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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the Crosstex Energy 2013 earnings conference call. My name is Matthew, and I'll be your operator for today. At this time all participants are in listen-only mode. We'll conduct a question and answer session toward the end of this conference. (Operator Instructions). As a reminder, this call is being recorded for replay purposes.

And now, I would like to turn the call over to Jill McMillan, Director of Public & Industry Affairs. Please proceed, marm.

Jill McMillan - *Crosstex Energy, L.P. - Director, Public & Industry Affairs*

Thank you, Matthew, and good morning, everyone. Thank you for joining us today to discuss Crosstex's second quarter 2013 results. On the call are Barry Davis, President and Chief Executive Officer; Michael Garberding, Executive Vice President and Chief Financial Officer; and Bill Davis, Executive Vice President and Chief Operating Officer.

We issued our second quarter 2013 earnings release yesterday evening, and the 10-Q will be filed this morning. For those of you who didn't receive the release, it's available at our website at crosstexenergy.com. If you want to listen to a reporting to this call, you have 90 days to access the replay by upon on our website.

I will remind you that any statements that include our expectations or predictions should be considered forward-looking statements within the meanings of the federal securities laws. Forward-looking statements are suggest to a number of assumptions and uncertainties that may cause our actual results to differ materially from those expressed in these statements, and we undertake no obligation to update or revise any forward-looking statements.

We will discuss reconciliations of certain non-GAAP items, and you'll find the non-GAAP reconciliations in our earnings release. We encourage you to review the statements and other disclosures made in our SEC filings, specifically under those Risk Factors.

I will now turn the call to Barry Davis.

Barry Davis - *Crosstex Energy, L.P. - President, CEO*

Thank you, Jill. Good morning, everyone, and thank you for joining us on the call today.

In the second quarter we continued to execute our strategic plan focused on expanding fee-based businesses with reliable cash flows. We are pleased to report that our growth projects are progressing as planned, which will continue to transform Crosstex by expanding our scale and diversity, both geographically and by product.

We are able to do this because we are in a great industry environment, and we've been able to define and development the right opportunities. The shale, oil, and natural gas revolution is nothing short of a game changer for our industry. In the last five years, domestic crude production has grown approximately 40%, natural gas production has grown over 20%, and NGL production has grown approximately 30%. NGL extraction capacity is expected to increase an additional 50% by 2020 to handle the increased production, and the increases in supplies are driving demand growth, particularly for liquids used by the petrochemical industry.

Crosstex has the right platform to take advantage of this dynamic and robust energy market by utilizing our strategically positioned asset base and the growth projects we've announced. We span the energy value chain with services and infrastructure that link energy production with consumption. Our presents in six of the top shale plays position us to deliver strong growth in both the near and long-term.

In Louisiana our NGL assets are perfectly positioned to take advantage of this robust environment by linking supply with growing demand. In the past the Louisiana industrial market depended on Gulf of Mexico gas in NGL production, which in recent years has declined from about 12 Bcf a day to 4 Bcf a day. Our customers rely on us to make up the difference. As you know, four years ago we were one of the first movers to bring Haynesville gas to our South Louisiana industrial customers. On the NGL front the Louisiana petrochemical market consumes up to 300,000 barrels a day of ethane, but less than 100,000 barrels of ethane a day is produced in Louisiana, and the demand is expected to grow significantly in the future. Our Cajun Sibon expansion project is built to meet a portion of the current shortfall, and we believe that the increasing market demand will lead to additional growth opportunities from our expanded platform. I'm pleased to announce that construction of Cajun Sibon phase one is near completion, and we expect volumes to ramp up to full capacity in the fourth quarter.

In the Utica, the wells that have been drilled to date are producing large volumes of condensate. The aggregate condensate volumes currently produced from the Utica is approximately 15,000 barrels per day. We anticipate this will increase to 40,000 to 50,000 barrels a day by the end of the year. Local refining markets can only absorb about 50,000 to 60,000 barrels per day of condensate from the Utica and Marcellus. Anything produced in the region beyond that has to be moved outside of these local markets. Our assets provide our customers the optionality to move the product via truck, rail or barge to premium priced markets.

We expect to see progress in the Utica region ramp dramatically in the coming months as midstream infrastructure projects online. Drilling permits are up approximately 44% from the first quarter, which indicates continued interest from our producer customers. This is driving a strong need for midstream condensate solutions as the wells that are currently shut in come online and future wells are completed. We expect this growth will lead to many additional opportunities to grow our business.

We are also working on additional complimentary growth projects across our existing asset base that could lead to the next $1 billion of investment opportunity. We are uniquely positioned to take advantage of opportunities we see in the market beyond our organic growth projects that could further enhance our scale and diversity.

I am pleased to report that we achieved solid financial performance. Our second quarter adjusted EBITDA was $50.7 million, compared with adjusted EBITDA of $48.7 million in the second quarter of last year. Distributable cash flow was $29.9 million, compared with $23.4 million for the year ago period.

As we look to the second half of the year, we are confident we will meet the goals that we laid out. We will focus on executing the $1 billion of growth project that will be completed by the end of 2014. We project to end the year within the range of our 2013 guidance and to increase our distributions in the second half of this year.

Now we'll turn the call over to Mike Garberding, who will discuss our second quarter results in more detail.

Michael Garberding - *Crosstex Energy, L.P. - EVP, CFO*

Thanks, Barry. Good morning, everyone. As Barry mentioned, our platform continues to produce solid results as we transform our business, focusing on fee-based margins in the NGL and crude and condensate businesses.

For the quarter, our fee-based business accounted for approximately 86% of gross operating margin, which continues to provide solid cash flows. The Partnership realized adjusted EBITDA of $50.7 million for the second quarter of 2013, a decrease of approximately 12% from the first quarter 2013 adjusted EBITDA of $50.7 million. Gross operating margin for the second quarter of 2013 was $95.5 million, down 10% from gross margin in the first quarter of 2013.

Key drivers of the second quarter results include, first, margins driven by seasonal NGL demand were lower in our PNGL segment, which follows the pattern of reduced demand versus the traditionally stronger winter months. You may recall that we saw a similar relationship last year between the first and second quarters. We have also continued to be impacted by low NGL prices, which have impacted our processing volumes and margins. Total gross operating margin from processing was down around $4 million between the first and second quarter of this year, but has also decreased by an additional $6 million from a year ago.

Second, we saw flat crude and condensate volumes in the ORV segment in the second quarter as compared to the first quarter. Producer activity has been limited by the startup of gathering and processing infrastructure. Bill will talk more about this later.

Third, we received another distribution from Howard Energy Partners of approximately $4.4 million, which is in line with the distribution we received in the first quarter. We currently project Howard distributions to continue at similar levels in the second half of the year.

And fourth, we saw a decline in the North Texas and LIG segments. As we mentioned last quarter, we had been able to capitalize on a variety of near-term opportunities in North Texas to offset underlying declines volumes, but we saw fewer such opportunities in the second quarter.

Distributable cash flow was $29.9 million for the second quarter of 2103, a decrease of approximately 6% from the first quarter of 2013. With the distribution at $0.33 per unit for the quarter, distribution coverage of .95 times for the quarter and was 1.03 times for the first six months of the year.

In last quarter's call we discussed the potential impact of lower commodity prices being about $10 million from the midpoint of 2013 guidance. We have continued to see low commodity prices similar to what we saw in the first quarter and do not see anything that indicates improvement of these prices for the rest of the year. Ethane and propane prices averaged $0.29 per gallon and $0.94 per gallon respectively for the second quarter. We were not able to offset the low prices with additional seasonal NGL demand opportunities in the second quarter as we did in the first quarter.

We also see the completion of the Cajun Sibon phase one to be a little slower than originally expected and don't really expect meaningful contribution from this project until the fourth quarter. Bill will walk through the updated schedule for Cajun Sibon, which will likely push full commercial operations to the fourth quarter of the year.

If we are able to offset these challenges through the optimization of our assets or by taking advantage of opportunities in the marketplace, we'd expect to end the year toward the lower end of guidance. This means the third quarter results for this year will likely look consistent with second quarter results. However, as Barry mentioned, we still expect distribution growth in the second half of the year based on the current schedule for phase one of the Cajun Sibon project.

We made important progress in financing our growth projects in the second quarter, raising more than $175 million in equity. We executed a successful overnight equity offering that raised approximately $162 million in net proceeds, and we continue to utilize our at the market equity issuance program with net proceeds of approximately $15.5 million for the quarter. We have raised over $360 million in equity so far this year, which gives us flexibility in financing our growth project. Based on our current expectations, we do not anticipate the need for any additional equity offerings this year, other than the sales under our ATM program. Consistent with our report the first quarter, we expect growth capital expenditures to fall within $500 million to $550 million range.

We continue to maintain our strong liquidity position and currently have no borrowings under our $635 million credit facility. We end the quarter with a four times debt to EBITDA ratio. We expect our leverage to temporarily increase as construction continues on the Cajun Sibon expansions, but we then expect that ratio to moderate as the project is complete.

Given the continued low commodity price environment we do not see improving in the near future, we plan to shut down the Eunice processing plant during the fourth quarter of 2013. The plant has not been a significant contributor of cash flow this year, and we expect to realize cost savings by shutting it down. However, during the quarter, we expect to record an impairment expense related to intangible assets in the amount of $72.6 million. This impairment will have no impact on the Partnership's EBITDA or distributable cash flow. We expect to realize operating cost savings by shutting down the plant, and this in no way affects the expansion of the Eunice fractionator, which is part of the Cajun Sibon expansion.

Turning to Crosstex Energy, Inc., on a standalone basis the Corporation had cash on hand of approximately $1 million and $26 million of borrowings outstanding under the Corporation's credit facility as of the end of the second quarter of 2013. We've been using the Corporation's cash and credit facility to fund our E2 growth capital for our Utica focus company. This cash balance excludes cash held by E2.

We continue to remain excited about the development project of E2, and we will consider dropping our interest into the Partnership in 2014 after they're operational. This will give us financial capability at the Corporation to develop additional projects. As we have said previously, we don't currently expect that the Corporation will pay any significant income taxes in the near future.

With that, I'll turn the call over to Bill, who will provide an asset update and take you through our exciting growth projects.

Bill Davis - *Crosstex Energy, L.P. - EVP, COO*

Thanks, Mike. Good morning, everyone. As you've heard several times for us in the last several quarters, we continue to be focused on completing our $1 billion of growth project to enhance our size and scale, allowing us to capitalize on the substantial opportunities in this industry and environment.

The biggest single piece of that growth is our Cajun Sibon pipeline and frationation expansion project. As Barry stated, we are nearing completion of phase one construction, which includes the 139 mile pipeline from Mont Bellevue to Eunice and the expansion of the Eunice fractionation plant. We expect mechanical completion of the pipeline in September and the expanded fractionation facilities to begin commissioning in October, which is approximately one month behind what I communicated last quarter. Once operational, we expect to ramp up to full volumes during fourth quarter. Even though we are a little behind in getting this completed, I'm really proud of the team and their ability to overcome lots of challenges in a very complex and difficult project.

We look forward to continuing this expansion with phase two, which will increase total capacity on the pipeline to 120,000 barrels per day. Similar to phase one, phase two will help meet the needs of the expanding South Louisiana petrochemical refining and other industrial market.

Phase two consists of a new 100,000 barrel per day fractionator at the Plaquemine complex and expanding pipeline capacity from Eunice to the new Plaquemine fractionators. We have purchased the fractionator and broke ground on the facility last month, and we're well into the process of acquiring necessary permits and right of way.

We have also ordered other major equipment and materials, including pump and pump station modifications. We expect phase two, which will generate approximately twice the cash flow of phase one, to be complete in the second half of 2014.

We've seen modest upward cost pressures on our projects and expect the capital costs of the combined projects to be about $750 million when complete. Once the final phase of the Cajun Sibon expansions come online in 2014, we will be a significant supplier to the US petrochemical industry in Louisiana.

We continue to expect that 50% of our consolidated run rate cash flow will come from mostly from fee-based liquids and crude business by the end of 2013. As we've stated previously, we're pleased to have secured a five-year ethane sales agreement with Williams Olefins LLC and ten-year sales agreement for ethane and propane with Dow Hydrocarbons to support these expansion projects.

Addressing the Williams Geismar plant incident that took place during the quarter - despite this incident, the Southeastern Louisiana NGL market remains very robust. We have not seen disruption of our commercial relationships, and we do not expect any impact open our Cajun Sibon expansion.

We were pleased to announce in June that we completed the phase two expansion of our Riverside Crude oil import facility. The facility, which includes 100,000 barrels of above ground tank storage, a rail spur with 26 spot crude railcar and loading rack, and crude offloading capabilities offers a gateway for our customers to bring stranded or discounted crude oil into the premium priced Louisiana market. With the completion of this expansion, the facility's capacity to transload crude oil from railcars to our barge facility has increased to approximately 15,000 barrels per day. This project provides us with enhanced product diversity and approximately $10 million in minimum annual margins.

Processing and NGL marketing margins continue to be under pressure in the second quarter but were offset in the PNGL segment by additional NGL rail and truck handling volumes. Because of the strong unit margins available, we're maximizing our PNGL assets' ability to increase rail and truck imports. We're currently bringing in approximately 15,000 barrels per day of NGLs from a variety of locations around the country.

At our PNGL segment we're excited about the strong and stable long-term cash flows from our Cajun Sibon, Riverside and other expansion projects. LIG and PNGL have an integrated business model, where LIG can bring rich gas into PNGL for processing. We're constantly looking for these types of opportunities.

LIG continues to benefit from long-term transportation agreements for 365 million cubic feet a day in the Haynesville, which average over four years remaining on a volume weighed basis. With access to several other developing plays, including the Austin Chalk, the TMS, the Cotton Valley and the Miocene Wilcox. We're confident that LIG can provide great additional transportation, processing and fractionation volumes for both our LIG and PNGL facilities over the long-term. We're continuing to monitor producer activity in these developing plays for opportunities that will benefit both of our systems.

As a reminder, our 36 inch pipeline near Napoleonville remains out of service due to the sinkhole that formed near Bayou Corne last summer. We expect to complete the construction of the project and restore service to the pipeline this winter, subject to permitting.

We continue execute on our expansion plans in the Utica region, and we're excited about this area's potential there. There have been over 400 Utica wells drilled as of July, and over 800 Utica permits have been issued to date. According to a recent study, output from the Marcellus and Utica Shale play will account for 60% of domestic gas production growth through 2020. And analysts estimate the gas liquids production in the area could lead to more than 950,000 barrels per day by 2018, a nearly five-fold increase of the 210,000 barrels per day last year.

However, as Mike mentioned earlier, activity by producers in the region has materialized slower than expected in the first half of the year. As producers continue to get more familiar with the area, they will be able to crack the code on completion and production techniques.

We continue to transport condensate in the Utica by truck. Given the recent activity levels, volumes will continue to increase, and we have begun to consider construction of a condensate pipeline. Given the improvement in the gas and wet condensate windows recently, and because of the midstream infrastructure coming online that Barry mentioned, we're confident that this region will produce substantial condensate and natural gas liquids volumes in the near future.

In late June we reactivated our Black Run rail loading terminal, which is a state-of-the-art 20 car rail rack designed to top load multiple products, including condensate and various grades of crude oil at a rate of 24,000 barrels a day. By reactivating Black Run, we're able to offer producer customers in the Utica Shale an immediate midstream solution to send their products to out of region markets, maximizing value for our customers. We believe this project will serve as a growth opportunity as more wells come online in the Utica Shale.

We remain on track with several growth projects in place which are nearing completion. These include additional increases in storage capacity and condensate handling capabilities at the Bells Run barge terminal. Once these enhancements are complete, we expect Bells Run to become a leading market hub and provide many opportunities in the ORV.

As announced last quarter, we've made an investment in E2, a company we established in March with the former management Enerven Compression Services. Currently E2 has commitments to build three compression and stabilization facilities. These facilities are supported by long-term fee-based contracts.

At the producers request, we have all ready expanded the planned capacity of one of these station. The investment in E2 is being made by Crosstex Energy, Inc., the owner of our general partner, and represents ownership of approximately 93% in E2.

Using the Corporation to facilitate this investment provides us with a, additional source of growth capital. Once the assets are operational, we expect they'll be dropped down into the Partnership. We think this is the first of many similar transactions as we expand our footprint in the Utica and Marcellus Shales.

Given our expansive footprint in the Ohio River Valley, we think we are well positioned to take advantage of the significant growth we see coming from this exciting and developing region. Overall, we remain on track and continue to execute on our plan.

In North Texas, our gathering, processing and transmission volumes in the Barnett Shale remain strong through the quarter. Our plants remain full, and we have connected several new wells drilled by producers, focusing on liquids rich gas. We project rich gas volumes will remain strong throughout the balance of the year. However, we do expect a decline in overall gathered and processed volumes during the second half of the year, primarily due to volumes that we have benefited from temporarily while third party infrastructure was become completed.

In the Permian Basin our Deadwood gas plant remains full, with inlet volumes of approximately 52 million per day. In light of the level of drilling activity around the Deadwood plant, we're evaluating a project to install a new gathering system and a second processing plant to serve several producers. Additionally, we're evaluating the development of crude oil gathering infrastructure as part of the strategy to drive value and enhance growth across our asset footprint.

In South Texas, we continue to see strong results from our investment in Howard Energy. The Eagle Ford continues to be a terrific play that provides abundant growth opportunities across the platform. The management team at Howard is strong and experience, and our active involvement in this business has positioned Crosstex well to take advantage of the significant opportunities that are currently being explored. In the near-term we look to Howard's Reveille plant to become operational around the end of the year. We're very pleased with our investment in Howard and have tremendous confidence in their management team and growth prospects. The relationship has provided Crosstex with a great platform in the highly attractive Eagle Ford region, and we look forward to continue to support Howard's activity in the region.

With that, I'll turn the call back to Barry.

Barry Davis - *Crosstex Energy, L.P. - President, CEO*

Thank you, Bill. In conclusion, we're excited about what lies ahead. The dynamics of the market support our strategy to enhance our scale and diversity. And with successful execution, we can provide our customers with tailor solutions they need to succeed while driving value for our shareholders through growing cash flows..

We've talked a lot about the right energy market, the right platform, and the right opportunities to drive growth. None of this would be possible without the right people; ourmore than 800 employees who are each dedicated to executing our plan with excellence and serving our customers. We have worked hard to get where we are, and we're right where we want to be.

With that, Bill, Mike and I will be happy to take your questions.

QUESTIONS AND ANSWERS

Operator

Thank you. (Operator Instructions). And your first question comes from the line of Darren Horowitz of Raymond James. Please proceed.

Darren Horowitz - *Raymond James & Associates - Analyst*

Good morning, guys.

Barry Davis - *Crosstex Energy, L.P. - President, CEO*

Good morning, Darren.

Darren Horowitz - *Raymond James & Associates - Analyst*

My first question regarding E2, you mentioned that first plant is going to be expanded, and I remember the initial budget for the three plants and condensate stabilization was about $75 million. So can you give us an update on where the expected cost is going be, and is it still going be operational in the back half of this year?

Michael Garberding - *Crosstex Energy, L.P. - EVP, CFO*

Yes, Darren, this is Mike. So from an expected cost point, you're still within the range of just north of $75 million. So within the $80 million range. And as we said from an operations standpoint, we expect the first two facilities to be operational in the fourth quarter, with the third facility operational the first half of the first quarter.

Darren Horowitz - *Raymond James & Associates - Analyst*

Okay. Then, Mike, because it seems like this is the path that you're going on, how do you think, beyond the investment -- initial investment in E2, further utilizing that General Partner currency to fund more growth, whether or not it's in the Utica or across that $1 billion potential opportunities? But obviously you have got a very attractive cost of equity capital, so just some the thoughts on the financing mix between the GP and the LP would be appreciated.

Michael Garberding - *Crosstex Energy, L.P. - EVP, CFO*

Just to walk through again like we talked about in the past, we put a finite amount capital opportunity up at the Corporation to finance distinctive processes like the facilities we're working on right now with Antero. Again, what we see really is dropping those assets down and really reloading that existing facility, which is just sub $100 million. Right now that is focused on the E2 opportunities, anything in and around Utica, jut because we think we have just great prospects there. We will consider looking at other opportunities in and around our other assets with that facility.

Darren Horowitz - *Raymond James & Associates - Analyst*

Okay, last question, Bill. As it relates to other opportunities for ORV beyond condensate stabilization, how do you think about possibly a condensate splitter where you could think about you exporting like naphtha or other refined project and getting further downstream, but effectively being more vertically integrated and kind of clipping coupons along every aspect of the value chain?

Bill Davis - *Crosstex Energy, L.P. - EVP, COO*

That's I great question, Darren, and we have had some active conversations along those lines. And that does provide us a great market outlet for the various products that can come out of condensate, so hopefully we'll see those continue to progress and have something there to talk about more concretely in the near future.

Darren Horowitz - *Raymond James & Associates - Analyst*

Okay. Thank you very much.

Barry Davis - *Crosstex Energy, L.P. - President, CEO*

Darren, this is Barry. Just to add a little bit. I mean, thenumbers we gave earlier in our talk, we'reexpecting the condensate production grow by three-fold or four-fold between here and the next six months, so as you can imagine, we are looking at every opportunity to create a marketable product. A condensate splitter is a way to enhance the value of the product, and so certainly we're exploring those opportunities, and really with the good counter-parties that additional value add, such as the refineries and the market takeaways.

Darren Horowitz - *Raymond James & Associates - Analyst*

Thanks for the additional color, Barry, I appreciate it.

Operator

Thank you for your question. (Operator Instructions).

Barry Davis - *Crosstex Energy, L.P. - President, CEO*

Matthew, if there are no other questions?

Operator

We have one more question. No, there are no more questions, I'm afraid. Sorry, my mistake.

Barry Davis - *Crosstex Energy, L.P. - President, CEO*

Okay --

Operator

No, wait, there is one question. It comes from Paul Jacob from Credit Suisse. Beg your pardon. Please go ahead.

Barry Davis - *Crosstex Energy, L.P. - President, CEO*

Good morning, Paul.

Paul Jacob - *Credit Suisse - Analyst*

Okay, good morning. Thanks for taking my questions. So obviously you've got some delays going on on the Cajun Sibon pipeline. I'm just curious, do you see any carryover on phase two related to that? And then do you see -- I guess, could you kind of outline what's driving that as well?

Bill Davis - *Crosstex Energy, L.P. - EVP, COO*

Well, at this point in time, we don't expect any delays in the phase two project. None of the things that have impacted Cajun Sibon have impacted the second phase of the project. And the items we're experiencing are just normal things that would you expect to see in a project of this size and scale and complexity, and nothing really extraordinary about it. And as I said in the discussion earlier, I complement our team on their ability to work through these issues.

Paul Jacob - *Credit Suisse - Analyst*

Okay. So probably a number of issues, not just one major issue. Would that be fair?

Bill Davis - *Crosstex Energy, L.P. - EVP, COO*

Yes.

Paul Jacob - *Credit Suisse - Analyst*

Okay. And then in terms of the cost overrun, by my math, I mean, that's about $50 million over the top end of that range. Do you think that's going to carry over to phase two more significantly than phase one? Like, what's the break out on that? And then, is there any one item that you could point to that you think kind of carries the bulk of that cost overrun?

Bill Davis - *Crosstex Energy, L.P. - EVP, COO*

We don't see any impact on the -- we think that $50 million covers both projects completely. And of course we're further along on phase two than we are on phase two, but the team has completely analyzed the assumptions in phase two and the contingencies that we have in the budget there, and compared it to our experiences in phase one, and feel like we've got it cover.

Barry Davis - *Crosstex Energy, L.P. - President, CEO*

Paul, this is Barry. I would add the single biggest contributor to the cost increase is the weather that we experienced in the first quarter of this year, which is something that we've talked about in previous calls. But we had, I believe, the greatest amount of rain in the last 50 years that we experienced during the primary part of our construction. So that's one reason you wouldn't see that carrying over into phase two.

Paul Jacob - *Credit Suisse - Analyst*

Okay, that's helpful. And the just kind of the last question. Recognizing the fact that the NGL barrels have come down a bit on the heavier end of the side, particularly the butanes, how do you think of your hedging policy going forward? Does it change, or are you guys kind keeping things the same? And maybe I have us insight to the outlook as well. Thank you.

Michael Garberding - *Crosstex Energy, L.P. - EVP, CFO*

Paul, when you think about what we have done, our main focus was, again, all the growth projects that are focused on fee-based, right? So how do we shrink that commodity exposure. Like I mentioned, 86% of our business is fee-base, so that's really the biggest thing we can control and what we've been focused on.

If you look at the hedging, for this year POL we're somewhere around, say, 70% hedged, and on processing margin we're somewhere south of 20% hedged. As you look forward beings, as you said, I think the biggest issue is more on the light end of the barrel, the ethanes, to where it is trading more as a gas equivalent and makes you think differently about potentially hedging processing margin.

So again, we'll continue to hedge like we have in the past, where you're hedging really on a 12 month forward basis, and we'll continue to look at that. But again, our biggest factor is really the projects and decreasing the commodity exposure we have in the business.

Paul Jacob - *Credit Suisse - Analyst*

Thank you for your time. Appreciate it.

Barry Davis - *Crosstex Energy, L.P. - President, CEO*

Thank you, Paul.

Operator

Thank you for your question. And now, ladies and gentlemen, I would like to turn the call over to Barry Davis for the closing remarks.

Barry Davis - *Crosstex Energy, L.P. - President, CEO*

Thank you, Matt. Before we end the call, I want to quickly remind you that in 2013 our strategy has not changed. We are on target to become the best midstream energy solutions provider in the industry. We're in the right energy market, and we have the right platform, the right opportunities and the right people.

Thanks again for your interest in support of the Company and for participating in today's call. Have a great day.

Operator

Thank you for joining today's conference, ladies and gentlemen. This concludes the presentation. You may now disconnect. Have a very good day.

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