DCP Midstream Partners, LP
Form 424B2
February 28, 2014
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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Maximum Aggregate Offering Price	Amount of Registration Fee (1)
Common units representing limited partner interests	$702,937,500	$90,539

(1) In accordance with Rule 457(r), the filing fee has been transmitted to the Securities and Exchange Commission in connection with the securities offered under Registration Statement File No. 333-182116 by means of this prospectus supplement.

Filed Pursuant to Rule 424(b)(2)
Registration No. 333-182116

PROSPECTUS SUPPLEMENT

(To prospectus dated June 14, 2012)

DCP MIDSTREAM PARTNERS, LP

12,500,000 Common Units

Representing Limited Partner Interests

We are selling 12,500,000 common units representing limited partner interests in DCP Midstream Partners, LP.

Our common units are listed on the New York Stock Exchange under the symbol DPM. The last reported sales price of our common units on the New York Stock Exchange on February 27, 2014 was $48.90 per common unit.

Investing in our common units involves risk. See Risk Factors on page S-10 of this prospectus supplement and on page 6 of the accompanying prospectus.

	Per Common Unit	Total
Price to the public	$ 48.90	$ 611,250,000
Underwriting discounts and commissions	$ 1.7604	$ 22,005,000
Proceeds to DCP Midstream Partners, LP (before expenses)	$ 47.1396	$ 589,245,000

We have granted the underwriters a 30-day option to purchase up to an additional 1,875,000 common units from us on the same terms and conditions if the underwriters sell more than 12,500,000 common units in this offering.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the common units on or about March 5, 2014.

Joint Book-Running Managers

Wells Fargo Securities Barclays BofA Merrill Lynch Citigroup Morgan Stanley
Credit Suisse Deutsche Bank Securities Goldman, Sachs & Co. J.P. Morgan RBC Capital Markets

Co-Managers

Baird Stifel BB&T Capital Markets Ladenburg Thalmann & Co. Inc.

Prospectus Supplement dated February 27, 2014

ASSETS OF DCP MIDSTREAM PARTNERS, LP

Note: Includes assets to be contributed by or acquired from DCP Midstream, LLC pursuant to the purchase and sale and contribution agreements described herein.

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PROSPECTUS SUPPLEMENT

PROSPECTUS

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ABOUT THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS

This document is in two parts. The first part is the prospectus supplement, which describes our business and the specific terms of this offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into the prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information about securities we may offer from time to time, some of which do not apply to this offering. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or the documents incorporated by reference into the prospectus supplement or the accompanying prospectus, the information in this prospectus supplement controls. Before you invest in our common units, you should carefully read this prospectus supplement and the accompanying prospectus, in addition to the information contained in the documents we refer to under the heading Information Incorporated by Reference in this prospectus supplement and Where You Can Find More Information in the accompanying prospectus.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus, or any free writing prospectus we may authorize to be delivered to you. Neither we nor the underwriters have authorized anyone to provide you with information that is different. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus supplement is not an offer to sell or a solicitation of an offer to buy our common units in any jurisdiction where such offer or any sale would be unlawful. You should not assume that the information in this prospectus supplement, the accompanying prospectus or any free writing prospectus that we may authorize to be delivered to you, including any information incorporated by reference, is accurate as of any date other than the date indicated for such information. Our business, financial condition, results of operations and/or prospects may have changed since those dates.

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SUMMARY

This summary highlights information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. It does not contain all of the information that you should consider before making an investment decision. You should carefully read this prospectus supplement, the accompanying prospectus, and the documents and information incorporated by reference into this prospectus supplement and the accompanying prospectus for a more complete understanding of our business and the terms of our common units, as well as the material tax and other considerations that are important to you in making your investment decision. You should pay special attention to Risk Factors beginning on page S-10 of this prospectus supplement, on page 6 of the accompanying prospectus, and included in our Annual Report on Form 10-K for the year ended December 31, 2013, to determine whether an investment in our common units is appropriate for you. Unless otherwise specifically stated, the information presented in this prospectus supplement assumes that the underwriters have not exercised their option to purchase additional common units.

Throughout this prospectus supplement, when we use the terms we, our or us we are referring either to DCP Midstream Partners, LP in its individual capacity or to DCP Midstream Partners, LP and its operating subsidiaries collectively, as the context requires. References in this prospectus supplement to our general partner refer to DCP Midstream GP, LP and/or DCP Midstream GP, LLC, the general partner of DCP Midstream GP, LP, as appropriate.

DCP Midstream Partners, LP

We are a Delaware limited partnership formed by DCP Midstream, LLC to own, operate, acquire and develop a diversified portfolio of complementary midstream energy assets. We are currently engaged in the business of gathering, compressing, treating, processing, transporting, storing and selling natural gas; producing, fractionating, transporting, storing and selling NGLs and recovering and selling condensate; and transporting, storing and selling propane in wholesale markets. Supported by our relationship with DCP Midstream, LLC and its owners, Phillips 66 and Spectra Energy Corp and its affiliates, or Spectra Energy, we are dedicated to executing our growth strategy by acquiring and constructing additional assets.

Our Operations

Our operations are organized into three business segments: Natural Gas Services; NGL Logistics; and Wholesale Propane Logistics.

On February 25, 2014, we entered into various transaction documents with DCP Midstream, LLC for the contribution or acquisition of (i) a 33.33% membership interest in each of DCP Southern Hills Pipeline, LLC, which owns the Southern Hills pipeline, and DCP Sand Hills Pipeline, LLC, which owns the Sand Hills pipeline; (ii) the remaining 20% interest in DCP SC Texas GP (also referred to as the Eagle Ford system); (iii) a 35 MMcf/d cryogenic natural gas processing plant located in Weld County, Colorado, or the Lucerne 1 plant; and (iv) a 200 MMcf/d cryogenic natural gas processing plant also located in Weld County, Colorado, which is currently under construction, or the Lucerne 2 plant. Total consideration for this transaction at closing is expected to be $1,220 million, subject to certain working capital and other customary adjustments, which will consist of (i) $995 million in cash and (ii) our common units having an aggregate value of $225 million. This transaction is expected to close in March 2014, subject to customary closing conditions, and components of this transaction may close separately. See Recent Developments Transaction Agreements.

Natural Gas Services Our Natural Gas Services segment consists of a geographically diverse complement of assets and ownership interests that provide a varied array of wellhead to market services for our producer customers. These services include gathering, compressing, treating, processing, transporting and storing natural gas, and fractionating NGLs. These assets are positioned in certain areas with active drilling programs and opportunities for organic growth. Our Natural Gas Services segment operates in seven states in the continental United States: Arkansas, Colorado, Louisiana, Michigan, Oklahoma, Texas and Wyoming. The assets in these states include our 80% interest in the Eagle Ford system (of which an additional 46.67% was acquired in March 2013), our 100% owned Eagle plant, our East Texas system, our Southeast Texas system, our Michigan system, our Northern Louisiana system, our Southern Oklahoma system, our Wyoming system, our 75% operating interest in the Piceance system, our 40% limited liability company interest in the Discovery system located off and onshore in Southern Louisiana and our O Connor plant (acquired in August 2013).

NGL Logistics Our NGL Logistics segment provides services that include transportation, storage and fractionation of NGLs. Our NGL pipelines, including the Seabreeze and Wilbreeze intrastate NGL pipelines, the Wattenberg and Black Lake interstate NGL pipelines, our 33.33% interest in the Front Range NGL pipeline, and our 10% interest in the Texas Express NGL pipeline, transport NGLs from natural gas processing plants to fractionation facilities, a petrochemical plant and a third party underground NGL storage facility. Our NGL fractionation facilities include our DJ Basin NGL fractionators in Colorado, our 12.5% interest in the Mont Belvieu Enterprise fractionator and our 20% interest in the Mont Belvieu 1 fractionator. Our NGL storage facility is located in Marysville, Michigan and includes nine underground salt caverns with approximately 7 MMBbls of storage capacity and rail, truck and pipeline connections providing an important supply point for refiners, petrochemical plants and wholesale propane distributors in the Sarnia, midwestern and northeastern markets.

Wholesale Propane Logistics Our Wholesale Propane Logistics segment provides services that include the receipt of propane by pipeline, rail or ship to our terminals that store and deliver the product to distributors. The segment consists of six owned propane rail terminals, one owned and one leased propane marine terminal, one propane pipeline terminal and access to several open-access pipeline terminals.

Our Business Strategies

Our primary business objectives are to have sustained company profitability, a strong balance sheet and profitable growth thereby increasing our cash distribution per unit over time. We intend to accomplish these objectives by executing the following business strategies:

Dropdown: maximize opportunities provided by our partnership with DCP Midstream, LLC. We plan to execute our growth in part through pursuing economically attractive dropdown opportunities from DCP Midstream, LLC. We believe there will continue to be significant opportunities as DCP Midstream, LLC continues to build its infrastructure. However, we cannot say with any certainty that these opportunities will be made available to us, or that we will choose to pursue any such opportunity.

Build: capitalize on organic expansion opportunities. We continually evaluate economically attractive organic expansion opportunities to construct midstream systems in new or existing operating areas. For example, we believe there are opportunities to expand several of our gas gathering systems to attach increased volumes of natural gas produced in the areas of our operations or to build new processing capacity. We also believe there are opportunities to continue to expand our NGL Logistics and Wholesale Propane Logistics businesses.

Acquire: pursue strategic and accretive third party acquisitions. We pursue economically attractive and strategic third party acquisition opportunities within the midstream energy industry, both in new and existing lines of business, and geographic areas of operation.

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Our Competitive Strengths

We believe that we are well positioned to execute our business strategies and achieve one of our primary business objectives of increasing our cash distribution per unit because of the following competitive strengths:

Affiliation with DCP Midstream, LLC and its owners. Our relationship with DCP Midstream, LLC and its owners, Phillips 66 and Spectra Energy, should continue to provide us with significant business opportunities. DCP Midstream, LLC is the largest processor of natural gas, the largest producer of NGLs and the third-largest NGL pipeline operator in the United States. This relationship also provides us with access to a significant pool of management talent. We believe our strong relationships throughout the energy industry, including with major producers of natural gas and NGLs in the United States, will help facilitate the implementation of our strategies. Additionally, we believe DCP Midstream, LLC, which operates most of our assets on our behalf, has established a reputation in the midstream business as a reliable and cost-effective supplier of services to our customers, and has a track record of safe, efficient and environmentally responsible operation of our facilities.

We believe we are an important growth vehicle and a key source of funding for DCP Midstream, LLC to pursue the organic construction, expansion and acquisition of midstream natural gas, NGL, wholesale propane and other complementary midstream energy businesses and assets. DCP Midstream, LLC has also provided us with growth opportunities through acquisitions directly from it and joint ventures with it. For example, see Recent Developments Transaction Agreements. We believe we will have future opportunities to make additional acquisitions with or directly from DCP Midstream, LLC as well as form joint ventures with it; however, we cannot say with any certainty which, if any, of these opportunities may be made available to us, or if we will choose to pursue any such opportunity. In addition, through our relationship with DCP Midstream, LLC and its owners, we believe we have strong commercial relationships throughout the energy industry and access to DCP Midstream, LLC s broad operational, commercial, technical, risk management and administrative infrastructure.

DCP Midstream, LLC has a significant interest in us through its 0.4% general partner interest in us, its ownership of our incentive distribution rights and an approximately 22% limited partner interest in us.

Strategically located assets. Each of our business segments has assets that are strategically located in areas with the potential for increasing each of our business segments volume throughput and cash flow generation. Our Natural Gas Services segment has a strategic presence in several active natural gas producing areas including Colorado, the Gulf of Mexico, Louisiana, Michigan, Oklahoma, Texas, and Wyoming. These systems provide a variety of services to our customers including gathering, compressing, treating, processing, transporting and storing natural gas, and fractionating NGLs. The strategic location of our assets, coupled with their geographic diversity, presents us with continuing opportunities to provide competitive natural gas services to our customers and attract new natural gas production. Our NGL Logistics segment has strategically located NGL transportation pipelines in Colorado, Kansas, Louisiana, and Texas which are major NGL producing regions, NGL fractionation facilities in Colorado and the Gulf Coast and an NGL storage facility in Michigan. Our NGL pipelines connect to various natural gas processing plants and transport the NGLs to large fractionation facilities, a petrochemical plant, a third party underground NGL storage facility and other markets along the Gulf Coast. Our NGL storage facility in Michigan is strategically adjacent to the Sarnia, Canada refinery and petrochemical corridor. Our Wholesale Propane Logistics segment has terminals in the mid-Atlantic, northeastern and upper midwestern states that are strategically located to receive and deliver propane to some of the largest demand areas for propane in the United States.

Stable cash flows. Our operations consist of a favorable mix of fee-based and commodity-based services, which together with our commodity hedging program, generate relatively stable cash flows. While certain of our gathering and processing contracts subject us to commodity price risk, we have

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mitigated a portion of our currently anticipated natural gas, NGL and condensate commodity price risk associated with the equity volumes from our gathering and processing operations through 2017 with fixed price commodity swaps.

Integrated package of midstream services. We provide an integrated package of services to natural gas producers, including gathering, compressing, treating, processing, transporting, storing and selling natural gas, as well as producing, fractionating, transporting, storing and selling NGLs and recovering and selling condensate. We believe our ability to provide all of these services gives us an advantage in competing for new supplies of natural gas because we can provide substantially all services that producers, marketers and others require to move natural gas and NGLs from wellhead to market on a cost-effective basis.

Comprehensive propane logistics systems. We have multiple propane supply sources and terminal locations to transport, store and sell propane in wholesale markets. We believe our diversity of supply sources and logistics capabilities along with our propane storage assets and services allow us to provide our customers with reliable supplies of propane during periods of tight supply. These capabilities also allow us to moderate the effects of commodity price volatility and reduce significant fluctuations in our sales volumes.

Experienced management team. Our senior management team and board of directors include some of the most senior officers of DCP Midstream, LLC and other energy companies who have extensive experience in the midstream industry. We believe our management team has a proven track record of enhancing value through dropdowns, organic growth and the acquisition, optimization and integration of midstream assets.

Recent Developments

Transaction Agreements

On February 25, 2014, we entered into various transaction documents, including a contribution agreement with DCP Midstream, LLC, and each of our general partner and DCP LP Holdings, LLC, which are both 100% owned subsidiaries of DCP Midstream, LLC, and a purchase and sale agreement with DCP Midstream, LP, a 100% owned subsidiary of DCP Midstream, LLC (collectively, the Agreements). Pursuant to the Agreements, DCP Midstream, LLC, through its affiliates, agreed to contribute or sell to us (i) a 33.33% membership interest in each of two separate NGL pipeline entities, DCP Southern Hills Pipeline, LLC (Southern Hills) and DCP Sand Hills Pipeline, LLC (Sand Hills); (ii) the remaining 20% interest in DCP SC Texas GP, an entity in which we currently own an 80% controlling interest; (iii) a 100% interest in a 35 MMcf/d cryogenic natural gas processing plant located in Weld County, Colorado (Lucerne 1); and (iv) a 100% interest in a 200 MMcf/d cryogenic natural gas processing plant also located in Weld County, Colorado, which is currently under construction (Lucerne 2) (collectively, the Transaction). Each of Southern Hills and Sand Hills is a limited liability company owned one-third by a 100%-owned subsidiary of DCP Midstream, LLC (the operator of the pipeline), one-third by a 100%-owned subsidiary of Phillips 66, and one-third by a 100%-owned subsidiary of Spectra Energy Partners, LP.

Total consideration for the Transaction at closing is expected to be $1,220 million, subject to certain working capital and other customary adjustments, which will consist of (i) $995 million in cash and (ii) our common units having an aggregate value of $225 million. We estimate additional expenditures of approximately $180 million to complete Lucerne 2. The Transaction is expected to close in March 2014, subject to customary closing conditions, and components of the Transaction may close separately. There can be no assurance that the Transaction will be completed in the anticipated time frame, or at all, or that anticipated benefits of the Transaction will be realized. Each of the components of the Transaction is discussed further below.

Southern Hills is engaged in the business of transporting NGLs, and consists of approximately 800 miles of pipeline, with an expected capacity of 175 MBbls/d after completion of planned pump stations. Southern Hills provides NGL takeaway service from the Midcontinent to fractionation facilities along the Texas Gulf Coast and the Mont Belvieu, Texas market hub. The Southern Hills pipeline began taking flows in the first quarter of 2013 and was placed into service in June 2013.

Sand Hills is also engaged in the business of transporting NGLs. Sand Hills consists of approximately 720 miles of pipeline, with an expected initial capacity of 200 MBbls/d after completion of pump stations. Sand Hills provides NGL takeaway service from the Permian and Eagle Ford basins to fractionation facilities along the Texas Gulf Coast and the Mont Belvieu, Texas market hub. The Sand Hills pipeline began taking flows in the fourth quarter of 2012 and was placed into service in June 2013.

We currently own an 80% interest in DCP SC Texas GP, which consists of six cryogenic natural gas processing plants, including the Goliad plant that was placed into service in February 2014, with total capacity of approximately 960 MMcf/d, three NGL fractionators and approximately 6,000 miles of natural gas gathering and transmission lines. As a result of the Transaction, we will own 100% of DCP SC Texas GP.

Lucerne 1 is a 35 MMcf/d cryogenic natural gas processing plant located in Weld County, Colorado. We expect to enter into a long-term, fee-based natural gas processing agreement with DCP Midstream, LLC, which is expected to provide a fixed demand charge on 75% of the capacity of Lucerne 1, and a throughput fee on all volumes processed at Lucerne 1.

Lucerne 2 has an expected in-service date in the third quarter of 2015. We will assume all of the remaining costs to complete this project. In addition, we expect to enter into a ten-year, fee-based natural gas processing agreement with DCP Midstream, LLC that is effective once Lucerne 2 is placed into service. At that time, we expect that the processing agreement with Lucerne 1 will be terminated and the new processing agreement is expected to provide a fixed demand charge on 75% of the capacity of both plants, and a throughput fee on all volumes processed at Lucerne 1 and Lucerne 2.

We intend to use the net proceeds of this offering (i) to repay indebtedness outstanding under our commercial paper program, (ii) to pay a portion of the purchase price for the Transaction, (iii) for organic growth projects and (iv) for general partnership purposes. If the Transaction is not consummated, we intend to use the net proceeds from this offering to repay indebtedness outstanding under our commercial paper program, for organic growth projects, and for general partnership purposes. This financing plan is consistent with our historic policy of funding growth through a roughly balanced combination of equity and debt. We may further access the capital markets to repay amounts borrowed under our revolving credit facility or commercial paper program, or enter into a term loan to finance a portion of the consideration for the Transaction. We may temporarily invest the net proceeds in short-term marketable securities until they are used for their stated purpose.

DCP Midstream, LLC owns 100% of DCP Midstream GP, LLC (the General Partner), the general partner of our general partner. Accordingly, the conflicts committee of the General Partner s Board of Directors approved the Transaction. The conflicts committee, a committee of independent members of the General Partner s Board of Directors, retained independent legal and financial advisors to assist it in evaluating the Transaction.

2013 Earnings

On February 26, 2014, we announced our financial results for the three months and year ended December 31, 2013 and filed our annual report on Form 10-K for the year ended December 31, 2013.

For the three months ended December 31, 2013, net income attributable to partners was $28 million, a decrease of $42 million compared to $70 million for the same period in 2012. For the year ended December 31, 2013, net income attributable to partners was $181 million, a decrease of $17 million compared to $198 million for the same period in 2012. Total assets as of December 31, 2013 were $4,526 million, up from $3,603 million as of December 31, 2012.

Fourth Quarter 2013 Distribution

On February 14, 2014, we paid a quarterly distribution for the quarter ended December 31, 2013 of $0.7325 per common unit, or $2.93 per common unit on an annualized basis. This represents an increase of 1.7% over the last quarterly distribution and an increase of 6.2% over the distribution declared for the fourth quarter of 2012.

Partnership Structure and Management

Our operations are conducted through, and our operating assets are owned by, our subsidiaries. We own our interests in our subsidiaries through our 100% ownership interest in our operating partnership, DCP Midstream Operating, LP. DCP Midstream GP, LLC is the general partner of our general partner, DCP Midstream GP, LP, and has sole responsibility for conducting our business and managing our operations.

Our executive offices are located at 370 17th Street, Suite 2500, Denver, Colorado 80202, and our telephone number is (303) 633-2900.

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Ownership of DCP Midstream Partners, LP

The chart below depicts our organization and ownership structure as of the date of this prospectus supplement and gives effect to this offering assuming no exercise of the underwriters option to purchase additional common units.

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THE OFFERING

Common units offered	12,500,000 common units.
	14,375,000 common units if the underwriters exercise their option to purchase additional common units in full.
Common units outstanding after this offering	101,546,409 common units, or 103,421,409 common units if the underwriters exercise their option to purchase additional common units in full.
Use of proceeds	We expect to receive net proceeds from this offering of approximately $589 million (or approximately $677 million if the underwriters option to purchase additional common units is exercised in full) after deducting underwriting discounts and commissions and estimated offering expenses payable by us.
	We intend to use the net proceeds of this offering (i) to repay indebtedness outstanding under our commercial paper program, (ii) to pay a portion of the purchase price for the Transaction, (iii) for organic growth projects and (iv) for general partnership purposes. If the Transaction is not consummated, we intend to use the net proceeds from this offering to repay indebtedness outstanding under our commercial paper program, for organic growth projects, and for general partnership purposes. We may further access the capital markets to repay amounts borrowed under our revolving credit facility or commercial paper program, or enter into a term loan to finance a portion of the consideration for the Transaction. We may temporarily invest the net proceeds in short-term marketable securities until they are used for their stated purpose. See Use of Proceeds.
	Affiliates of certain of the underwriters may hold our commercial paper and accordingly may receive a portion of the net proceeds from this offering. See Underwriting.
Cash distributions	Under our partnership agreement, we must distribute all of our cash on hand at the end of each quarter, less reserves established by our general partner in its sole discretion. We refer to this cash available for distribution as Available Cash, and we define its meaning in our partnership agreement. Please see Our Cash Distribution Policy and

Restrictions on Distributions in the accompanying prospectus for a description of available cash. On February 14, 2014, we paid a quarterly distribution for the quarter ended December 31, 2013 of $0.7325 per common unit, or $2.93 per common unit on an annualized basis. This represents an increase of 1.7% over the last quarterly distribution and an increase of 6.2% over the distribution declared for the fourth quarter of 2012.

If cash distributions to our unitholders exceed $0.4025 per common unit in any quarter, our general partner will receive, in addition to

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	distributions on its 0.4% general partner interest after giving effect to this offering, increasing percentages, up to 48%, of the cash we distribute in excess of that amount. We refer to these distributions as incentive distributions.
Estimated ratio of taxable income to distributions	We estimate that if you own the common units you purchase in this offering through the record date for distributions for the period ending December 31, 2016, you will be allocated, on a cumulative basis, an amount of federal taxable income for that period that will be 30% or less of the cash distributed to you with respect to that period. Please see Material Tax Consequences on page S-14 for an explanation of the basis of this estimate.
Exchange listing	Our common units are traded on the New York Stock Exchange under the symbol DPM.
Risk factors	Investing in our common units involves risks. See Risk Factors beginning on page S-10 of this prospectus supplement and on page 6 of the accompanying prospectus for information regarding risks you should consider before investing in our common units.

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RISK FACTORS

Before you invest in our common units, you should be aware that such an investment involves various risks, including those described in the accompanying prospectus, in the documents we have incorporated by reference herein, and as set forth below. You should consider carefully the discussion of risk factors beginning on page 6 of the accompanying prospectus under the caption Risk Factors and in our periodic and other filings with the Securities and Exchange Commission, or SEC, under the Securities Exchange Act of 1934, as amended, or the Exchange Act, particularly under the captions Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, which is incorporated by reference into this prospectus supplement and the accompanying prospectus. If the occurrence of any of the events that present risks actually occurs, then our business, financial condition or results of operations could be materially adversely affected, the trading price of our common units could decline, and you could lose all or part of your investment.

Risks Related to the Transaction

The pending Transaction may not be completed as anticipated, or if completed, may not be beneficial to us.

The Transaction is expected to close in March 2014 and is subject to satisfaction of customary closing conditions. Components of the Transaction may close separately. If these conditions are not satisfied or waived, the transaction will not be consummated. There is no assurance that the Transaction will close on or before that time, or at all. Accordingly, if you decide to purchase our common units, you should be willing to do so whether or not we complete the Transaction. The consummation of the Transaction involves potential risks, including:

- the failure to realize expected profitability, growth or accretion;

- environmental or regulatory compliance matters or liabilities;

- title issues or environmental or regulatory compliance matters or liabilities or accidents;

- construction cost overruns and delays resulting from numerous factors, many of which may be out of our control;

- the temporary diversion of management s attention from our existing businesses;

- a significant increase in our interest expense and financial leverage resulting from any additional debt incurred to finance the Transaction, which could offset the expected accretion from such acquisition;

- the incurrence of significant charges, such as asset devaluation or restructuring charges;

- our inability or limited ability to control the operations and management of Southern Hills and Sand Hills, which are operated by DCP Midstream, LLC and in which we will own a one-third ownership interest each upon the consummation of the Transaction; and

- the incurrence of unanticipated liabilities and costs for which indemnification is unavailable or inadequate.

If we consummate the Transaction and if these risks or other unanticipated liabilities were to materialize, any desired benefits of the Transaction may not be fully realized, if at all, and our future financial performance and results of operations could be negatively impacted.

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USE OF PROCEEDS

We expect to receive net proceeds from this offering of approximately $589 million (or approximately $677 million if the underwriters option to purchase additional common units is exercised in full) after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

We intend to use the net proceeds of this offering (i) to repay indebtedness outstanding under our commercial paper program, (ii) to pay a portion of the purchase price for the Transaction, (iii) for organic growth projects and (iv) for general partnership purposes. If the Transaction is not consummated, we intend to use the net proceeds from this offering to repay indebtedness outstanding under our commercial paper program, for organic growth projects, and for general partnership purposes. We may further access the capital markets to repay amounts borrowed under our revolving credit facility or commercial paper program, or enter into a term loan to finance a portion of the consideration for the Transaction. We may temporarily invest the net proceeds in short-term marketable securities until they are used for their stated purpose.

As of December 31, 2013 and February 25, 2014, total borrowings under our commercial paper program were $335 million and $397 million, respectively. As of February 25, 2014, giving pro forma effect to the repayment of $335 million of indebtedness outstanding under our commercial paper program with a portion of the net proceeds from this offering, total borrowings under our commercial paper program would have been $62 million. As of December 31, 2013, the weighted average interest rate for borrowings under our commercial paper program was 1.14% per annum. While maturities of the notes issued under our commercial paper program will vary, they may not exceed 397 days from the date of issue. Indebtedness under our commercial paper program bears interest at current market rates. The outstanding borrowings under our commercial paper program were incurred to fund capital expenditures and for general partnership purposes.

For a detailed description of our commercial paper program, please see Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Description of Commercial Paper Program in our Annual Report on Form 10-K for the year ended December 31, 2013, which is incorporated by reference into this prospectus supplement and the accompanying prospectus.

Affiliates of certain of the underwriters may hold our commercial paper and accordingly may receive a portion of the net proceeds from this offering. See Underwriting.

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CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of December 31, 2013 on:

a historical basis; and

an as adjusted basis to give effect to (i) the issuance of 12,500,000 common units in this offering, (ii) the application of the net proceeds of this offering to fund a portion of the purchase price for the Transaction and to repay $335 million in borrowings under our commercial paper program, (iii) the issuance of an assumed 4,601,227 common units to DCP Midstream, LLC and certain of its affiliates in connection with the closing of the Transaction, based on the offering price per unit to the public in this offering, and (iv) additional debt to fund the remainder of the purchase price for the Transaction.

You should read the following table together with the financial statements and notes that are incorporated by reference into this prospectus supplement and the accompanying prospectus for additional information about our capital structure.

	As of December 31, 2013	
	Historical	As Adjusted
	(in millions)	
Cash and cash equivalents	$ 12	$ 12
Commercial Paper	$ 335	$
Revolving Credit Facility		741
3.875% Senior Notes due 2023	500	500
2.50% Senior Notes due 2017	500	500
4.95% Senior Notes due 2022	350	350
3.25% Senior Notes due 2015	250	250
Total principal amount	$ 1,935	$ 2,341
Unamortized discount	(10)	(10)
Total debt	$ 1,925	$ 2,331
Equity:		
Common unitholders	$ 1,948	$ 2,762
General partner	8	8
Accumulated other comprehensive loss	(11)	(11)
Total partners equity	$ 1,945	$ 2,759
Noncontrolling interests	228	228
Total equity	$ 2,173	$ 2,987

Total capitalization	$ 4,098	$ 5,318

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PRICE RANGE OF COMMON UNITS AND DISTRIBUTIONS

Our common units trade on the New York Stock Exchange under the symbol DPM. The following table sets forth the intra-day high and low sales prices per common unit, as reported by the New York Stock Exchange Composite Transactions Tape, as well as the amount of cash distributions paid per common unit for the periods indicated.

Period Ended	High	Low	Cash Distributions per Common Unit(1)
Fiscal 2014			
March 31, 2014 (through February 27, 2014) (2)	$ 50.88	$ 46.88	
Fiscal 2013			
December 31, 2013	$ 50.50	$ 45.02	$ 0.7325
September 30, 2013	$ 58.50	$ 46.14	$ 0.7200
June 30, 2013	$ 54.38	$ 45.01	$ 0.7100
March 31, 2013	$ 46.93	$ 40.44	$ 0.7000
Fiscal 2012			
December 31, 2012	$ 47.05	$ 37.78	$ 0.6900
September 30, 2012	$ 46.50	$ 39.94	$ 0.6800
June 30, 2012	$ 46.36	$ 36.47	$ 0.6700
March 31, 2012	$ 49.93	$ 44.55	$ 0.6600

(1) Distributions are shown for the quarter with respect to which they were declared.

(2) The distribution attributable to the quarter ending March 31, 2014 has not yet been declared or paid. We expect to declare and pay a cash distribution for the first quarter of 2014 within 45 days following the end of the first quarter.

The last reported sales price of our common units on the New York Stock Exchange on February 27, 2014 was $48.90 per common unit. As of February 20, 2014, there were approximately 39 unitholders of record of our common units. This number does not include unitholders whose units are held in trust by other entities. As of February 20, 2014, there were approximately 29,595 beneficial owners (held in street name) of our common units.

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MATERIAL TAX CONSEQUENCES

The tax consequences to you of an investment in our common units will depend in part on your own tax circumstances. For a discussion of the principal federal income tax considerations associated with our operations and the purchase, ownership and disposition of our common units, please read Material Tax Consequences in the accompanying prospectus. Please also read Item 1.A. Risk Factors Tax Risks to Common Unitholders in our Annual Report on Form 10-K for the year ended December 31, 2013. You are urged to consult with your own tax advisor about the federal, state, local and foreign tax consequences peculiar to your circumstances.

The following paragraph replaces the third paragraph of Material Tax Consequences and the fourth paragraph of Material Tax Consequences Partnership Status in the accompanying prospectus:

We will rely on opinions and advice of tax counsel, including the opinion that, based upon the Code, applicable Treasury Regulations, published revenue rulings and court decisions and the representations described in the accompanying prospectus, we will be classified as a partnership and our operating partnership will be disregarded as an entity separate from us for federal income tax purposes. Unlike a ruling from the U.S. Internal Revenue Service, or IRS, the opinion or advice of counsel represents only that counsel s best legal judgment and does not bind the IRS or the courts. Accordingly, opinions and statements made in this discussion may not be sustained by a court if contested by the IRS. Any contest of this sort with the IRS may materially and adversely impact the market for the common units and the prices at which the common units trade. In addition, the costs of any contest with the IRS, principally legal, accounting and related fees, will result in a reduction in cash available for distribution to our unitholders and our general partner and thus will be borne directly or indirectly by the unitholders and the general partner. Furthermore, the tax treatment of us, or of an investment in us, may be significantly modified by future legislative or administrative changes or court decisions. Any modifications may or may not be retroactively applied.

Estimated Ratio of Taxable Income to Distributions

We estimate that if you purchase common units in this offering and own them through the record date for distributions for the period ending December 31, 2016, then you will be allocated, on a cumulative basis, an amount of federal taxable income for that period that will be 30% or less of the cash distributed to you with respect to that period. Thereafter, we anticipate that the ratio of allocable taxable income to cash distributions to the unitholders may increase. This estimate is based upon many assumptions regarding our business and operations, including that gross income from operations will approximate the amount required to make the current quarterly distribution amount on all units and other assumptions with respect to capital expenditures, cash flow, net working capital and anticipated cash distributions. This estimate and these assumptions are subject to, among other things, numerous business, economic, regulatory, competitive and political uncertainties beyond our control. Further, the estimate is based on current tax law and tax reporting positions that we have adopted or will adopt and with which the Internal Revenue Service could disagree. Accordingly, we cannot assure you that the estimate will prove to be correct. The ratio of allocable taxable income to cash distributions could be higher or lower, and any differences could be material and could materially affect the value of the common units. For example, the ratio of allocable taxable income to cash distributions to a purchaser of common units in this offering will be higher, and perhaps substantially higher, than our estimate with respect to the period described above if:

- gross income from operations exceeds the amount required to make the current quarterly distribution amount on all units, yet we only distribute the current quarterly distribution amount on all units; or we make a future offering of common units and use the proceeds of the offering in a manner that does not produce substantial additional deductions during the period described above, such as to repay indebtedness outstanding at the time of this offering or to acquire property that is not eligible for depreciation or amortization for federal income tax purposes or that is depreciable or amortizable at a rate significantly slower than the rate applicable to our assets at the time of this offering.

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Alternative Minimum Tax

Each unitholder will be required to take into account its distributive share of any items of our income, gain, loss or deduction for purposes of the alternative minimum tax. The current minimum tax rate for non-corporate taxpayers is 26% on the first $182,500 of alternative minimum taxable income (or, in the case of a married individual taxpayer filing a separate return, the first $91,250 of alternative minimum taxable income) in excess of the exemption amount and 28% on any additional alternative minimum taxable income, which thresholds change annually. Prospective unitholders are urged to consult with their tax advisors as to the impact of an investment in units on their liability for the alternative minimum tax.

Tax Rates

In general, the highest marginal U.S. federal income tax rate applicable to ordinary income of individuals is currently 39.6% and the highest marginal U.S. federal income tax rate applicable to long-term capital gains (generally, capital gains on certain assets held for more than one year) of individuals is currently 20.0%. However, these rates are subject to change by new legislation at any time.

Notification Requirements

A unitholder who sells any common units is generally required to notify us in writing of that sale within 30 days after the sale, unless a broker or nominee will satisfy such requirement. A purchaser of units who purchases units from another unitholder is also generally required to notify us in writing of that purchase within 30 days after the purchase. Upon receiving such notifications, we are required to notify the IRS of that transaction and to furnish specified information to the transferor and transferee. Failure to notify us of a sale of common units, in some cases, may lead to the imposition of penalties. However, these reporting requirements do not apply to a sale by an individual who is a citizen of the United States and who effects the sale or exchange through a broker who will satisfy such requirements.

Tax Exempt Organizations and Other Investors

Ownership of common units by tax-exempt entities, regulated investment companies and non-U.S. investors raises issues unique to such persons. Please read Material Tax Consequences Tax-Exempt Organizations and Other Investors in the accompanying prospectus.

Additional Withholding Requirements

Under recently enacted legislation, the relevant withholding agent may be required to withhold 30% of any interest, dividends and other fixed or determinable annual or periodical gains, profits and income from sources within the United States (FDAP Income) or gross proceeds from the sale of any property of a type which can produce interest or dividends from sources within the United States paid to (i) a foreign financial institution (for which purposes includes foreign broker-dealers, clearing organizations, investment companies, hedge funds and certain other investment entities) unless such foreign financial institution agrees to verify, report and disclose its U.S. accountholders and meets certain other specified requirements or (ii) a non-financial foreign entity that is a beneficial owner of the payment unless such entity certifies that it does not have any substantial U.S. owners or provides the name, address and taxpayer identification number of each substantial U.S. owner and such entity meets certain other specified requirements or otherwise qualifies for an exemption from this withholding. These rules will generally apply to payments of FDAP Income which are made after June 30, 2014, and to payments of relevant gross proceeds which are made after December 31, 2016. Non-U.S. and U.S. unitholders are encouraged to consult their own tax advisors regarding the possible implications of this legislation on their investment in our units.

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Accuracy-Related Penalties

An additional tax equal to 20% of the amount of any portion of an underpayment of tax that is attributable to one or more specified causes, including negligence or disregard of rules