shale

Marcellus Productivity Rankings

Source: U.S. Capital Advisors

Marcellus EUR Scatter by County

PVR has assets in 6 of the 10 counties generating the highest EURs in the Marcellus Shale

Indicates county in which PVR has operations

14

Summary
15
Extensive
midstream
portfolio
and
strong

position
in
majority
of
high-growth
shale
plays
driving
expansion opportunities
Strong Visibility for
Continued Growth
High-Quality Assets
Integrated Midstream
Platform
Focused on Execution

Completed \$3+ billion in
organic projects and
acquisitions with continued
ramp up in 2014 and beyond

PVR acquisition will add
considerable scale and
significant growth
opportunities, which supports
long-term distribution growth

New organic growth
opportunities continue to
develop across all operating
areas

Assets strategically located in
majority of the most prolific
shale plays and basins

Strong position in oil and
liquids-rich plays driving
significant organic growth
program

High percentage of fee-based
margins

Comprehensive midstream
service provider with
significant presence across
the midstream value chain

Diversity of business mix,

large scale, along with
strategically located assets
enhances stability of cash
flows

SUGS integration
substantially complete

PVR integration plan
underway

Continue to develop and
execute organic projects on
time and within budget

Maintain strong balance
sheet and financial flexibility
Regency is well positioned for long-term distribution growth

Appendix

17

Recently Completed Expansions

1.

Represents Regency s 33.33% share

2.

Represents Regency s 30% share

3.

Represents Regency's 60% share

4.
Represents total project costs. Regency's expected costs since April 30, 2013 are expected to be \$69 million
Project

RGP Growth Capital
(\$ in millions)

Estimated Completion Date

Expected Ramp Up

Ranch

JV

Processing

Facility

1

\$33

Refrigeration Plant June 2012

Cryogenic Processing Plant

Operational December 2012

Currently operating at 75% capacity; 100% contracted
under firm contracts

Lone

Star

Gateway

NGL

Pipeline

2

\$275

December 2012

Expect volumes to continue to increase in
2014 and 2015

Lone

Star

Fractionator

1

2

\$118

December 2012

Throughput reached 72,000 Bbls/d for Q3 2013; 100%
contracted

Tilden Treating Plant Expansion

\$40

January 2013

Volumes have increased more than 40% since the
expansion came online in January 2013

Dubach Expansion

\$75

JT Plant November 2012

Cryogenic Processing Plant June 2013

Legacy and expanded cryogenic operating at 100%
capacity

Red

Bluff

Expansion

4

\$330

In service August 2013

Currently flowing at 70% of capacity which will increase with new gathering tie ins and additional expansion planned for the area

Edwards Lime JV Gathering

System

Expansion

3

\$90

Online Q3 2013

Increased capacity of the treating facility by nearly 45% and Q3 2013 volumes have increased 28% over Q3 2012

Added 17,000 Bbls/d oil gathering system that is currently flowing 10,000 Bbls/d

Lone

Star

Fractionator

2

2

\$105

Q4 2013

Expect volumes to tier up into 2015

Eagle Ford Expansion

\$490

Ongoing; Final Completion Early 2014

Build out 90% complete; Moving over 400 million a day, handling three-phase flow of oil, gas and water

Total Growth Capital

\$1,556

100% fee-based:

Firm reservation charges provide a floor on returns

Additional volumetric fees based upon actual volumes

Gathering Pipeline / Trunkline Miles: 252

Well Connects: 261 (through July 31, 2013)

2013 Q2 Volume (MMcfd): 1,310

377,000+ dedicated acres with substantial producers committed to development

Fresh water pipeline JV supplies producers

In May 2012, PVR acquired a membership interests of Chief Gathering LLC resulting in a major expansion of its pipeline systems in the Eastern Midstream segment

Marcellus Systems Overview

NY

PA

PVR Eastern Midstream Overview

First large-diameter gathering system in north-central PA Marcellus fairway

80 miles of 30-inch pipeline

850 MMcf/d capacity

Phase I began service Q1 2011

Phase II began service Q4 2011

Phase III began service Q4 2012

Total well connects of 125 through July 31, 2013

Lycoming System

Trunkline nature of the system provides bi-directional flows to Transco and Tennessee Gas; adds optionality for producers and effectively doubles capacity on the line

Running through Wyoming Co., PA enables access to 4 market outlets via 2 major pipelines

Began service June 2010

89 miles of 24-inch pipeline in service since Q4 2012

750 MMcf/d capacity

Currently constructing system extension to service additional local producers

Total well connects of 51 through July 31, 2013

Wyoming System

Asset Map

18

PVR Mid-Continent Midstream Overview

Key Highlights

Midcontinent Assets

Traditional midstream gathering and
processing business

Assets are located in attractive
natural gas basins with long-lived

reserves

460 MMcfd processing capacity

Hamlin and Crescent systems

positioned for growth in Cline Shale

and Mississippi Lime, respectively

19

Gathering Pipeline Miles: 4,541

Plants and Processing Capacity: 6

plants (460 MMcfd)

Key Statistics

- 1
Excludes corporate, eliminations and Gulf State contributions
- 2
Represents revenue from segment
- 3
Includes both gathering and processing and transportation
- 4

Includes Eastern and Mid-Continent PVR segments

2013E Gross Margin

20

Improvements to Regency & PVR Business Profile

Pro Forma

Regency

1

PVR

2,3

3

2

3,4

G&P

48%

Contract Services

20%

Nat. Gas

Trans.

20%

NGL Services

12%

Eastern

46%

Mid-

Continent

30%

Coal

24%

G&P

57%

Contract Services

Nat. Gas Trans.

14%

NGL Services

8%

Coal

7%

14%

21
Maintain Stable Cash Flows: DCF Sensitivities
1
As of November 22, 2013
Regency
has
length

in
 natural
 gas
 due
 to
 a
 concerted
 effort
 to
 minimize
 keep-whole
 exposure

A \$10.00 per Bbl movement in crude along with the same percentage change in NGL pricing would result in a \$12 million change in Regency's forecasted 2014 DCF

A \$1.00 per MMBtu movement in natural gas pricing would result in a \$20 million change in Regency's forecasted 2014 DCF

DCF

Sensitivity

to

Commodity

Price

Changes

2014

Decrease \$10.00

Flat

Increase \$10.00

Decrease \$1.00

\$ 32M

\$ 20M

\$ 8M

Flat

\$ 12M

\$ 0

\$ (12)M

Increase \$1.00

\$ (8)M

\$ (20)M

\$(32)M

Change in WTI Price (\$/Bbl)

22

Maintain Stable Cash Flows: Comprehensive Hedging Program

1

As of November 22, 2013. Based on exposures as of Q3 2013

Executed Hedges by Product¹

Balance of 2013

Full Year 2014

Natural Gas/Ethane

41%

51%

Propane

84%

66%

Normal Butane

54%

67%

C5+/Condensate

82%

49%

23

Maintain Stable Cash Flows: Comprehensive Hedging Program

1

As of October 16, 2013

Executed Hedges by Product

1

Balance of 2013

Full Year 2014

Bbls/d

Price

(\$/gal)

Bbls/d

Price

(\$/gal)

Propane

3,150

\$0.96

2,500

\$1.01

Normal Butane

975

\$1.38

1,200

\$1.39

Bbls/d

Price

(\$/Bbl)

Bbls/d

Price

(\$/Bbl)

WTI

2,365

\$97.08

1,426

\$92.70

Cushing to Midland Basis

1,000

(0.35)

-

-

MMbtu/d

Price

(\$/MMbtu)

MMbtu/d

Price

(\$/MMbtu)

Natural Gas (Henry Hub)

23,000

\$3.92

32,000

\$3.96

Natural Gas (Permian)

15,000

\$4.35

15,000

\$4.22

24

Non-GAAP Reconciliation

1

Beginning in the second quarter of 2013, results have been retrospectively adjusted to combine Regency's results with SUGS commonly controlled entities. Results shown prior to the second quarter of 2013 exclude any impact related to the historical SUGS

September 30, 2013

June 30, 2013

March 31, 2013	
December 31, 2012	
September 30, 2012	
June 30, 2012	
March 31, 2012	
Net income (loss)	
42	
11	
(29)	
\$	
(8)	
\$	
(2)	
\$	
28	
\$	
15	
\$	
Add:	
Interest expense, net	
41	
41	
37	
35	
29	
28	
30	
Depreciation and amortization	
74	
68	
65	
60	
71	
69	
53	
Income tax expense (benefit)	
2	
0	

(3)

-

(1)

-

-

EBITDA (1)

159

\$

120

\$

70

\$

87

\$

97

\$

125

\$

98

\$

Add (deduct):

Partnership's ownership interest in unconsolidated affiliates' adjusted EBITDA (2)(3)(4)(5)

66

60

63

56

54

60

57

Income from unconsolidated affiliates

(37)

(31)

(35)

(19)

(20)

(34)

(32)

Non-cash (gain) loss from commodity and embedded derivatives

(14)

(4)

18

(2)

7

(22)

(2)

Loss on debt refinancing, net

-

7

-

-

-

8

-

Other income, net

(2)

3

1

2

1

1

2

Adjusted EBITDA

172

\$

155

\$

117

\$

124

\$

139

\$

138

\$

123

\$

(1) Earnings before interest, taxes, depreciation and amortization.

(2) 100% of Haynesville Joint Venture's Adjusted EBITDA and the Partnership's interest are calculated as follows:

Net income

18

\$

18

\$

20

\$

14

\$

7

\$

26

\$

23

\$

Add (deduct):

Depreciation and amortization

9

9

9

9

9

9

9

Interest expense, net

1

-

1

1

-

1

-

Loss on sale of asset, net

-

-

-

-

1

-

-

Impairment of property, plant and equipment

-

-

-

8

14

-

-

Other expense, net

-

-

-

1

-

-

-

Adjusted EBITDA

28

\$

27

\$

30

\$

33

\$

31

\$

36

\$

32

\$

Ownership interest

49.99%

49.99%

49.99%

49.99%

49.99%

49.99%

49.99%

Partnership's interest in Adjusted EBITDA

14

\$

13

\$

15

\$

15

\$

15

\$

18

\$

16

\$

(3) 100% of MEP Joint Venture's Adjusted EBITDA and the Partnership's interest are calculated as follows:

Net income

21

\$
21
\$
21
\$
21
\$
21
\$
21
\$
21
\$
21
\$
Add:
Depreciation and amortization
17

17

18

17

17

17

17

Interest expense, net
13

13

13

13

13

13

13

Adjusted EBITDA
51
\$
51
\$
52

\$
51
\$
51
\$
51
\$
51
\$
51
Ownership interest

50%
50%
50%
50%
50%
50%
50%

Partnership's interest in Adjusted EBITDA

26
\$
26
\$
26
\$
26
\$
26
\$
26
\$
26
\$
26
\$
26
\$

We acquired a 49.9% interest in MEP Joint Venture in May 2010.

(4) 100% of Lone Star Joint Venture's Adjusted EBITDA and the Partnership's interest are calculated as follows:

Net income

60
\$
44
\$
55
\$
37
\$
31
\$
41
\$
38
\$

Add (deduct):

Depreciation and amortization

21

20

20

14

13

13

12

Other (income) expense, net

1

1

-

-

-

(1)

1

Adjusted EBITDA

82

\$

65

\$

75

\$

51

\$

44

\$

53

\$

51

\$

Ownership interest

30%

30%

30%

30%

30%

30%

30%

Partnership's interest in Adjusted EBITDA

25

\$

20

\$

23

\$

15

\$

13

\$

16

\$

15

\$

We acquired a 30% interest in Lone Star Joint Venture in May 2011.

(5) 100% of Ranch Joint Venture's Adjusted EBITDA and the Partnership's interest are calculated as follows:

Net loss

1

\$

1

\$

-

\$

(1)

\$

(1)

\$

-

\$

-

\$

Add (deduct):

Depreciation and amortization

1

1

1

2

1

-

-

-

Adjusted EBITDA

2
\$
2
\$
2
\$
-
\$
(1)
\$
-
\$
-
\$

Ownership interest

33%
33%
33%
33%
33%
33%
33%

Partnership's interest in Adjusted EBITDA

1
\$
1
\$
1
\$
-
\$
(0)
\$
-
\$
-

We acquired a 33.33% interest in Ranch Joint Venture in December 2011.

(\$ in millions)

Three Months Ended

25
Non-GAAP Reconciliation
2013
2012
Ranch Joint Venture
Net income (loss)
1

\$
 (1)
 \$
 Add:
 Operation and maintenance
 1
 -
 Depreciation and amortization
 1
 1
 Total Segment Margin

3
 \$
 -
 \$

Three Months Ended September 30,
 (\$ in millions)

*Ranch Joint Venture's Refrigeration Processing Plant started its operation in June 2012 and the full facility began operations in December 2012.

2013
 2012

Lone Star Joint Venture
 Net income

61
 \$
 31
 \$

Add:
 Operation and maintenance
 21
 15
 General and administrative
 8
 5
 Depreciation and amortization
 21
 13

Income tax expense
 1
 1
 Total Segment Margin

112
 \$
 65
 \$

Three Months Ended September 30,
 (\$ in millions)

2013
 2012

MEP Joint Venture

Net income	
21	
\$	
21	
\$	
Add:	
Operation and maintenance	
4	
4	
General and administrative	
6	
6	
Depreciation and amortization	
17	
17	
Interest expense, net	
13	
13	
Total Segment Margin	
61	
\$	
61	
\$	
Three Months Ended September 30,	
(\$ in millions)	
2013	
2012	
Haynesville Joint Venture	
Net income	
18	
\$	
7	
\$	
Add:	
Operation and maintenance	
5	
5	
General and administrative	
4	
5	
Depreciation and amortization	
9	
9	
Interest expense, net	
1	
14	
Other income and deductions, net	
-	
1	
Total Segment Margin	

37

\$

41

\$

Three Months Ended September 30,

(\$ in millions)

26
Non-GAAP Reconciliation ¹
September 2013
June 2013
March 2013
December 2012
September 2012
June 2012
March 2012
Net cash flows provided by operating activities
183
\$
112
\$

67

\$

71

\$

79

\$

46

\$

56

\$

Add (deduct):

Depreciation and amortization, including debt issuance cost
amortization and bond premium write-off and amortization

(75)

(68)

(50)

(62)

(47)

(45)

(54)

Income from unconsolidated affiliates

37

31

35

27

21

33

32

Derivative valuation change

14

1

(18)

2

(7)

22

3

Loss on asset sales, net

2

(1)

(1)

(1)

-

(2)

-

Unit-based compensation expenses

(2)

(1)

(2)

(1)

(1)

(1)

(1)

Cash flow changes in current assets and liabilities:

Trade accounts receivables, accrued revenues, and related party receivables

32

27

8

4

10

(14)

(7)

Other current assets and other current liabilities

(25)

137

(13)

1

(7)

6

(5)

Trade accounts payable, accrued cost of gas and liquids,
related party payables and deferred revenues

(89)

(57)

4

(22)

(20)

18

34

Distributions of earnings received from unconsolidated
affiliates

(37)

(35)

(36)

(29)

(29)

(34)

(29)

Other assets and liabilities

2

(135)

1

1

-

-

-

Net (Loss) Income

42

\$

11

\$

(5)

\$

(9)

\$

(1)

\$

29

\$

29

\$

Add:

Interest expense, net

41

41

37

36

29

28

30

Depreciation and amortization

74

68

48

59

46

45

51

Income tax expense (benefit)

2

-

(2)

1

-

-

-

EBITDA

159

\$

120

\$

78

\$

87

\$

74

\$

102

\$

110

\$

Add (deduct):

Partnership's interest in unconsolidated affiliates' adjusted

EBITDA

66

60

63

57

54

59

57

Income from unconsolidated affiliates

(37)

(31)

(35)

(27)

(21)

(34)

(32)

Non-cash loss (gain) from commodity and embedded derivatives

(14)

(4)

18

(2)

7

(22)

(2)

Other income, net

(2)

10

3

2

1

10

1

Adjusted EBITDA

172

\$

155

\$

127

\$

117

\$

115

\$

115

\$

134

\$

Add (deduct):

Interest expense, excluding capitalized interest

(40)

(46)

(42)

(41)

(34)

(41)

(35)

Maintenance capital expenditures

(9)

(13)

(7)

(8)

(11)

(7)

(7)

SUGS Contribution Agreement adjustment *

-

9

14

-

-

-

-

Proceeds from asset sales

-

5

12

4

2

7

13

Other adjustments

(8)

(9)

(3)

(4)

(3)

(3)

(2)

Distributable cash flow

115

\$

101

\$
101
\$
68
\$
69
\$
71
\$
103
\$

* Includes an adjustment to CAFD related to the historical SUGS operations for the time period prior to the Partnership's acquisition of SUGS.

Three Months Ended

(\$ in millions)

1 Historical results have been retrospectively adjusted to combine Regency's results with SUGS results due to the as-if pooling of operations.