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Second Quarter 2018 Update

August 8, 2018 Earnings Call

Forward-Looking Statements

Under the Private Securities Litigation Act of 1995

This document may contain or incorporate by reference forward-looking statements regarding DCP Midstream, LP (the “Partnership” or “DCP”) and its affiliates, including projections, estimates, forecasts, plans and objectives. Although management believes that expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. In addition, these statements are subject to certain risks, uncertainties and other assumptions that are difficult to predict and may be beyond our control. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, the Partnership’s actual results may vary materially from what management anticipated, estimated, projected or expected.

The key risk factors that may have a direct bearing on the Partnership’s results of operations and financial condition are highlighted in the earnings release to which this presentation relates and are described in detail in the Partnership’s periodic reports most recently filed with the Securities and Exchange Commission, including its most recent Forms 10-Q and 10-K. Investors are encouraged to consider closely the disclosures and risk factors contained in the Partnership’s annual and quarterly reports filed from time to time with the Securities and Exchange Commission. The Partnership undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by applicable securities laws. Information contained in this document speaks only as of the date hereof, is unaudited, and is subject to change.

Regulation G

This document includes certain non-GAAP financial measures as defined under SEC Regulation G, such as distributable cash flow (DCF), adjusted EBITDA, adjusted segment EBITDA, gross margin, segment gross margin, forecasted distributable cash flow and forecasted adjusted EBITDA. A reconciliation of these measures to the most directly comparable GAAP measures is included in the Appendix to this presentation.

Q2 2018 Highlights and Execution

Q2 2018 Highlights

Q2 2018 Results

Strong Q2 results / updated guidance	• Generated $270 million of adjusted EBITDA and $166 million of DCF • Distribution coverage 1.08x • Bank facility leverage 3.6x • Strengthened 2018 guidance range to $1,065-$1,135 million adjusted EBITDA and $635-$670 million DCF
Record volumes in key areas	• Increased G&P wellhead volumes, including record DJ Basin • Record Sand Hills throughput volumes ramping quickly with expansions

Expanding Value Chain in Some of the Most Prolific Regions in the Country

Expanding DJ capacity	• 200 MMcf/d Mewbourn 3 plant placed in service • 300 MMcf/d O'Connor 2 facility under construction
Expanding NGL takeaway	• Increased Sand Hills capacity to 425 MBpd in Q2, three months ahead of schedule; next expansion to 485 MBpd by end of 2018
Expanding gas takeaway	• Gulf Coast Express Permian gas takeaway pipeline fully subscribed and underway
Expanding fractionation footprint	• Option to acquire 30% ownership interest in two new Sweeny fractionators • Driving continued vertical integration into fractionation

Expanding fully integrated portfolio and delivering strong Q2 results

Strategic Growth Highlights

A Gathering and Processing: DJ Basin

- Mewbourn 3 - 200 MMcf/d plant placed in service in August
- O'Connor 2 - 300 MMcf/d facility, including up to 100 MMcf/d bypass, under construction; in-service Q2 2019

B Logistics - NGL Transport: Southern Hills

- Southern Hills extension into the DJ via White Cliffs pipeline progressing; adding 90 MBpd* out of the DJ in Q4 2019

C Logistics - NGL Transport: Sand Hills

- Increased Sand Hills capacity to 425 MBpd in Q2 2018; expansion to 485 MBpd in Q4 2018

D Logistics - Gas Pipelines: Gulf Coast Express

- Gulf Coast Express ~2.0 Bcf/d gas takeaway pipeline fully subscribed and underway; in-service Q4 2019

E Logistics - Fractionation: Sweeny

- Option to acquire 30% ownership interest in two new Sweeny fracs once in-service in Q4 2020

** DCP has a 50 MBpd long-term capacity lease on White Cliffs*

Disciplined capital allocation strategy focused on strong returns and increased cash flow

Extending Logistics Value Chain via Sweeny

Option to expand DCP's fractionation network into Sweeny Hub in partnership with Phillips 66

Connecting growing NGL production from key basins to Gulf Coast

Strategic Rationale

- Extending value chain into strategic Gulf Coast linking customers to growing PetChem market and Phillips 66 export facility
- Increasing ability to offer integrated customer solutions leveraging extensive footprint
- Sweeny Hub ensures adequate fractionation capacity for growing NGL production while providing a market alternative to Mont Belvieu
- Increased fee-based earnings

Option for 30% Ownership in New Sweeny Fractionators

- Phillips 66 is expanding its existing 100 MBpd Sweeny fractionators with two additional 150 MBpd NGL fractionators
- DCP has option to acquire up to 30% ownership interest in the two new Sweeny fractionators for approximately $400 million at the in-service date, which is expected in Q4 of 2020

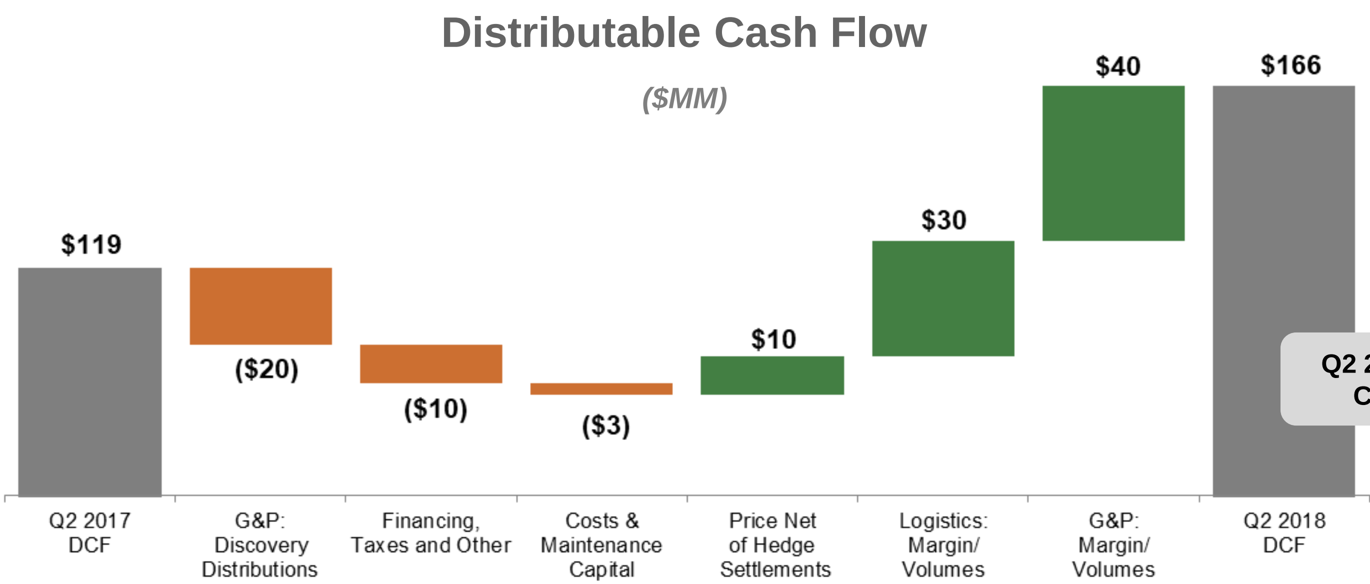
Committing Supply to Support New Sweeny Fractionators

- Extended term on existing Sweeny fractionation agreements to late 2020's
- Committing additional NGLs to Sweeny

Driving continued vertical integration and fee-based earnings growth

Consolidated Q2 2018 Financial Results

Strong G&P and Logistics & Marketing results are more than offsetting lower Discovery and higher costs



Q2 2018 Distribution Coverage 1.08x

Key drivers

- Stronger G&P margins and volumes from the Eagle Ford, DJ Basin and Midcontinent
- Strong Logistics and Marketing results driven by Sand Hills and Southern Hills volume growth, ethane recovery and Guadalupe
- Higher commodity price benefit
- Portfolio performance more than offsetting
  - G&P declines from Discovery
  - Higher financing and costs primarily associated with expected maintenance

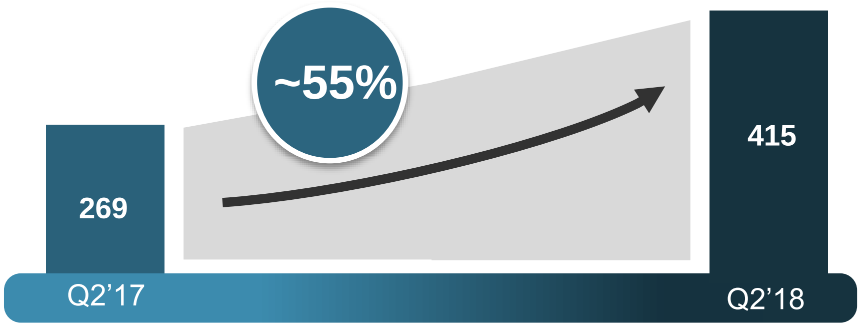
2018 Updated Guidance Range

$1,065-$1,135 million adjusted EBITDA
$635-$670 million DCF

Diversified portfolio with strong G&P and Logistics results… strengthening 2018 guidance

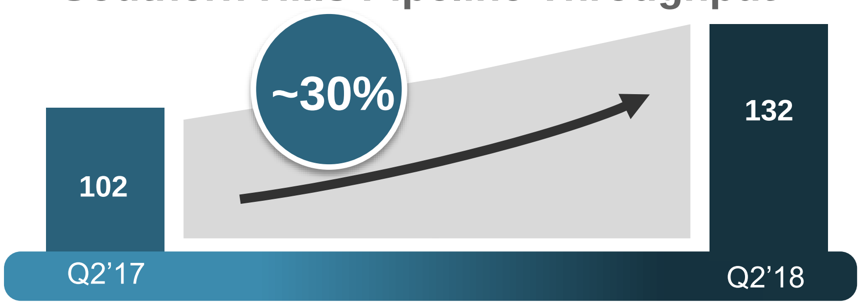
Volume Growth Across Full Value Chain

Sand Hills Pipeline Throughput[1]



- Permian growth and ethane recovery
- Sand Hills capacity expansions
- Innovation and operational optimization

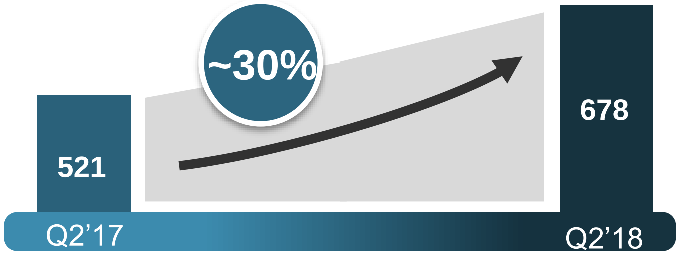
Southern Hills Pipeline Throughput[1]



- Ethane recovery
- Increased Midcontinent volumes

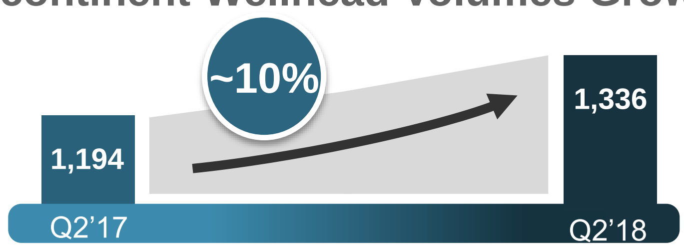
(1) Reflects 100% volumes

Eagle Ford Wellhead Volumes Recovering



DJ Basin Wellhead Volumes Growing at Record Levels

Midcontinent Wellhead Volumes Growing



Full value chain volume growth driving second quarter results

Q2 2018 Financial Position

Ample Liquidity and Financial Flexibility

- 3.6x bank facility leverage ratio(1)(2)
- Ample liquidity with $1.25 billion available on bank facility(2)
- Strong recent capital markets execution
  - Issued $161 million retail preferred equity, including shoe
  - Issued $500 million bonds at 5.375% due 2025 to redeem $450 million 9.75% bonds due 2019
- Multiple financing alternatives to fund growth

Pro Forma Bond Maturity Schedule(3)

Financial Priorities & 2018 Guidance	*Q2 2018 Actual*
Bank leverage(1) ~4.0x	*3.6x*
Distribution coverage ≥1.0x	*1.08x*
Stable distribution driving towards growth	*Q2 distribution $0.78/unit*

(1) Bank leverage ratio calculation = Bank debt (excludes $550 million Jr. Subordinated notes which are treated as equity) less cash, divided by Adjusted EBITDA, plus certain project EBITDA credits from projects under construction

(2) As of June 30, 2018

(3) Excludes $450MM 9.75% Notes due March 2019, to be redeemed in August 2018 with proceeds from July 2018 $500MM bond issuance

Strengthening credit metrics… targeting investment grade

Key Takeaways

Transforming our business… fully integrated value chain driving increasing cash flows

- **Continued momentum delivering strong results, coverage and leverage**
  - Strengthened 2018 guidance
- **Fully integrated midstream provider**
  - Balanced portfolio comprised of 45% Logistics & Marketing and 55% Gathering & Processing adjusted EBITDA
  - Leveraging and expanding G&P footprint to grow high return, fee-based Logistics business
  - Driving continued vertical integration with additional fractionation
- **Disciplined capital allocation strategy focused on strong 2-7x returns and increasing cash flows**
  - Multi-year DJ Basin infrastructure expansion providing up to 1.5 Bcf/d of processing and bypass capacity, up to 220 MBpd NGL takeaway and 600 MMcf/d gas takeaway
  - Expanding Permian Logistics footprint via Sand Hills and Gulf Coast Express
  - Extending fractionation network with 30% ownership option in two new Sweeny fracs

DCP Midstream – Appendix:
Financial and Other Supporting Slides

2018 Updated Guidance

2018 Updated Guidance *($ in Millions)*

Adjusted EBITDA(1)	$1,065-1,135
Distributable Cash Flow (DCF) (1)(2)	$635-670
Total GP/ Common LP Distributions	$618
Preferred Unit Distributions(2)	$45
Distribution Coverage Ratio (TTM)(3)	≥1.0x
Bank Leverage(4)	~4.0x
Maintenance Capital	$100-120
Growth Capital	$650-750

(1) Adjusted EBITDA and distributable cash flow are Non GAAP measures. See Non GAAP reconciliation in the appendix section
(2) Distributable cash flow is reduced by cumulative cash distributions earned by the Series A and Series B Preferred Units
(3) Includes IDR giveback, if needed, to target a 1.0x distribution coverage ratio
(4) Bank leverage ratio calculation = Bank debt (excludes $550 million Jr. Subordinated notes which are treated as equity) less cash, divided by Adjusted EBITDA, plus certain project EBITDA credits from projects under construction

2018 Assumptions

- ⬆ Higher Sand Hills volumes, earnings and distributions associated with expansions placed in service
- ⬆ Higher G&P volumes and margins across key regions
- ⬆ Stronger asset performance enhanced by DCP 2.0 digital transformation investment
- ❖ No planned common equity offerings
- ❖ Potential upside from ethane recovery
- ⬇ Lower Discovery earnings and distributions

Volume Outlook

Slight G&P volume growth in 2018

- North: increasing with Mewbourn 3 completion
- Permian: slight growth driven by the Delaware
- Midcontinent: flat, with SCOOP growth being offset by Western Midcontinent declines
- South: slight decrease, with Eagle Ford growth largely offsetting Discovery and other declines

Logistics volume growth driven by Sand Hills

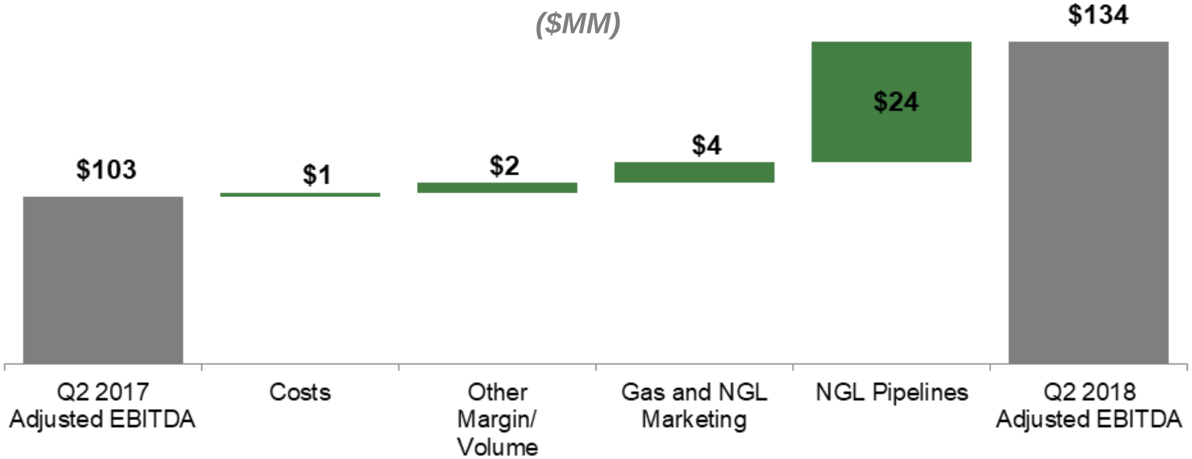
- Sand Hills: continued ramp from Permian NGL production growth and capacity expansions

Strengthened adjusted EBITDA and DCF guidance

Adjusted Segment EBITDA*

Logistics & Marketing Adjusted EBITDA*

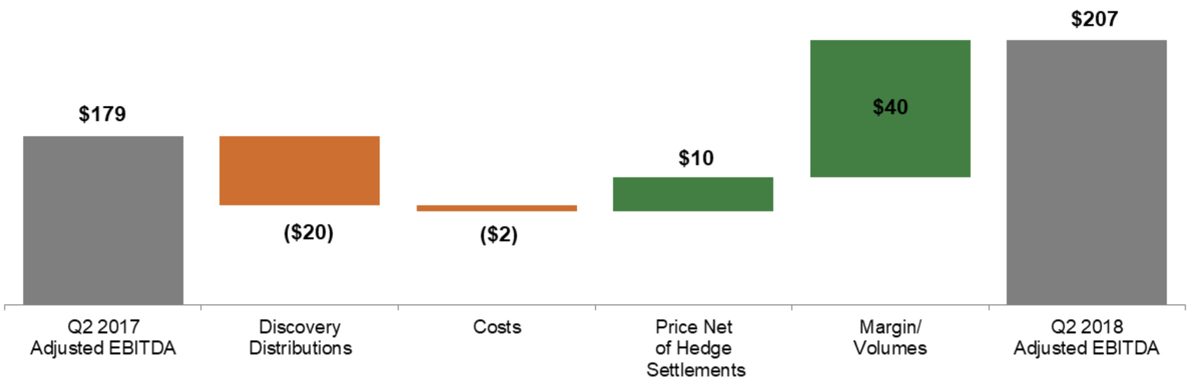
($MM)



Strong Q2 2018 Sand Hills and Southern Hills NGL volume growth and marketing results

Gathering & Processing Adjusted EBITDA*

($MM)



G&P margin and volume growth is more than offsetting lower Discovery and higher costs

** Adjusted Segment EBITDA is viewed as a non-Generally Accepted Accounting Principles (GAAP) measure under the rules of the SEC and is reconciled to its most directly comparable GAAP financial measure under “Reconciliation of Non-GAAP Financial Measures” in schedules at the end of this presentation*

Volumes

Logistics NGL Pipeline Volume Trends and Utilization

Pipeline	Approx System Length (Miles)	Average Gross Capacity (MBbls/d)	% Owned	Net Capacity (MBpd)	Q2'17 Average NGL Throughput (MBpd)(1)	Q1'18 Average NGL Throughput (MBpd)(1)	Q2'18 Average NGL Throughput (MBpd)(1)	Q2'18 Pipeline Utilization
Sand Hills	1,300	415	66.70%	277	180	239	277	100%
Southern Hills	950	175	66.70%	117	68	75	88	75%
Front Range	450	150	33.30%	50	37	38	43	86%
Texas Express	600	280	10.00%	28	16	15	21	75%
Other(2)	1,200	326	Various	241	150	152	163	68%
Total	**4,500**	**1,346**			**451**	**519**	**592**	

(1) Represents total throughput allocated to our proportionate ownership share
(2) Other includes the Black Lake, Panola, Seabreeze, Wilbreeze and other NGL pipelines

Sand Hills is bringing on more capacity at a faster pace than originally anticipated; end of Q2 2018 gross capacity at 425 MBpd

G&P Volume Trends and Utilization

System	Q2'18 Net Plant/ Treater Capacity (MMcf/d)	Q2'17 Average Wellhead Volumes (MMcf/d)	Q1'18 Average Wellhead Volumes (MMcf/d)	Q2'18 Average Wellhead Volumes (MMcf/d)	Q2'18 Average NGL Production (MBpd)	Q2'18 Plant Utilization(3)
North(4)(5)	1,190	1,048	1,206	1,206	94	101%
Permian	1,260	964	872	919	110	73%
Midcontinent	1,765	1,194	1,194	1,336	115	76%
South	2,315	1,252	1,195	1,336	107	58%
Total	**6,530**	**4,458**	**4,467**	**4,797**	**426**	**73%**

(3) Plant utilization: Average wellhead volumes divided by active plant capacity, excludes idled plant capacity
(4) Q2'17 wellhead volumes exclude 25MMcf/d, associated with the sale of Douglas, Wyoming in June 2017
(5) Q2'17, Q1'18 and Q2'18 include 796 MMcf/d, 886 MMcf/d and 918 MMcf/d, respectively, of DJ Basin wellhead volumes. Remaining volumes are Michigan and Collbran, WY treating

Continued record DJ wellhead volume

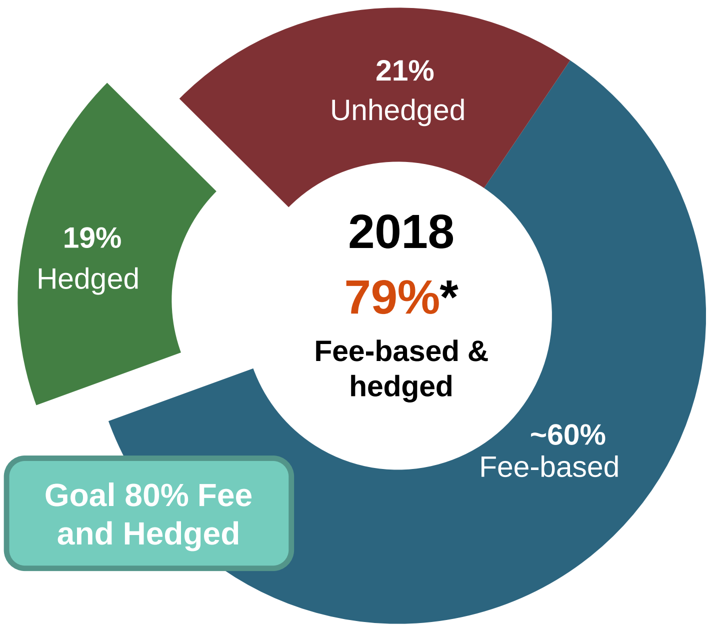
Strong ramp in Midcon and Eagle Ford volumes

2018 Gross Margin, Sensitivities and Hedges

DCP Midstream

Investments in fee-based growth coupled with multi-year hedging program provides downside protection on commodity exposed margin

2018 Gross Margin



* 60% fee plus 40% commodity margin x 47% hedged = 79% fee and hedged as of 7/31/18

2018 Annual Commodity Sensitivities

Commodity	Per unit Δ	Before Hedges ($MM)	Hedge Impact	After Hedges ($MM)
NGL ($/gallon)	$0.01	$7	($3)	$4
Natural Gas ($/MMBtu)	$0.10	$8	-	$8
Crude Oil ($/Barrel)	$1.00	$5	($3)	$2

Hedge position as of 7/31/18	Q3'18	Q4'18	Q3-Q4 2018	Q1-Q4 2019
NGLs hedged[1] (Bbls/d)	25,924	24,457	25,190	7,771
Average hedge price[1] ($/gal)	$0.62	$0.62	$0.62	$0.67
% NGL exposure hedged			~55%	
Crude hedged (Bbls/d)	10,109	10,109	10,109	3,614
Average hedge price ($/Bbl)	$56.86	$56.58	$56.72	$61.78
% crude exposure hedged			~70%	
Total equity length hedged (based on crude equivalent)			*47%*	*~15%*[2]

Added crude and NGL hedges in 2018 and 2019
2019 ~15% hedged [2]

Note: Fee includes NGL, propane and gas marketing which depend on price spreads rather than nominal price level

(1) Direct commodity hedges for equity length at Mont Belvieu prices. Average NGL hedge price is based on an industry average weighted barrel

(2) 2019 hedge % calculated utilizing 2018 equity position which will be updated when 2019 guidance is rolled out

Reducing commodity volatility via opportunistic hedges

Margin by Segment*

$MM, except per unit measures	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Gathering & Processing (G&P) Segment					
Natural gas wellhead - Bcf/d	4.80	4.47	4.60	4.46	4.48
Segment gross margin including equity earnings before hedging [1]	$ 401	$ 350	$ 402	$ 375	$ 352
Net realized cash hedge settlements received (paid)	$ (24)	$ (11)	$ (25)	$ (6)	$ (2)
Non-cash unrealized gains (losses)	$ (42)	$ 14	$ (20)	$ (51)	$ 16
G&P Segment gross margin including equity earnings	**$ 335**	**$ 353**	**$ 357**	**$ 318**	**$ 366**
G&P Margin including equity earnings before hedging/wellhead mcf	$ 0.92	$ 0.87	$ 0.95	$ 0.92	$ 0.86
G&P Margin including equity earnings and realized hedges/wellhead mcf	$ 0.86	$ 0.84	$ 0.89	$ 0.90	$ 0.86
G&P Segment Fee as % of G&P margin including equity earnings before hedging [2]	38%	39%	41%	42%	46%
Logistics & Marketing Segment gross margin including equity earnings [3]	**$ 150**	**$ 95**	**$ 103**	**$ 116**	**$ 112**
Total gross margin including equity earnings	**$ 485**	**$ 448**	**$ 460**	**$ 434**	**$ 478**
Direct Operating and G&A Expense	$ (255)	$ (221)	$ (236)	$ (237)	$ (249)
DD&A	(97)	(94)	(97)	(94)	(94)
Other Income (Loss) [4]	(3)	(2)	4	(48)	29
Interest Expense, net	(67)	(67)	(70)	(73)	(73)
Income Tax Expense	(1)	(1)	3	(2)	(2)
Noncontrolling interest	(1)	(1)	(4)	(0)	(1)
Net Income (Loss) - DCP Midstream, LP	**$ 61**	**$ 62**	**$ 60**	**$ (20)**	**$ 88**
Industry average NGL $/gallon	$ 0.76	$ 0.70	$ 0.72	$ 0.62	$ 0.55
NYMEX Henry Hub $/mmbtu	$ 2.80	$ 3.00	$ 2.93	$ 3.00	$ 3.18
NYMEX Crude $/bbl	$ 67.88	$ 62.87	$ 55.40	$ 48.23	$ 48.28
Other data:					
NGL pipelines throughput (MBbl/d) [5]	592	519	503	462	451
NGL Production (MBbl/d)	426	384	406	376	366
Total Fee margin as % of Total gross margin including equity earnings before G&P hedging [6]	55%	52%	53%	56%	59%

FOOTNOTES:

(1) Represents Gathering and Processing (G&P) Segment gross margin plus Earnings from unconsolidated affiliates, excluding trading and marketing (losses) gains, net

(2) G&P segment fee margin includes Transportation, processing and other revenue, adding the impact of Topic 606 change per Footnote 2 in the Notes to Condensed Consolidated Financial Statements, plus approximately 90% of Earnings from unconsolidated affiliates

(3) Represents Logistics and Marketing Segment gross margin plus Earnings from unconsolidated affiliates

(4) "Other Income" includes gain/(loss) on asset sales, asset write-offs and other miscellaneous items

(5) This volume represents equity and third party volumes transported on DCP's NGL pipeline assets

(6) Total Fee margin includes G&P segment fee margin (refer to (2) above), plus the Logistics and Marketing segment which includes fees for NGL transportation and fractionation, and NGL, propane and gas marketing which depend on price spreads rather than nominal price level

* *Segment gross margin is viewed as a non-Generally Accepted Accounting Principles ("GAAP") measure under the rules of the Securities and Exchange Commission ("SEC"), and is reconciled to its most directly comparable GAAP financial measures under "Reconciliation of Non-GAAP Financial Measures" in schedules at the end of this presentation.*

Disciplined and Strategic Growth

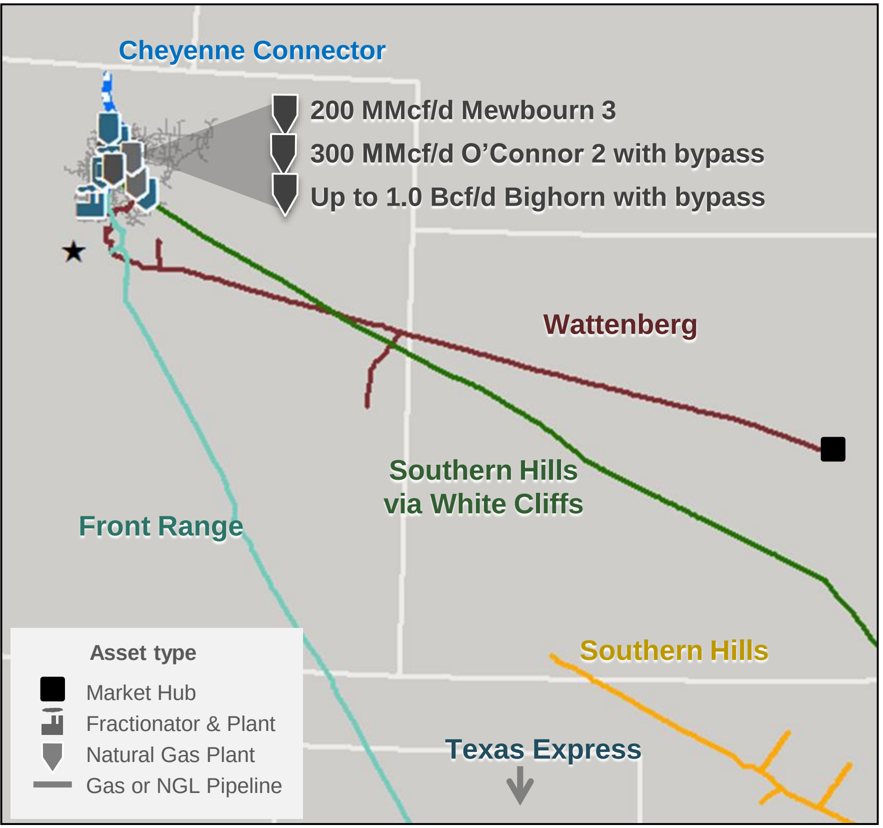
Executing strategic, lower risk growth projects at 2-7x multiples with line of sight to fast volume ramp… growing fee-based earnings

Projects in Progress *($MM net to DCP's interest)*	**Est. 100% Capacity**	**Status**	**Est. CapEx**	**Expected In-Service**
Gathering & Processing				
DJ Mewbourn 3 plant	200 MMcf/d	**In Service**	$395	**Aug 2018**
DJ O'Connor 2 plant	200 MMcf/d	In Progress	$350-400	Q2 2019
DJ O'Connor 2 bypass	Up to 100 MMcf/d	In Progress	$35	Q2 2019
DJ Bighorn plant 12 including bypass	Up to 1.0 Bcf/d	Development		2020+
Logistics				
Permian Sand Hills 85 MBpd expansion (67%)	485 MBpd	In Progress	$300	Q4 2018
DJ Front Range 100 MBpd expansion (33%)	250 MBpd	In Progress	$40-45	Q3 2019
DJ Texas Express 90 MBpd expansion (10%)		In Progress	$10-15	Q3 2019
DJ Cheyenne Connector (option to acquire 33%)	600 MMcf/d	Development	$70	Q3 2019
Permian Gulf Coast Express (25%)	~2.0 Bcf/d	In Progress	$440	Q4 2019
DJ NGL takeaway via White Cliffs NGL pipeline	90 MBpd	Development	$50-75	Q4 2019
Sweeny fracs (option to acquire 30% at in-service)	2 fracs-150 MBpd each	Announced	$400	Q4 2020

Deliberately choosing projects in key regions across our integrated value chain

Extending Integrated DJ Basin Infrastructure

Expanding leading DJ Basin footprint…
Solving G&P, NGL and gas takeaway for our producers well into the next decade



G&P Expansion… adding up to 1.5 Bcf/d capacity

- Mewbourn 3 200 MMcf/d plant in-service, earlier than expected… volumes expected to ramp quickly
- O'Connor 2 300 MMcf/d facility, including up to 100 MMcf/d bypass, under construction with Q2 2019 in-service
- Bighorn plant 12 adding up to 1 Bcf/d including bypass; 2020 & beyond

NGL Takeaway… adding up to 220 MBpd

- Southern Hills extension into the DJ via White Cliffs pipeline adding 90 MBpd* out of the DJ Q4 2019; expandable to 120 MBpd
- Front Range 100 MBpd** and Texas Express 90 MBpd** expansions progressing well; in-service Q3 2019

Gas Takeaway… adding 600 MMcf/d

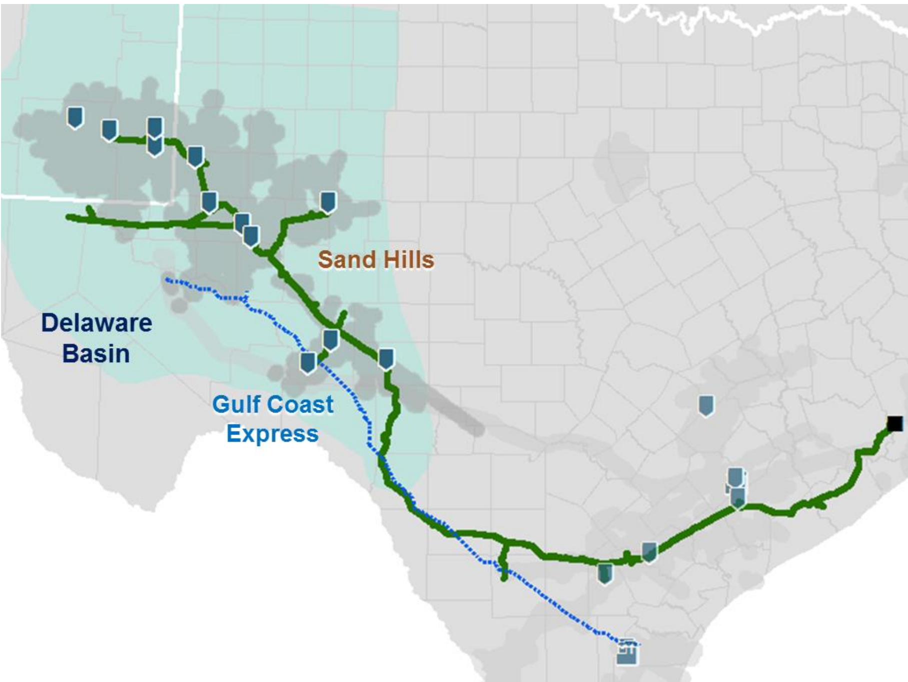
- Cheyenne Connector will provide 600MMcf/d residue gas takeaway capacity; in-service Q3 2019
  - DCP secured 300 MMcf/d of transport
  - Option to acquire 33% equity ownership stake

** DCP has a 50 MBpd long-term capacity lease on White Cliffs*
*** Represents 100% capacity. DCP owns 33% of Front Range and 10% of Texas Express*

Mewbourn 3 in-service… DJ expansions meeting the growing needs of our producers

Expanding Permian Logistics Footprint

Extending Logistics value chain with fee-based projects…
Sand Hills leverages the entire Permian with lower risk and higher returns



Strategic focus on higher margin fee-based Logistics growth given risk of G&P overbuild and tighter margins

Sand Hills NGL Pipeline Expansion

- Increased capacity to 425 MBpd in Q2 2018… one quarter earlier than expected
- Sand Hills expansion to 485 MBpd by end of 2018 progressing well
- Profitable, fee-based contract portfolio with 10-15 year commitments

Gulf Coast Express Natural Gas Pipeline

- Gulf Coast Express gas takeaway pipeline fully subscribed and underway; in-service Q4 2019
- 500 mile primarily 42” intrastate pipeline connecting Permian to Gulf Coast; ~2 Bcf/d capacity
- Supply push from Permian growth where DCP’s G&P position provides significant connectivity

Executing strategic, lower risk growth projects
with line of sight to fast volume ramp… growing fee-based earnings

dcp Midstream

Non GAAP Reconciliations

Non GAAP Reconciliation

($ in millions)	Three Months Ended June 30, 2018		Three Months Ended June 30, 2017		Six Months Ended June 30, 2018		Six Months Ended June 30, 2017	
Gathering and Processing (G&P) Segment								
Segment net income attributable to partners	$	76	$	141	$	189	$	293
Operating and maintenance expense		169		162		317		315
Depreciation and amortization expense		87		86		171		171
General and administrative expense		2		7		6		13
Other expense, net		-		3		3		3
Earnings from unconsolidated affiliates		(2)		(24)		(3)		(44)
Gain on sale of assets, net		-		(34)		-		(34)
Net income attributable to noncontrolling interests		1		1		2		1
Segment gross margin	**$**	**333**	**$**	**342**	**$**	**685**	**$**	**718**
Earnings from unconsolidated affiliates		2		24		3		44
Segment gross margin including equity earnings	**$**	**335**	**$**	**366**	**$**	**688**	**$**	**762**
Logistics and Marketing Segment								
Segment net income attributable to partners	$	130	$	92	$	209	$	179
Operating and maintenance expense		11		13		22		22
Depreciation and amortization expense		3		3		6		7
Other expense, net		3		2		2		11
General and administrative expense		3		2		6		5
Earnings from unconsolidated affiliates		(94)		(62)		(171)		(116)
Segment gross margin	**$**	**56**	**$**	**50**	**$**	**74**	**$**	**108**
Earnings from unconsolidated affiliates		94		62		171		116
Segment gross margin including equity earnings	**$**	**150**	**$**	**112**	**$**	**245**	**$**	**224**

*** We define gross margin as total operating revenues including trading and marketing gains and losses, less purchases and related costs, and we define segment gross margin for each segment as total operating revenues for that segment including trading and marketing gains and losses less purchases and related costs for that segment. Segment gross margin is included as a supplemental disclosure because it is a primary performance measure used by management as it represents the results of product sales versus product purchases and related costs. As an indicator of our operating performance, margin should not be considered an alternative to, or more meaningful than, net income or net cash provided by operating activities as determined in accordance with GAAP. Our gross margin may not be comparable to a similarly titled measure of another company because other entities may not calculate gross margin in the same manner.*

Commodity Derivative Activity

($ in millions)	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Gathering & Processing Segment: Non-cash unrealized (losses) gains	$ (42)	$ 16	$ (28)	$ 47
Logistics & Marketing Segment: Non-cash unrealized gains (losses)	5	8	(38)	13
Non-cash unrealized (losses) gains – commodity derivative	**(37)**	**24**	**(66)**	**60**
Gathering & Processing Segment: Net realized cash hedge settlements paid	(24)	(2)	(35)	(11)
Logistics & Marketing Segment: Net realized cash hedge settlements (paid) received	(6)	-	(7)	4
Net realized cash hedge settlements paid	**(30)**	**(2)**	**(42)**	**(7)**
Trading and marketing (losses) gains, net	**(67)**	**22**	**(108)**	**53**

Non GAAP Reconciliation

	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
	(Millions)			
Reconciliation of Non-GAAP Financial Measures:				
Net income attributable to partners	$ 61	$ 88	$ 123	$ 189
Interest expense	67	73	134	146
Depreciation, amortization and income tax expense, net of noncontrolling interests	98	96	193	191
Distributions from unconsolidated affiliates, net of earnings	6	15	19	17
Other non-cash charges	1	2	3	12
Gain on sale of assets, net	—	(34)	—	(34)
Non-cash commodity derivative mark-to-market	37	(24)	66	(60)
Adjusted EBITDA	$ 270	$ 216	$ 538	$ 461
Interest expense	(67)	(73)	(134)	(146)
Maintenance capital expenditures, net of noncontrolling interest portion and reimbursable projects	(26)	(29)	(49)	(44)
Preferred unit distributions ***	(11)	—	(20)	—
Other, net	—	5	2	9
Distributable cash flow	$ 166	$ 119	$ 337	$ 280
Net cash provided by operating activities	$ 209	$ 216	$ 331	$ 360
Interest expense	67	73	134	146
Net changes in operating assets and liabilities	(41)	(44)	13	22
Non-cash commodity derivative mark-to-market	37	(24)	66	(60)
Other, net	(2)	(5)	(6)	(7)
Adjusted EBITDA	$ 270	$ 216	$ 538	$ 461
Interest expense	(67)	(73)	(134)	(146)
Maintenance capital expenditures, net of noncontrolling interest portion and reimbursable projects	(26)	(29)	(49)	(44)
Preferred unit distributions ***	(11)	—	(20)	—
Other, net	—	5	2	9
Distributable cash flow	$ 166	$ 119	$ 337	$ 280

*** Represents cumulative cash distributions earned by the Series A and B Preferred Units, assuming distributions are declared by DCP's board of directors.

Non GAAP Reconciliation

	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
	(Millions, except as indicated)		(Millions, except as indicated)	
Gathering and Processing Segment:				
Financial results:				
Segment net income attributable to partners	$ 76	$ 141	$ 189	$ 293
Non-cash commodity derivative mark-to-market	42	(16)	28	(47)
Depreciation and amortization expense, net of noncontrolling interest	88	86	172	171
Gain on sale of assets, net	—	(34)	—	(34)
Distributions from unconsolidated affiliates, net of earnings	1	(1)	9	4
Other charges	—	3	3	3
Adjusted segment EBITDA	$ 207	$ 179	$ 401	$ 390
Operating and financial data:				
Natural gas wellhead (MMcf/d)	4,797	4,483	4,632	4,532
NGL gross production (MBbls/d)	426	366	405	359
Operating and maintenance expense	$ 169	$ 162	$ 317	$ 315
Logistics and Marketing Segment:				
Financial results:				
Segment net income attributable to partners	$ 130	$ 92	$ 209	$ 179
Non-cash commodity derivative mark-to-market	(5)	(8)	38	(13)
Depreciation and amortization expense	3	3	6	7
Distributions from unconsolidated affiliates, net of earnings	5	16	10	13
Other charges	1	—	—	9
Adjusted segment EBITDA	$ 134	$ 103	$ 263	$ 195
Operating and financial data:				
NGL pipelines throughput (MBbls/d)	592	451	555	439
NGL fractionator throughput (MBbls/d)	54	53	58	48
Operating and maintenance expense	$ 11	$ 13	$ 22	$ 22

Non GAAP Reconciliation

	Three Months Ended June 30, 2018	Six Months Ended June 30, 2018
	(Millions, except as indicated)	
Reconciliation of Non-GAAP Financial Measures:		
Distributable cash flow	$ 166	$ 337
Distributions declared **	$ 154	$ 309
Distribution coverage ratio - declared	1.08 x	1.09 x
Distributable cash flow	$ 166	$ 337
Distributions paid ***	$ 155	$ 349
Distribution coverage ratio - paid	1.07 x	0.97 x

	Quarter Ended September 30, 2017	Quarter Ended December 31, 2017	Quarter Ended March 31, 2018	Quarter Ended June 30, 2018	Twelve Months Ended June 30, 2018
	(Millions, except as indicated)				
Distributable cash flow	$ 187	$ 176	$ 171	$ 166	$ 700
Distributions declared **	$ 155	$ 194	$ 155	$ 154	$ 658
Distribution coverage ratio - declared	1.21x	0.91x	1.10x	1.08x	1.06x
Distributable cash flow	$ 187	$ 176	$ 171	$ 166	$ 700
Distributions declared without IDR giveback	$ 155	$ 154	$ 155	$ 154	$ 618
Distribution coverage ratio - declared without IDR giveback	1.21x	1.14x	1.10x	1.08x	1.13x
Distributable cash flow	$ 187	$ 176	$ 171	$ 166	$ 700
Distributions paid ***	$ 134	$ 155	$ 194	$ 155	$ 638
Distribution coverage ratio - paid	1.40x	1.14x	0.88x	1.07x	1.10x

** There were no IDR givebacks reflected in distributions declared for the three, six and twelve months ended June 30, 2018.

*** Distributions paid reflect $20 million of IDR givebacks during the three months ended September 30, 2017, and the payment of $40 million of IDR givebacks previously withheld during the three months ended March 31, 2018.

Non GAAP Reconciliation

	Twelve Months Ended December 31, 2018	
	Low Forecast	High Forecast
	(Millions)	
Reconciliation of Non-GAAP Measures:		
Forecasted net income attributable to partners	$ 345	$ 390
Distributions from unconsolidated affiliates, net of earnings	60	70
Interest expense, net of interest income	285	300
Income taxes	5	5
Depreciation and amortization, net of noncontrolling interests	390	390
Non-cash commodity derivative mark-to-market	(20)	(20)
Forecasted adjusted EBITDA	1,065	1,135
Interest expense, net of interest income	(285)	(300)
Maintenance capital expenditures, net of reimbursable projects	(100)	(120)
Preferred unit distributions ***	(45)	(45)
Forecasted distributable cash flow	$ 635	$ 670

*** Represents cumulative cash distributions earned by the Series A and Series B Preferred Units, assuming distributions are declared by DCP's board of directors.