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

Form 10-Q

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

For the quarter ended March 31, 2020

or

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

For the transition period from___to___

Commission File Number 001-39163

Hess Midstream LP
(Exact name of Registrant as specified in its charter)

DELAWARE *(State or other jurisdiction of incorporation or organization)*	**84-3211812** *(I.R.S. Employer Identification Number)*
1501 McKinney Street **Houston, TX** *(Address of principal executive offices)*	**77010** *(Zip Code)*

(Registrant’s telephone number, including area code, is (713) 496-4200)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A shares representing limited partner interests	HESM	New York Stock Exchange

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

18,028,308 Class A shares representing limited partner interests (“Class A Shares”) in the registrant were outstanding as of April 30, 2020.

HESS MIDSTREAM LP
FORM 10-Q

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CONSOLIDATED BALANCE SHEETS

Item 1. Financial Statements

(in millions, except share amounts)	March 31, 2020	December 31, 2019
Assets		
Cash and cash equivalents	$ 3.1	$ 3.3
Accounts receivable—affiliate:		
From contracts with customers	106.8	87.6
Other receivables	0.3	0.3
Other current assets	3.0	4.7
Total current assets	113.2	95.9
Equity investments	110.5	107.8
Property, plant and equipment, net	3,028.7	3,010.1
Long-term receivable—affiliate	1.1	1.2
Deferred tax asset	48.1	49.8
Other noncurrent assets	12.9	12.9
Total assets	$ 3,314.5	$ 3,277.7
Liabilities		
Accounts payable—trade	$ 37.9	$ 30.6
Accounts payable—affiliate	18.1	47.9
Accrued liabilities	84.3	88.7
Current maturities of long-term debt	2.5	-
Other current liabilities	3.0	8.9
Total current liabilities	145.8	176.1
Long-term debt	1,812.1	1,753.5
Other noncurrent liabilities	16.2	16.0
Total liabilities	1,974.1	1,945.6
Partners' capital		
Class A shares (18,016,048 shares issued and outstanding as of March 31, 2020; 17,960,655 shares issued and outstanding as of December 31, 2019)	130.5	131.1
Class B shares (266,416,928 shares issued and outstanding as of March 31, 2020 and December 31, 2019)	-	-
Total partners' capital	130.5	131.1
Noncontrolling interest	1,209.7	1,200.6
Accumulated other comprehensive income	0.2	0.4
Total partners' capital	1,340.4	1,332.1
Total liabilities and partners' capital	$ 3,314.5	$ 3,277.7

See accompanying notes to unaudited consolidated financial statements.

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CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

(in millions, except per unit/share data)	Three Months Ended March 31, 2020	2019 (1)
Revenues		
Affiliate services	$ 290.6	$ 189.4
Other income	0.2	0.2
Total revenues	290.8	189.6
Costs and expenses		
Operating and maintenance expenses (exclusive of depreciation shown separately below)	91.9	54.3
Depreciation expense	38.5	33.6
General and administrative expenses	7.6	5.9
Total costs and expenses	138.0	93.8
Income from operations	152.8	95.8
Income from equity investments	2.7	-
Interest expense, net	24.8	15.0
Income before income tax expense (benefit)	130.7	80.8
Income tax expense (benefit)	1.7	-
Net income	129.0	80.8
Less: Net income (loss) attributable to net parent investment	-	(14.5)
Less: Net income (loss) attributable to noncontrolling interest	122.5	77.2
Net income attributable to Hess Midstream LP	6.5	18.1
Less: General partner's interest in net income	-	0.8
Limited partners' interest in net income	$ 6.5	$ 17.3
Net income attributable to Hess Midstream LP per Class A share:		
Basic:	$ 0.37	
Diluted:	$ 0.35	
Net income attributable to Hess Midstream LP per limited partner unit (basic and diluted):		
Common		$ 0.32
Subordinated		$ 0.32
Weighted average Class A shares outstanding subsequent to the Restructuring:		
Basic:	18.0	
Diluted:	18.0	
Weighted average limited partner units outstanding prior to the Restructuring		
Basic:		
Common		27.3
Subordinated		27.3
Diluted:		
Common		27.4
Subordinated		27.3

(1) The financial information presented in this report has been retrospectively adjusted for the acquisition of Hess Infrastructure Partners LP.

See accompanying notes to unaudited consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

	Three Months Ended March 31,	
(in millions)	2020	2019 [1]
Net income	$ 129.0	$ 80.8
Effect of hedge (gains) losses reclassified to income	(0.2)	(0.2)
Total other comprehensive income	(0.2)	(0.2)
Comprehensive income	128.8	80.6
Less: Comprehensive income (loss) attributable to net parent investment	-	(14.7)
Less: Comprehensive income (loss) attributable to noncontrolling interest	122.3	77.2
Comprehensive income attributable to Hess Midstream LP	$ 6.5	$ 18.1

(1) The financial information presented in this report has been retrospectively adjusted for the acquisition of Hess Infrastructure Partners LP.

See accompanying notes to unaudited consolidated financial statements.

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CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS’ CAPITAL
(UNAUDITED)

	Partners' Capital				
(in millions)	Class A Shares	Class B Shares	Noncontrolling Interest	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2019	$ 131.1	$ -	$ 1,200.6	$ 0.4	$ 1,332.1
Net income	6.5	-	122.5	-	129.0
Equity-based compensation	0.5	-	-	-	0.5
Distributions - $0.4258 per share	(7.6)	-	(113.4)	-	(121.0)
Other comprehensive income (loss)	-	-	-	(0.2)	(0.2)
Balance at March 31, 2020	$ 130.5	$ -	$ 1,209.7	$ 0.2	$ 1,340.4

See accompanying notes to unaudited consolidated financial statements.

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CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL (UNAUDITED)

	Partners' Capital							
	Limited Partners							
(in millions)	Common Unitholders Public	Common Unitholders Affiliate	Subordinated Unitholders Affiliate	General Partner	Noncontrolling Interest	Accumulated Other Comprehensive Income	Net Parent Investment	Total (1)
Balance at December 31, 2018	$ 357.1	$ 39.5	$ 105.3	$ 14.9	$ 2,194.1	$ 1.2	$ (836.0)	$ 1,876.1
Net income	5.3	3.4	8.6	0.8	77.2	-	(14.5)	80.8
Unit-based compensation	0.3	-	-	-	-	-	-	0.3
Distributions to unitholders - $0.3701 per unit	(6.3)	(3.8)	(10.1)	-	-	-	-	(20.2)
Distributions to general partner	-	-	-	(0.6)	-	-	0.6	-
Distributions to noncontrolling interest	-	-	-	-	(57.1)	-	57.1	-
Contributions from noncontrolling interest	-	-	-	-	55.5	-	(55.5)	-
Other comprehensive income (loss)						(0.2)	-	(0.2)
Acquisition of Hess Water Services	-	-	-	-	-	-	(225.0)	(225.0)
Balance at March 31, 2019	$ 356.4	$ 39.1	$ 103.8	$ 15.1	$ 2,269.7	$ 1.0	$ (1,073.3)	$ 1,711.8

(1) The financial information presented in this report has been retrospectively adjusted for the acquisition of Hess Infrastructure Partners LP.

See accompanying notes to unaudited consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Three Months Ended March 31,	
(in millions)	2020	2019 (1)
Cash flows from operating activities		
Net income	$ 129.0	$ 80.8
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation expense	38.5	33.6
(Gain) loss on interest rate swaps	(0.2)	(0.2)
(Income) loss from equity investments	(2.7)	-
Amortization of deferred financing costs	1.8	1.2
Equity-based compensation expense	0.5	0.3
Deferred income tax expense (benefit)	1.7	-
Changes in assets and liabilities:		
Accounts receivable – affiliate	(19.1)	(0.1)
Other current and noncurrent assets	1.2	(0.2)
Accounts payable – trade	7.3	(4.1)
Accounts payable – affiliate	(2.8)	2.1
Accrued liabilities	(9.2)	(8.0)
Other current and noncurrent liabilities	(5.8)	(3.6)
Net cash provided by (used in) operating activities	140.2	101.8
Cash flows from investing activities		
Additions to property, plant and equipment	(78.1)	(60.3)
Acquisitions from third parties, net of cash acquired	-	(89.2)
Acquisitions from Hess	-	(68.9)
Payments for equity investments	-	(7.0)
Net cash provided by (used in) investing activities	(78.1)	(225.4)
Cash flows from financing activities		
Net proceeds from (repayments of) bank borrowings with maturities of 90 days or less	60.0	199.0
Repayments of bank borrowings with maturities of greater than 90 days	-	(2.5)
Financing costs	(1.3)	-
Distributions to shareholders/unitholders	(7.6)	(20.2)
Distributions to noncontrolling interest	(113.4)	-
Capital distribution to Hess associated with acquisitions	-	(156.1)
Net cash provided by (used in) financing activities	(62.3)	20.2
Increase (decrease) in cash and cash equivalents	(0.2)	(103.4)
Cash and cash equivalents, beginning of period	3.3	109.3
Cash and cash equivalents, end of period	$ 3.1	$ 5.9
Supplemental disclosure of non-cash investing and financing activities:		
(Increase) decrease in accrued capital expenditures and related liabilities	$ 21.1	$ 32.9

(1) The financial information presented in this report has been retrospectively adjusted for the acquisition of Hess Infrastructure Partners LP.

See accompanying notes to unaudited consolidated financial statements.

Note 1. Description of Business

Hess Midstream LP ("the Company") is a fee-based, growth-oriented, Delaware limited partnership formed by Hess Infrastructure Partners GP LLC ("HIP GP LLC") and our general partner to own, operate, develop and acquire a diverse set of midstream assets and provide fee-based services to Hess Corporation ("Hess") and third-party customers. We are managed and controlled by Hess Midstream GP LLC, the general partner of our general partner.

On December 16, 2019, we completed the acquisition of Hess Infrastructure Partners LP ("HIP"), incentive distribution rights simplification and conversion from a master limited partnership into an "Up-C" structure (collectively, the "Restructuring") contemplated by the partnership restructuring agreement, dated October 3, 2019, by and among the Company, Hess Midstream Operations LP (the "Partnership") and the other parties thereto. Prior to the Restructuring, the Company and the Partnership were indirectly controlled by HIP GP LLC, the general partner of HIP. HIP was originally formed as a joint venture between Hess and GIP II Blue Holding Partnership, L.P. ("GIP" and together with Hess, the "Sponsors").

All references to "Hess Midstream Operations LP," "the Partnership," "us," "we" or similar terms, when referring to periods between April 10, 2017 (the initial public offering date) and December 16, 2019, refer to Hess Midstream Operations LP (formerly known as Hess Midstream Partners LP, the predecessor registrant to Hess Midstream LP), including its consolidated subsidiaries. All references to "Hess Midstream LP," "the Company," "us," "our," "we" or similar terms, when referring to periods subsequent to December 16, 2019, refer to Hess Midstream LP, including its consolidated subsidiaries.

Our assets are primarily located in the Bakken and Three Forks shale plays in the Williston Basin area of North Dakota, which we collectively refer to as the Bakken. Our assets and operations are organized into the following three reportable segments: (1) gathering, (2) processing and storage and (3) terminaling and export (see Note 13, Segments).

Note 2. Basis of Presentation

The consolidated financial statements included in this report reflect all normal and recurring adjustments which, in the opinion of management, are necessary for a fair presentation of our consolidated financial position at March 31, 2020 and December 31, 2019, the consolidated results of operations for the three months ended March 31, 2020 and 2019, and consolidated cash flows for the three months ended March 31, 2020 and 2019. The unaudited results of operations for the interim periods reported are not necessarily indicative of results to be expected for the full year.

The consolidated financial statements were prepared in accordance with the requirements of the Securities and Exchange Commission ("SEC") for interim reporting. As permitted under those rules, certain notes or other financial information that are normally required by U.S. generally accepted accounting principles ("GAAP") have been condensed or omitted from these interim consolidated financial statements. These financial statements, therefore, should be read in conjunction with the financial statements and related notes included in the Company's annual report on Form 10-K for the year ended December 31, 2019.

On December 16, 2019, we completed the acquisition of HIP, which was accounted for as a business combination of entities under common control. Accordingly, our consolidated financial statements prior to the acquisition date were retrospectively recast to include the financial results of HIP. See Note 3, Acquisitions.

We consolidate the activities of the Partnership, and prior to the Restructuring the activities of Hess North Dakota Pipelines Operations LP, Hess TGP Operations LP and Hess North Dakota Export Logistics Operations LP (collectively, the "Joint Interest Assets"), as variable interest entities ("VIE") under U.S. GAAP. We have concluded that we are the primary beneficiary of the VIE, as defined in the accounting standards, since we have the power, through our ownership, to direct those activities that most significantly impact the economic performance of the Partnership. This conclusion was based on a qualitative analysis that considered the Partnership's governance structure and the delegation of control provisions, which provide us the ability to control the operations of the Partnership. All financial statement activities associated with the VIE are captured within gathering, processing and storage, and terminaling and export segments (see Note 13, Segments). We currently do not have any independent assets or operations other than our interest in the Partnership. Our noncontrolling interest represents the approximate 93.7% interest in the Partnership retained by Hess and GIP. Prior to the Restructuring, our noncontrolling interest represented the 80% interest in the Joint Interest Assets retained by HIP.

On January 1, 2020, we adopted Accounting Standard Update ("ASU") 2016-13, Financial Instruments – Credit Losses. This ASU makes changes to the impairment model for trade receivables, net investments in leases, debt securities, loans and certain other instruments. The standard requires the use of a forward-looking "expected loss" model compared with the "incurred loss" model. The adoption of this ASU did not have a material impact on our consolidated financial statements.

Note 3. Acquisitions

Hess Water Services Acquisition

On March 1, 2019, HIP acquired 100% of the membership interest in Hess Water Services LLC ("Hess Water Services") that owns Hess' existing Bakken water services business for $225.0 million in cash. HIP funded the purchase price through a combination of cash on hand and borrowings under its revolving credit facility.

The transaction was accounted for as an acquisition of a business between entities under common control, and therefore, the related acquired assets and liabilities were transferred at Hess' historical carrying value. We recognized $156.1 million of consideration in excess of the book value of net assets acquired as a capital distribution to Hess, which is reflected within Net parent investment in the accompanying consolidated statements of changes in partners' capital.

Hess Water Services is included in our gathering segment (see Note 13, Segments).

Tioga System Acquisition

On March 22, 2019, we acquired 100% of the membership interests of Tioga Midstream Partners LLC from Summit Midstream Partners, LP that owns oil, gas, and water gathering assets (the "Tioga System Acquisition"). The transaction was accounted for as an asset acquisition. The Tioga System, located in Williams County in western North Dakota, is complementary to our infrastructure, and is currently delivering volumes into our gathering system.

We paid $89.2 million in cash at closing, net of cash acquired, and recognized a contingent liability for additional potential payments of $10 million in future periods subject to certain performance metrics. We funded the purchase price through a combination of cash on hand and borrowings under our revolving credit facility.

The acquired Tioga System is included in our gathering segment (see Note 13, Segments).

Hess Infrastructure Partners LP Acquisition

On December 16, 2019, the Company and the Partnership completed the Restructuring, pursuant to which the Partnership acquired all of the partnership interests in HIP from Hess and GIP, including HIP's retained 80% economic interest in each of the Joint Interest Assets, 100% interest in Hess Water Services and the outstanding economic general partner and incentive distribution rights in the Partnership. The Partnership's organizational structure converted from a master limited partnership into an "Up-C" structure in which the Partnership's public unitholders received newly issued Class A Shares in Hess Midstream LP in a one-for-one exchange. The Partnership changed its name to "Hess Midstream Operations LP" and became a consolidated subsidiary of the Company. As a result of the Restructuring, the Sponsors held 898,000 Class A Shares and 266,416,928 Class B Shares in the Company, 266,416,928 Class B Units representing noncontrolling limited partner interests in the Partnership and received cash consideration of $601.8 million. Class B Units of the Partnership together with the same number of Class B Shares of the Company are convertible to Class A Shares of the Company on a one-for-one basis.

The acquisition of HIP was accounted for as an acquisition of a business under common control. Accordingly, consolidated financial statements prior to the acquisition date of December 16, 2019 were retrospectively recast to include the financial results of HIP. The Partnership previously consolidated 100% of the Joint Interest Assets and reflected a noncontrolling interest of 80% in such assets representing HIP's historical ownership of the Joint Interest Assets; therefore, the recast of the previously reported financial information did not result in any changes in segment information, other than inclusion of Hess Water Services in the gathering segment.

Retrospective Adjusted Information Tables

The following tables present the results of operations and cash flows for the three months ended March 31, 2019 giving effect to the acquisition of HIP. The results of HIP prior to the effective date of the acquisition are included in "Acquisition of HIP" and the consolidated results are included in "Consolidated Results" within the tables below. The Partnership, as previously reported, did not have any items of other comprehensive income during the periods presented.

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Consolidated Statement of Operations

	Three Months Ended March 31, 2019		
(in millions)	Partnership as Previously Reported	Acquisition of HIP	Consolidated Results
Revenues and other income			
Affiliate services	$ 174.0	$ 15.4	$ 189.4
Other income	0.2	-	0.2
Total revenues and other income	174.2	15.4	189.6
Costs and expenses			
Operating and maintenance expenses (exclusive of depreciation shown separately below)	41.9	12.4	54.3
Depreciation expense	32.6	1.0	33.6
General and administrative expenses	4.0	1.9	5.9
Total costs and expenses	78.5	15.3	93.8
Income from operations	95.7	0.1	95.8
Interest expense, net	0.4	14.6	15.0
Net income	95.3	(14.5)	80.8
Less: Net income (loss) attributable to net parent investment	-	(14.5)	(14.5)
Less: Net income attributable to noncontrolling interest	77.2	-	77.2
Net income attributable to Hess Midstream Partners LP	18.1	-	18.1
Less: General partner's interest in net income attributable to Hess Midstream Partners LP	0.8	-	0.8
Limited partners' interest in net income attributable to Hess Midstream Partners LP	$ 17.3	$ -	$ 17.3
Net income attributable to Hess Midstream Partners LP per limited partner unit (basic and diluted):			
Common	$ 0.32	$ -	$ 0.32
Subordinated	$ 0.32	$ -	$ 0.32
Weighted average limited partner units outstanding:			
Basic:			
Common	27.3	-	27.3
Subordinated	27.3	-	27.3
Diluted:			
Common	27.4	-	27.4
Subordinated	27.3	-	27.3

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

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Consolidated Statement of Cash Flows

	Three Months Ended March 31, 2019		
(in millions)	Partnership as Previously Reported	Acquisition of HIP	Consolidated Results
Cash flows from operating activities			
Net income	$ 95.3	$ (14.5)	$ 80.8
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation expense	32.6	1.0	33.6
(Gain) loss on interest rate swaps	-	(0.2)	(0.2)
Amortization of deferred financing costs	0.3	0.9	1.2
Unit-based compensation	0.3	-	0.3
Changes in assets and liabilities:			
Accounts receivable—affiliate	2.6	(2.7)	(0.1)
Other current and noncurrent assets	(0.4)	0.2	(0.2)
Accounts payable—trade	(3.4)	(0.7)	(4.1)
Accounts payable—affiliate	0.8	1.3	2.1
Accrued liabilities	1.6	(9.6)	(8.0)
Other current and noncurrent liabilities	(3.6)	-	(3.6)
Net cash provided by (used in) operating activities	126.1	(24.3)	101.8
Cash flows from investing activities			
Acquisitions from third parties, net of cash acquired	(61.0)	(28.2)	(89.2)
Acquisitions from Hess	-	(68.9)	(68.9)
Payments for equity investments	(7.0)	-	(7.0)
Additions to property, plant and equipment	(59.5)	(0.8)	(60.3)
Net cash provided by (used in) investing activities	(127.5)	(97.9)	(225.4)
Cash flows from financing activities			
Proceeds from (repayments of) bank borrowings - revolver	7.0	192.0	199.0
Repayments of bank borrowings - term loan	-	(2.5)	(2.5)
Distributions to unitholders	(20.2)	-	(20.2)
Distributions to general partner	(0.6)	0.6	-
Distributions to noncontrolling interest	(57.1)	57.1	-
Capital distribution to Hess associated with acquisitions	-	(156.1)	(156.1)
Contributions from noncontrolling interest	55.5	(55.5)	-
Net cash provided by (used in) financing activities	(15.4)	35.6	20.2
Net increase (decrease) in cash and cash equivalents	(16.8)	(86.6)	(103.4)
Cash and cash equivalents at beginning of period	20.3	89.0	109.3
Cash and cash equivalents at end of period	$ 3.5	$ 2.4	$ 5.9

Note 4. Related Party Transactions

Commercial Agreements

Effective January 1, 2014, we entered into i) gas gathering, ii) crude oil gathering, iii) gas processing and fractionation, iv) storage services, and v) terminal and export services fee-based commercial agreements with certain subsidiaries of Hess. Effective January 1, 2019, in connection with the Hess Water Services Acquisition, we entered into long-term fee-based water services agreements with certain subsidiaries of Hess. Under our commercial agreements, we provide gathering, compression, processing, fractionation, storage, terminaling, loading, transportation and produced water disposal services to Hess, for which we receive a fee per barrel of crude oil, barrel of water, Mcf of natural gas, or Mcf equivalent of NGLs, as applicable, delivered during each month, and Hess is obligated to provide us with minimum volumes of crude oil, water, natural gas and NGLs. These agreements also include inflation escalators and fee recalculation mechanisms that allow fees to be adjusted annually.

For the three months ended March 31, 2020 and 2019, approximately 100% of our revenues were attributable to our fee-based commercial agreements with Hess, including revenues from third-party volumes contracted with Hess and delivered to us under these agreements. We retain control of our assets and the flow of volumes based on available capacity within our integrated gathering, processing and terminaling systems. Together with Hess, we are pursuing strategic relationships with third-party producers and other midstream companies with operations in the Bakken in order to maximize our utilization rates.

Revenue from contracts with customers on a disaggregated basis are as follows:

	Three Months Ended March 31,	
(in millions)	2020	2019
Oil and gas gathering services	$ 117.4	$ 79.0
Water gathering and disposal services	24.2	15.4
Processing and storage services	96.8	66.3
Terminaling and export services	52.2	28.7
Total revenues from contracts with customers	$ 290.6	$ 189.4
Other income	0.2	0.2
Total revenues	$ 290.8	$ 189.6

During the three months ended March 31, 2020 and 2019, we earned $1.0 million and $2.8 million, respectively, of minimum volume shortfall fee payments.

The following table presents third-party pass-through costs for which we recognize revenues in an amount equal to the costs. These third-party costs are included in Operating and maintenance expenses in the accompanying unaudited consolidated statements of operations.

	Three Months Ended March 31,	
(in millions)	2020	2019
Rail transportation costs	23.2	7.8
Produced water trucking and disposal costs	16.6	11.7
Electricity fees	9.5	6.8
Total	$ 49.3	$ 26.3

Omnibus and Employee Secondment Agreements

Under our omnibus and employee secondment agreements, Hess provides substantial operational and administrative services to us in support of our assets and operations. For the three months ended March 31, 2020 and 2019, we had the following charges from Hess. The classification of these charges between operating and maintenance expenses and general and administrative expenses is based on the fundamental nature of the services being performed for our operations.

(in millions)	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019 (1)
Operating and maintenance expenses	$ 15.5	$ 10.6
General and administrative expenses	3.8	3.6
Total	$ 19.3	$ 14.2

LM4 Agreements

Under our gas processing agreement with Little Missouri 4 ("LM4"), a 50/50 joint venture with Targa Resources Corp., we pay a processing fee per Mcf of natural gas and reimburse LM4 for our proportionate share of electricity costs. During the three months ended March 31, 2020, we incurred $6.4 million of expenses under the LM4 gas processing agreement, which are included in Operating and maintenance expenses in the accompanying consolidated statements of operations. In addition, during the three months ended March 31, 2020, we recognized $2.7 million of earnings from equity investments, based on our ownership interest in LM4, as presented in our accompanying consolidated statements of operations. We did not incur any expenses under the LM4 gas processing agreement and did not have any earnings from equity investments during the three months ended March 31, 2019.

Note 5. Property, Plant and Equipment

Property, plant and equipment, at cost, is as follows:

(in millions, except for number of years)	Estimated useful lives	March 31, 2020	December 31, 2019
Gathering assets			
Pipelines	22 years	$ 1,391.5	$ 1,352.7
Compressors, pumping stations and terminals	22 to 25 years	745.8	725.9
Gas plant assets			
Pipelines, pipes and valves	22 to 25 years	460.0	460.0
Equipment	12 to 30 years	428.2	428.2
Buildings	35 years	182.3	182.3
Processing and fractionation facilities	25 years	188.7	188.6
Logistics facilities and railcars	20 to 25 years	385.7	385.5
Storage facilities	20 to 25 years	19.5	19.5
Other	20 to 25 years	13.1	13.0
Construction-in-progress	N/A	147.2	149.3
Total property, plant and equipment, at cost		3,962.0	3,905.0
Accumulated depreciation		(933.3)	(894.9)
Property, plant and equipment, net		$ 3,028.7	$ 3,010.1

Note 6. Accrued Liabilities

Accrued liabilities are as follows:

(in millions)	March 31, 2020	December 31, 2019
Accrued capital expenditures	$ 40.6	$ 34.7
Accrued interest	14.2	18.7
Other accruals	29.5	35.3
Total	$ 84.3	$ 88.7

Note 7. Debt and Interest Expense

Fixed-Rate Senior Notes

As of March 31, 2020, the Partnership, Hess Midstream Operations LP, a consolidated subsidiary of the Company, had $800.0 million of 5.625% fixed-rate senior notes due 2026 that were issued to qualified institutional investors. The notes are guaranteed by certain subsidiaries of the Partnership. Interest is payable semi-annually on February 15 and August 15.

In addition, as of March 31, 2020, the Partnership had $550.0 million of 5.125% fixed-rate senior notes due 2028 that were issued to qualified institutional investors. The notes are guaranteed by certain subsidiaries of the Partnership. Interest is payable semi-annually on June 15 and December 15.

Each of the indentures for the 2026 and 2028 senior notes contains customary covenants that restrict our ability and the ability of our restricted subsidiaries to (i) declare or pay any dividend or make any other restricted payments; (ii) transfer or sell assets or subsidiary stock; (iii) incur additional debt; or (iv) make restricted investments, unless, at the time of and immediately after giving pro forma effect to such restricted payments and any related incurrence of indebtedness or other transactions, no default has occurred and is continuing or would occur as a consequence of such restricted payment and if the leverage ratio does not exceed 4.25 to 1.00. As of March 31, 2020, we were in compliance with all debt covenants under the indentures.

In addition, the covenants included in the indentures governing the senior notes contain provisions that allow the Company to satisfy the Partnership's reporting obligations under the indenture, as long as any such financial information of the Company contains information reasonably sufficient to identify the material differences, if any, between the financial information of the Company, on the one hand, and the Partnership and its subsidiaries on a stand-alone basis, on the other hand and the Company does not directly own capital stock of any person other than the Partnership and its subsidiaries, or material business operations that would not be consolidated with the financial results of the Partnership and its subsidiaries. The Company is a holding company and has no independent assets or operations. Other than the interest in the Partnership and the effect of federal and state income taxes that are recognized at the Company level, there are no material differences between the consolidated financial statements of the Partnership and the consolidated financial statements of the Company.

Credit Facilities

As of March 31, 2020, we had senior secured credit facilities (the "Credit Facilities") consisting of a $1,000.0 million 5-year revolving credit facility and a fully drawn $400.0 million 5-year Term Loan A facility. Facility fees accrue on the total capacity of the revolving credit facility. Borrowings under the 5-year revolving credit facility will generally bear interest at LIBOR plus the applicable margin ranging from 1.275% to 2.000%, while the applicable margin for the 5-year syndicated revolving credit facility ranges from 1.275% to 2.000%. Pricing levels for the facility fee and interest-rate margins are based on the Partnership's ratio of total debt to EBITDA (as defined in the Credit Facilities). If the Partnership obtains an investment grade credit rating, the pricing levels will be based on the Partnership's credit ratings in effect from time to time. At March 31, 2020, borrowings of $92.0 million were drawn under the Partnership's revolving credit facility, and borrowings of $400.0 million, excluding deferred issuance costs, were drawn under the Partnership's Term Loan A facility.

The Credit Facilities can be used for borrowings and letters of credit for general corporate purposes. The Credit Facilities are guaranteed by each direct and indirect wholly owned material domestic subsidiary of the Partnership, and are secured by first priority perfected liens on substantially all of the presently owned and after-acquired assets of the Partnership and its direct and indirect wholly owned material domestic subsidiaries, including equity interests directly owned by such entities, subject to certain customary exclusions. The Credit Facilities contain representations and warranties, affirmative and negative covenants and events of default that the Partnership considers to be customary for an agreement of this type, including a covenant that requires the Partnership to maintain a ratio of total debt to EBITDA (as defined in the Credit Facilities) for the prior four fiscal quarters of not greater than 5.00 to 1.00 as of the last day of each fiscal quarter (5.50 to 1.00 during the specified period following certain acquisitions) and, prior to the Partnership obtaining an investment grade credit rating, a ratio of secured debt to EBITDA for the prior four fiscal quarters of not greater than 4.00 to 1.00 as of the last day of each fiscal quarter. As of March 31, 2020, the Partnership was in compliance with these financial covenants.

Fair Value Measurement

At March 31, 2020, our total debt had a carrying value of $1,814.6 million and had a fair value of approximately $1,448.7 million, based on Level 2 inputs in the fair value measurement hierarchy. The carrying value of the amounts under the Term Loan A facility and revolving credit facility at March 31, 2020, approximated their fair value. Any changes in interest rates do not impact cash outflows associated with fixed rate interest payments or settlement of debt principal, unless a debt instrument is repurchased prior to maturity.

Note 8. Partners' Capital and Distributions

Our partnership agreement requires that, within 45 days after the end of each quarter, we distribute all of our available cash to shareholders of record on the applicable record date. The following table details the distributions declared and/or paid for the periods presented:

Period	Record Date	Distribution Date	Distribution per Common and Subordinated Unit/Class A share	
First Quarter 2019	May 3, 2019	May 14, 2019	$	0.3833
Second Quarter 2019	August 5, 2019	August 13, 2019	$	0.3970
Third Quarter 2019	November 4, 2019	November 13, 2019	$	0.4112
Fourth Quarter 2019	February 6, 2020	February 14, 2020	$	0.4258
First Quarter 2020(1)	May 4, 2020	May 14, 2020	$	0.4310

(1) For more information, see Note 14, Subsequent Events.

Note 9. Equity-Based Compensation

Equity-based award activity for the three months ended March 31, 2020 is as follows:

	Number of Shares	Weighted Average Award Date Fair Value	
Outstanding and unvested shares at December 31, 2019	136,060	$	21.95
Granted	175,888		10.71
Vested	(55,393)		21.73
Outstanding and unvested shares at March 31, 2020	256,555	$	14.29

As of March 31, 2020, $3.1 million of compensation cost related to unvested restricted shares awarded under our long-term incentive plan remains to be recognized over an expected weighted-average period of 2.3 years.

Note 10. Earnings per Share/Limited Partner Unit

Earnings per limited partner unit prior to the Restructuring on December 16, 2019, were computed by dividing the respective limited partners' interest in net income attributable to Hess Midstream Partners LP by the weighted average number of common and subordinated units outstanding. Because we had more than one class of participating securities, we used the two-class method when calculating earnings per limited partner unit. The classes of participating securities included common units, subordinated units, general partner interest and incentive distribution rights. Our net income includes earnings related to businesses acquired through transactions between entities under common control for periods prior to their acquisition by us. We have allocated these pre-acquisition earnings to Net income attributable to net parent investment.

Subsequent to the Restructuring, we calculate earnings per Class A Share and we do not have any other participating securities. Class B Units of the Partnership together with the equal number of Class B Shares of the Company are convertible to Class A Shares of the Company on a one-for-one basis. In addition, our restricted equity-based awards may have a dilutive effect on our earnings per share. Diluted earnings per Class A Share are calculated using the "treasury stock method" or "if-converted method", whichever is more dilutive.

(in millions, except per share amounts)	Three Months Ended March 31, 2020	2019
Net income	$ 129.0	$ 80.8
Less: Net income attributable to net parent investment	-	(14.5)
Less: Net income attributable to noncontrolling interest	122.5	77.2
Net income attributable to Hess Midstream LP	6.5	18.1
Less: General partner's interest in net income prior to the Restructuring	-	0.8
Limited partners' interest in net income	$ 6.5	$ 17.3
Common unitholders' interest in net income attributable to Hess Midstream LP		$ 8.7
Subordinated unitholders' interest in net income attributable to Hess Midstream LP		$ 8.6
Net income attributable to Hess Midstream LP per Class A share:		
Basic:	$ 0.37	
Diluted:	$ 0.35	
Net income attributable to Hess Midstream LP per limited partner unit (basic and diluted):		
Common		$ 0.32
Subordinated		$ 0.32
Weighted average Class A shares outstanding subsequent to the Restructuring:		
Basic:	18.0	
Diluted:	18.0	
Weighted average limited partner units outstanding prior to the Restructuring		
Basic:		
Common		27.3
Subordinated		27.3
Diluted:		
Common		27.4
Subordinated		27.3

For the three months ended March 31, 2020, the weighted average number of Class A shares outstanding included 52,442 dilutive restricted shares. For the three months ended March 31, 2019, the weighted average number of common units outstanding included 124,227 dilutive restricted units.

Note 11. Concentration of Credit Risk

Hess represented approximately 100% of our total revenues and accounts receivable for the three months ended March 31, 2020 and 2019.

Note 12. Commitments and Contingencies

Environmental Contingencies

The Company is subject to federal, state and local laws and regulations relating to the environment. As of March 31, 2020, our reserves for estimated remediation liabilities included in Accrued liabilities and Other noncurrent liabilities were $0.6 million and $2.3 million, respectively, compared with $0.7 million and $2.1 million, respectively, as of December 31, 2019.

Legal Proceedings

In the ordinary course of business, the Company is from time to time party to various judicial and administrative proceedings. We regularly assess the need for accounting recognition or disclosure of these contingencies. In the case of a known contingency, we accrue a liability when the loss is probable and the amount is reasonably estimable. If a range of amounts can be reasonably estimated and no amount within the range is a better estimate than any other amount, then the minimum of the range is accrued.

As of March 31, 2020 and December 31, 2019, we did not have material accrued liabilities for legal contingencies. Based on currently available information, we believe it is remote that the outcome of known matters would have a material adverse impact on our financial condition, results of operations or cash flows.

Note 13. Segments

Our operations are located in the United States and are organized into three reportable segments: (1) gathering, (2) processing and storage and (3) terminaling and export. Our reportable segments comprise the structure used by our Chief Operating Decision Maker ("CODM") to make key operating decisions and assess performance. These segments are strategic business units with differing products and services. Our CODM evaluates the segments' operating performance based on multiple measures including Adjusted EBITDA, defined as net income (loss) before net interest expense, income tax expense (benefit), depreciation and amortization and our proportional share of depreciation of equity affiliates, as further adjusted to eliminate the impact of certain items that we do not consider indicative of our ongoing operating performance, such as other income and other non-cash, non-recurring items, if applicable.

The following tables reflect certain financial data for each reportable segment:

(in millions)	Gathering	Processing and Storage	Terminaling and Export	Interest and Other	Consolidated
For the Three Months Ended March 31, 2020					
Revenues and other income	$ 141.6	$ 97.0	$ 52.2	$ -	$ 290.8
Net income (loss)	75.9	62.7	20.7	(30.3)	129.0
Net income (loss) attributable to Hess Midstream LP	4.8	4.0	1.3	(3.6)	6.5
Depreciation expense	23.3	11.2	4.0	-	38.5
Proportional share of equity affiliates' depreciation	-	1.3	-	-	1.3
Income from equity investments	-	2.7	-	-	2.7
Interest expense, net	-	-	-	24.8	24.8
Income tax expense	-	-	-	1.7	1.7
Adjusted EBITDA	99.2	75.2	24.7	(3.8)	195.3
Capital expenditures	15.8	41.1	0.1	-	57.0

(in millions)	Gathering	Processing and Storage	Terminaling and Export	Interest and Other	Consolidated
For the Three Months Ended March 31, 2019					
Revenues and other income	$ 94.4	$ 66.5	$ 28.7	$ -	$ 189.6
Net income (loss)	44.2	41.1	12.8	(17.3)	80.8
Net income (loss) attributable to Hess Midstream LP	8.6	8.6	2.5	(1.6)	18.1
Depreciation expense	18.4	11.2	4.0	-	33.6
Interest expense, net	-	-	-	15.0	15.0
Adjusted EBITDA	62.6	52.3	16.8	(2.3)	129.4
Capital expenditures	125.8	1.1	(0.3)	-	126.6

Total assets for the reportable segments are as follows:

(in millions)	March 31, 2020	December 31, 2019
Gathering	$ 1,846.5	$ 1,844.9
Processing and Storage(1)	1,092.2	1,055.1
Terminaling and Export	311.7	310.7
Interest and Other	64.1	67.0
Total assets	$ 3,314.5	$ 3,277.7

(1) Includes $110.5 million of investment in equity investees.

Note 14. Subsequent Events

On April 23, 2020, the board of directors of our general partner declared a quarterly cash distribution of $0.4310 per Class A share for the quarter ended March 31, 2020, an increase of 1.2% compared with the quarter ended March 31, 2019. The distribution will be payable on May 14, 2020, to shareholders of record as of the close of business on May 4, 2020.

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

Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the unaudited financial statements and accompanying footnotes included under Item 1. Financial Statements and in conjunction with the audited consolidated financial statements and accompanying footnotes in our Annual Report on Form 10-K for the year ended December 31, 2019 (our "2019 Annual Report").

Unless otherwise stated or the context otherwise indicates, references in this report to "Hess Midstream Operations LP," "the Partnership," "us," "we" or similar terms, when referring to periods between April 10, 2017 and December 16, 2019, refer to Hess Midstream Operations LP (formerly known as Hess Midstream Partners LP, the predecessor registrant to Hess Midstream LP), including its consolidated subsidiaries. All references to "Hess Midstream LP," "the Company," "us," "our," "we" or similar terms, when referring to periods subsequent to December 16, 2019, refer to Hess Midstream LP, including its consolidated subsidiaries.

This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in the section entitled "Risk Factors" in this Quarterly Report on Form 10-Q and in our 2019 Annual Report.

Overview

We are a fee-based, growth-oriented, limited partnership formed by Hess Infrastructure Partners GP LLC ("HIP GP LLC") and our general partner to own, operate, develop and acquire a diverse set of midstream assets and provide fee-based services to Hess Corporation ("Hess") and third-party customers. We are managed and controlled by Hess Midstream GP LLC, the general partner of our general partner. Our assets are primarily located in the Bakken and Three Forks shale plays in the Williston Basin area of North Dakota, which we collectively refer to as the Bakken.

In 2019, we announced plans to expand natural gas processing capacity at the Tioga Gas Plant by 150 MMcf/d for total processing capacity of 400 MMcf/d for expected capital expenditures of approximately $150 million. The expansion is progressing to plan and is on schedule to be in service by mid-2021.

On December 16, 2019, the Company and the Partnership completed the transactions (the "Restructuring") contemplated by the Partnership Restructuring Agreement, dated October 3, 2019, by and among the Company, the Partnership and the other parties thereto. As a result of the Restructuring, the Company was delegated control of the Partnership and replaced the Partnership as its publicly traded successor. Prior to the Restructuring, the Company and the Partnership were indirectly controlled by HIP GP LLC, the general partner of Hess Infrastructure Partners LP ("HIP"). HIP was originally formed as a joint venture between Hess and GIP II Blue Holding Partnership, L.P. ("GIP" and together with Hess, the "Sponsors") and owned an 80% economic interest in certain of the Partnership's existing assets (the "Joint Interest Assets"), a 100% interest in certain other businesses, including Hess Water Services LLC ("Hess Water Services") and a 100% interest in Hess Midstream Partners GP LP ("MLP GP LP"), which held all of the Partnership's outstanding incentive distribution rights and the general partner interest in the Partnership, and controlled the Partnership.

Pursuant to the Restructuring, the Partnership acquired HIP, including HIP's 80% interest in the Joint Interest Assets, 100% interest in Hess Water Services and the outstanding economic general partner interest and incentive distribution rights in the Partnership. The Partnership's organizational structure converted from a master limited partnership into an "Up-C" structure in which the Partnership's public unitholders received newly issued Class A shares ("Class A Shares") in Hess Midstream LP in a one-for-one exchange. The Partnership changed its name to "Hess Midstream Operations LP" and became a consolidated subsidiary of the Company. After consummation of the Restructuring, the Sponsors and their affiliates received an aggregate of 898,000 Class A Shares and 266,416,928 Class B Shares in the Company, 266,416,928 Class B units representing noncontrolling limited partner interests in the Partnership and received aggregate cash consideration of $601.8 million.

The acquisition of HIP by the Partnership, including its 80% economic interest in the Joint Interest Assets and 100% interest in Hess Water Services, was accounted for as an acquisition of a business under common control. Accordingly, our consolidated financial statements prior to the acquisition date of December 16, 2019 were retrospectively recast to include the financial results of HIP.

Our assets and operations are organized into the following three reportable segments: (1) gathering (2) processing and storage and (3) terminaling and export.

Our Response to Global Pandemic and Market Conditions

The coronavirus ("COVID-19") pandemic continues to have a profound impact on society and industry. The Company's first priority in the midst of the COVID-19 pandemic has been the health and safety of the Company's workforce and local communities. A multidisciplinary emergency response team has been established in coordination with Hess that has been overseeing plans and precautions to reduce the risks of COVID-19 in the work environment while maintaining business continuity based on the most current recommendations by government and public health agencies. The Company and Hess have implemented a variety of health and safety measures including enhanced cleaning procedures and modified work practices such as travel restrictions, health screenings, reduced personnel at work sites wherever this can be done safely, and remote working arrangements for office workers.

In addition to the global health concerns of COVID-19, the pandemic has severely impacted demand for oil. In response to the resulting sharp decline in oil prices, Hess announced a reduction in its rig count in the Bakken from 6 rigs to 1 rig by end of May 2020. In addition, third parties in the Bakken have also started to curtail production and reduce drilling activity. Our contract structure is expected to largely offset the impact of the reduction in volumes on our financial performance metrics, as our minimum volume commitments provide minimum levels of cash flows and the fee recalculation mechanisms under our agreements support our cash flow stability. See "Other Factors Expected to Significantly Affect Our Future Results."

Consistent with Hess' expected reduced activity and our focus on preserving balance sheet strength, in March 2020 we announced a 20% reduction to our 2020 expansion capital program, primarily due to fewer expected well connects and the deferral or cancellation of certain gas compression activities, and a 55% reduction to our 2021 expansion capital program. In order to preserve long-term sustainability and financial strength, we also lowered our targeted annualized distribution growth rate per share from 15% to 5% and extended growth through 2022.

First Quarter Results

Significant financial and operating highlights for the first quarter of 2020 included:

- Implemented COVID-19 plans and precautions to protect the health and safety of our workforce and the communities where we operate and maintain business continuity;
- Consolidated net income of $129.0 million;
- Net income attributable to Hess Midstream LP after deduction for noncontrolling interest of $6.5 million, or $0.37 per Class A share;
- Net cash provided by operating activities of $140.2 million;
- Adjusted EBITDA of $195.3 million;
- Distributable cash flow of $170.3 million;
- Free cash flow of $138.3 million;
- Cash distribution of $0.4310 per Class A share, declared on April 23, 2020;
- Compared with the prior-year quarter, throughput volumes increased 36% for gas processing, 35% for gas gathering, 34% for crude oil gathering, 34% for crude oil terminaling and 64% for water gathering driven by Hess Corporation's higher production and completion of the ramp-up of the Little Missouri 4 gas processing plant.

For additional information regarding our non-GAAP financial measures, see "How We Evaluate Our Operations" and "Reconciliation of Non-GAAP Financial Measures" below.

How We Generate Revenues

We generate substantially all of our revenues by charging fees for gathering, compressing and processing natural gas and fractionating NGLs; gathering, terminaling, loading and transporting crude oil and NGLs; storing and terminaling propane; and gathering and disposing of produced water. We have entered into long-term, fee-based commercial agreements with Hess dated effective January 1, 2014, for oil and gas services agreements, and effective January 1, 2019, for water services agreements.

Except for the water services agreements and except for a certain gathering sub-system, as described below, each of our commercial agreements with Hess has an initial 10-year term and we have the unilateral right to renew each of these agreements for one additional 10-year term. Initial term for the water services agreements is 14 years and the secondary term is 10 years. In September 2018, we amended our gas gathering and gas processing and fractionation agreements to enable us to provide certain services to Hess in respect of volumes to be delivered to and processed at the LM4 plant. The amended and restated gas gathering agreement also extends the initial term of the gathering agreement with respect to a certain gathering sub-system by 5 years to provide for a 15-year initial term and decreases the secondary term for that gathering sub-system by 5 years to provide for a 5-year secondary term. These agreements include dedications covering substantially all of Hess’ existing and future owned or controlled production in the Bakken, minimum volume commitments, inflation escalators and fee recalculation mechanisms, all of which are intended to provide us with cash flow stability and growth, as well as downside risk protection. In particular, Hess’ minimum volume commitments under our commercial agreements provide minimum levels of cash flows and the fee recalculation mechanisms under the agreements allow fees to be adjusted annually to provide us with cash flow stability. Our revenues also include revenues from third-party volumes contracted with Hess and delivered to us under these commercial agreements with Hess, as well as pass-through third-party rail transportation costs, third-party produced water trucking and disposal costs and electricity fees for which we recognize revenues in an amount equal to the costs. Together with Hess, we are pursuing strategic relationships with third-party producers and other midstream companies with operations in the Bakken in order to maximize our utilization rates.

How We Evaluate Our Operations

Our management uses a variety of financial and operating metrics to analyze our operating results and profitability. These metrics include (i) volumes, (ii) operating and maintenance expenses, (iii) Adjusted EBITDA, (iv) free cash flow, and (v) distributable cash flow.

Volumes. The amount of revenues we generate primarily depends on the volumes of crude oil, natural gas, NGLs and produced water that we handle at our gathering, processing, terminaling, storage facilities and disposal facilities. These volumes are affected primarily by the supply of and demand for crude oil, natural gas and NGLs in the markets served directly or indirectly by our assets, including changes in crude oil prices, which may further affect volumes delivered by Hess. Although Hess has committed to minimum volumes under our commercial agreements described above, our results of operations will be impacted by our ability to:

- utilize the remaining uncommitted capacity on, or add additional capacity to, our existing assets, and optimize our existing assets;
- identify and execute expansion projects, and capture incremental throughput volumes from Hess and third parties for these expanded facilities;
- increase throughput volumes at our Ramberg Terminal Facility, Tioga Rail Terminal and the Johnson’s Corner Header System by interconnecting with new or existing third-party gathering pipelines; and
- increase gas throughput volumes by interconnecting with new or existing third-party gathering pipelines.

Operating and Maintenance Expenses. Our management seeks to maximize the profitability of our operations by effectively managing operating and maintenance expenses. These expenses are comprised primarily of costs charged to us under our omnibus agreement and employee secondment agreement, third-party contractor costs, utility costs, insurance premiums, third-party service provider costs, related property taxes and other non-income taxes and maintenance expenses, such as expenditures to repair, refurbish and replace storage facilities and to maintain equipment reliability, integrity and safety. These expenses generally remain relatively stable across broad ranges of throughput volumes but can fluctuate from period to period depending on the mix of activities performed during that period and the timing of substantial expenses, such as gas plant turnarounds. We seek to manage our maintenance expenditures by scheduling periodic maintenance on our assets in order to minimize significant variability in these expenditures and minimize their impact on our cash flow.

Adjusted EBITDA, Free Cash Flow and Distributable Cash Flow. We define Adjusted EBITDA as net income (loss) before net interest expense, income tax expense (benefit), depreciation and amortization and our proportional share of depreciation of our equity affiliates, as further adjusted to eliminate the impact of certain items that we do not consider indicative of our ongoing operating performance, such as transaction costs, other income and other non-cash, non-recurring items, if applicable. We define free cash flow as Adjusted EBITDA less capital expenditures, excluding acquisition capital expenditures. We use distributable cash flow to analyze our liquidity and performance. We define distributable cash flow as Adjusted EBITDA less net interest, excluding amortization of deferred financing costs, cash paid for federal and state income taxes and maintenance capital expenditures. Distributable cash flow does not reflect changes in working capital balances.

Adjusted EBITDA, free cash flow and distributable cash flow are non-GAAP supplemental financial measures that management and external users of our consolidated financial statements, such as industry analysts, investors, lenders and rating agencies, may use to assess:

- our operating performance as compared to other publicly traded companies in the midstream energy industry, without regard to historical cost basis or, in the case of Adjusted EBITDA, financing methods;
- the ability of our assets to generate sufficient cash flow to make distributions to our shareholders;
- our ability to incur and service debt and fund capital expenditures; and
- the viability of acquisitions and other capital expenditure projects and the returns on investment of various investment opportunities.

We believe that the presentation of Adjusted EBITDA, free cash flow and distributable cash flow provides useful information to investors in assessing our financial condition and results of operations. The GAAP measures most directly comparable to Adjusted EBITDA, free cash flow and distributable cash flow are net income (loss) and net cash provided by (used in) operating activities. Adjusted EBITDA, free cash flow and distributable cash flow should not be considered as alternatives to GAAP net income (loss), income (loss) from operations, net cash provided by (used in) operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP. Adjusted EBITDA, free cash flow and distributable cash flow have important limitations as analytical tools because they exclude some but not all items that affect net income and net cash provided by operating activities. You should not consider Adjusted EBITDA, free cash flow or distributable cash flow in isolation or as a substitute for analysis of our results as reported under GAAP. Additionally, because Adjusted EBITDA, free cash flow and distributable cash flow may be defined differently by other companies in our industry, our definition of Adjusted EBITDA, free cash flow and distributable cash flow may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.

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Results of Operations

Three Months Ended March 31, 2020 Compared to Three Months Ended March 31, 2019

Results of operations for the three months ended March 31, 2020 and 2019 are presented below (in millions, unless otherwise noted). The financial information for 2019 has been retrospectively adjusted for the acquisition of HIP. See Note 3. Acquisitions in Item 1. Financial Statements.

For the Three Months Ended March 31, 2020	Gathering	Processing and Storage	Terminaling and Export	Interest and Other	Consolidated Hess Midstream LP
Revenues					
Affiliate services	$ 141.6	$ 96.8	$ 52.2	$ -	$ 290.6
Other income	-	0.2	-	-	0.2
Total revenues	141.6	97.0	52.2	-	290.8
Costs and expenses					
Operating and maintenance expenses (exclusive of depreciation shown separately below)	40.4	24.2	27.3	-	91.9
Depreciation expense	23.3	11.2	4.0	-	38.5
General and administrative expenses	2.0	1.6	0.2	3.8	7.6
Total costs and expenses	65.7	37.0	31.5	3.8	138.0
Income (loss) from operations	75.9	60.0	20.7	(3.8)	152.8
Income from equity investments	-	2.7	-	-	2.7
Interest expense, net	-	-	-	24.8	24.8
Income (loss) before income tax expense (benefit)	75.9	62.7	20.7	(28.6)	130.7
Income tax expense (benefit)	-	-	-	1.7	1.7
Net income (loss)	75.9	62.7	20.7	(30.3)	129.0
Less: Net income (loss) attributable to noncontrolling interest	71.1	58.7	19.4	(26.7)	122.5
Net income (loss) attributable to Hess Midstream LP	$ 4.8	$ 4.0	$ 1.3	$ (3.6)	$ 6.5
Throughput volumes					
Gas gathering (MMcf/d)(1)	336				336
Crude oil gathering (MBbl/d)(2)	150				150
Gas processing (MMcf/d)(1)		322			322
Crude oil terminaling (MBbl/d)(2)			163		163
NGL loading (MBbl/d)(2)			15		15
Water gathering (MBbl/d)(2)	54				54

(1) Million cubic feet per day
(2) Thousand barrels per day

For the Three Months Ended March 31, 2019	Gathering	Processing and Storage	Terminaling and Export	Interest and Other	Consolidated Hess Midstream LP
Revenues					
Affiliate services	$ 94.4	$ 66.3	$ 28.7	$ -	$ 189.4
Other income	-	0.2	-	-	0.2
Total revenues	94.4	66.5	28.7	-	189.6
Costs and expenses					
Operating and maintenance expenses (exclusive of depreciation shown separately below)	29.5	13.1	11.7	-	54.3
Depreciation expense	18.4	11.2	4.0	-	33.6
General and administrative expenses	2.3	1.1	0.2	2.3	5.9
Total costs and expenses	50.2	25.4	15.9	2.3	93.8
Income (loss) from operations	44.2	41.1	12.8	(2.3)	95.8
Interest expense, net	-	-	-	15.0	15.0
Net Income (loss)	44.2	41.1	12.8	(17.3)	80.8
Less: Net income (loss) attributable to net parent investment	1.2	-	-	(15.7)	(14.5)
Less: Net income (loss) attributable to noncontrolling interest	34.4	32.5	10.3	-	77.2
Net income (loss) attributable to Hess Midstream Partners LP	$ 8.6	$ 8.6	$ 2.5	$ (1.6)	$ 18.1
Throughput volumes					
Gas gathering (MMcf/d)(1)	249				249
Crude oil gathering (MBbl/d)(2)	112				112
Gas processing (MMcf/d)(1)		237			237
Crude oil terminaling (MBbl/d)(2)			122		122
NGL loading (MBbl/d)(2)			14		14
Water gathering (MBbl/d)(2)	33				33

(1)Million cubic feet per day
(2)Thousand barrels per day

Gathering

Revenues and other income increased $47.2 million in the first quarter of 2020 compared to the first quarter of 2019, of which $18.1 million is attributable to higher gas gathering and compression volumes and $6.7 million is attributable to higher crude oil gathering volumes driven by higher Hess production and additional third-party volumes contracted with Hess and delivered to us. In addition, $11.6 million of the increase in revenues is attributable to higher tariff rates, $4.9 million is attributable to higher produced water pass-through trucking and disposal fees and $2.0 million is attributable to pass-through electricity fees. The remaining $3.9 million of the increase is primarily attributable to higher water services revenue. Operating and maintenance expenses increased $10.9 million, of which $4.9 million is attributable to higher produced water pass-through trucking and disposal costs, $4.0 million is attributable to higher maintenance costs on our expanded infrastructure, including employee costs, and $2.0 million is attributable to higher pass-through electricity costs due to additional compressors coming online. Depreciation expense increased $4.9 million due to gathering assets acquired from Summit Midstream Partners, LP at the end of the first quarter of 2019 and other new assets being brought into service.

Processing and Storage

Revenues and other income increased $30.5 million in the first quarter of 2020 compared to the first quarter of 2019, of which $22.4 million is attributable to higher volumes in connection with the completion of the LM4 ramp-up and $7.4 million is attributable to higher tariff rates. The remaining $0.7 million of the increase is attributable to higher pass-through electricity fees.

Operating and maintenance expenses increased $11.1 million, of which $6.4 million is attributable to higher LM4 processing fees, $4.0 million is attributable to higher maintenance costs, including employee costs, and $0.7 million is attributable to higher pass-through electricity costs.

Terminaling and Export

Revenues and other income increased $23.5 million in the first quarter of 2020 compared to the first quarter of 2019, of which $15.4 million is attributable to higher rail transportation pass-through revenues. In addition, $5.3 million is attributable to higher throughput volumes at our terminals, driven by higher Hess production and additional third-party volumes contracted with Hess and delivered to us. The remaining $2.8 million of the increase in 2020 compared to 2019 is attributable to higher tariff rates. Operating and maintenance expenses increased $15.6 million primarily attributable to higher rail transportation pass-through costs.

Interest and Other

General and administrative expenses increased $1.5 million in the first quarter of 2020 compared to the first quarter of 2019 due to higher professional fees. Interest expense, net of interest income, increased $9.8 million in these same periods primarily attributable to the $550 million 5.125% fixed-rate senior notes issued in connection with the Restructuring and higher borrowings under our credit facilities. Income tax expense of $1.7 million in 2020 is the result of being a separate taxable entity.

Other Factors Expected to Significantly Affect Our Future Results

We currently generate substantially all of our revenues under fee-based commercial agreements with Hess, including third parties contracted with affiliates of Hess. These contracts provide cash flow stability and minimize our direct exposure to commodity price fluctuations, since we generally do not own any of the crude oil, natural gas, or NGLs that we handle and do not engage in the trading of crude oil, natural gas, or NGLs. However, commodity price fluctuations indirectly influence our activities and results of operations over the long-term, since they can affect production rates and investments by Hess and third parties in the development of new crude oil and natural gas reserves. The markets for oil and natural gas are volatile and will likely continue to be volatile in the future. In March 2020, as a result of the sharp decline in crude oil prices, Hess announced a reduction of its rig count from 6 rigs to 1 rig in the Bakken, which is expected to be completed by the end of May 2020. In addition, third parties in the Bakken have also started to curtail production and reduce drilling activity. Our contract structure is expected to largely offset the impact of the reduction in volumes on our financial performance metrics, as our minimum volume commitments provide minimum levels of cash flows and the fee recalculation mechanisms under our agreements support our cash flow stability. To the extent our previous plans included revenues for volumes, including third-party volumes contracted through Hess, above currently established minimum volume commitment levels, such revenues could decline to the minimum volume commitment levels.

The throughput volumes at our facilities depend primarily on the volumes of crude oil and natural gas produced by Hess in the Bakken, which, in turn, is ultimately dependent on Hess' exploration and production margins. Exploration and production margins depend on the price of crude oil, natural gas, and NGLs. These prices are volatile and influenced by numerous factors beyond our or Hess' control, including the domestic and global supply of and demand for crude oil, natural gas and NGLs. During the first quarter of 2020, worldwide crude oil prices declined significantly due in part to reduced global demand stemming from the COVID-19 global pandemic. Sustained periods of low prices for oil and natural gas could materially and adversely affect the quantities of oil and natural gas that Hess can economically produce. The commodities trading markets, as well as global and regional supply and demand factors, may also influence the selling prices of crude oil, natural gas and NGLs. While the initial term of our commercial agreements provides for an annual fee recalculation mechanism to target a return on capital deployed, the secondary term of our commercial agreements changes to an inflation-based fixed fee structure with minimum volume commitments continuing through the second term, which may provide greater exposure to price volatility. Furthermore, our ability to execute our growth strategy in the Bakken, including attracting third-party volumes, will depend on crude oil and natural gas production in that area, which is also affected by the supply of and demand for crude oil and natural gas.

Reconciliation of Non-GAAP Financial Measures

The following table presents a reconciliation of Adjusted EBITDA, free cash flow and distributable cash flow to net income and net cash provided by operating activities, the most directly comparable GAAP financial measures, for each of the periods indicated.

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(in millions)	Three Months Ended March 31, 2020	2019
Reconciliation of Adjusted EBITDA and Distributable Cash Flow to net income:		
Net income	$ 129.0	$ 80.8
Plus:		
Depreciation expense	38.5	33.6
Proportional share of equity affiliates' depreciation	1.3	-
Interest expense, net	24.8	15.0
Income tax expense (benefit)	1.7	-
Adjusted EBITDA	$ 195.3	$ 129.4
Less:		
Interest, net	23.3	
Maintenance capital expenditures	1.7	
Distributable cash flow	$ 170.3	
Less:		
Adjusted EBITDA attributable to noncontrolling interest and net parent investment		104.4
Cash interest paid, net		0.2
Maintenance capital expenditures, net		0.1
Distributable cash flow, as previously reported[1]		$ 24.7
Reconciliation of Adjusted EBITDA, Free Cash Flow and Distributable Cash Flow to net cash provided by operating activities:		
Net cash provided by operating activities	$ 140.2	$ 101.8
Changes in assets and liabilities	28.4	13.9
Amortization of deferred financing costs	(1.8)	(1.2)
Proportional share of equity affiliates' depreciation	1.3	-
Interest expense, net	24.8	15.0
Earnings from equity investments	2.7	-
Other	(0.3)	(0.1)
Adjusted EBITDA	$ 195.3	$ 129.4
Less:		
Interest, net	23.3	
Maintenance capital expenditures	1.7	
Distributable cash flow	$ 170.3	
Less:		
Adjusted EBITDA attributable to noncontrolling interest and net parent investment prior to Restructuring		104.4
Cash interest paid, net		0.2
Maintenance capital expenditures, net		0.1
Distributable cash flow, as previously reported[1]		$ 24.7
Adjusted EBITDA	195.3	129.4
Less:		
Capital expenditures	57.0	34.4
Free cash flow	$ 138.3	$ 95.0

(1) Distributable cash flow prior to the Restructuring is calculated net of any amounts attributable to noncontrolling interest. Subsequent to the Restructuring, we will generally make cash distributions to holders of Class A Shares and to holders of noncontrolling interest pro rata. Therefore, distributable cash flow subsequent to the Restructuring includes amounts attributable to noncontrolling interest.

Capital Resources and Liquidity

We expect our ongoing sources of liquidity to include:

- cash on hand;
- cash generated from operations;
- borrowings under our revolving credit facility;
- issuances of additional debt securities; and
- issuances of additional equity securities.

We believe that cash generated from these sources will be sufficient to meet our operating requirements, our planned short-term capital expenditures, debt service requirements, our quarterly cash distribution requirements, future internal growth projects or potential acquisitions.

Our partnership agreement requires that we distribute all of our available cash, as defined in the agreement, to our shareholders. On April 23, 2020, we declared a quarterly cash distribution of $0.4310 per Class A share, to be paid on May 14, 2020 to shareholders of record on May 4, 2020.

Fixed-Rate Senior Notes

As of March 31, 2020, we had $800.0 million of 5.625% fixed-rate senior notes due 2026 that were issued to qualified institutional investors. The notes are guaranteed by certain of our subsidiaries. Interest is payable semi-annually on February 15 and August 15.

In addition, as of March 31, 2020, we had $550.0 million of 5.125% fixed-rate senior notes due 2028 that were issued to qualified institutional investors. The notes are guaranteed by certain of our subsidiaries. Interest is payable semi-annually on June 15 and December 15.

Each of the indentures for the 2026 and 2028 senior notes contains customary covenants that restrict our ability and the ability of our restricted subsidiaries to (i) declare or pay any dividend or make any other restricted payments; (ii) transfer or sell assets or subsidiary stock; (iii) incur additional debt; or (iv) make restricted investments, unless, at the time of and immediately after giving pro forma effect to such restricted payments and any related incurrence of indebtedness or other transactions, no default has occurred and is continuing or would occur as a consequence of such restricted payment and if the leverage ratio does not exceed 4.25 to 1.00. As of March 31, 2020, we were in compliance with all debt covenants under the indentures.

In addition, the covenants included in the indentures governing the senior notes contain provisions that allow the Company to satisfy the Partnership's reporting obligations under the indenture, as long as any such financial information of the Company contains information reasonably sufficient to identify the material differences, if any, between the financial information of the Company, on the one hand, and the Partnership and its subsidiaries on a stand-alone basis, on the other hand and the Company does not directly own capital stock of any person other than the Partnership and its subsidiaries, or material business operations that would not be consolidated with the financial results of the Partnership and its subsidiaries. The Company is a holding company and has no independent assets or operations. Other than the interest in the Partnership and the effect of federal and state income taxes that are recognized at the Company level, there are no material differences between the consolidated financial statements of the Partnership and the consolidated financial statements of the Company.

Credit Facilities

As of March 31, 2020, we had senior secured syndicated credit facilities (the "Credit Facilities") consisting of a $1,000.0 million 5-year revolving credit facility and a fully drawn $400.0 million 5-year Term Loan A facility. Facility fees accrue on the total capacity of the revolving credit facility. Borrowings under the 5-year Term Loan A facility will generally bear interest at LIBOR plus an applicable margin ranging from 1.55% to 2.50%, while the applicable margin for the 5-year syndicated revolving credit facility ranges from 1.275% to 2.000%. Pricing levels for the facility fee and interest rate margins are based on the Partnership's ratio of total debt to EBITDA (as defined in the Credit Facilities). If the Partnership obtains an investment grade credit rating, the pricing levels will be based on the Partnership's credit ratings in effect from time to time. At March 31, 2020, borrowings of $92.0 million were drawn under the Partnership's revolving credit facility, and borrowings of $400.0 million, excluding deferred issuance costs, were drawn under the Partnership's Term Loan A facility.

The Credit Facilities can be used for borrowings and letters of credit for general corporate purposes. The Credit Facilities are guaranteed by each direct and indirect wholly owned material domestic subsidiary of the Partnership, and are secured by first priority perfected liens on substantially all of the presently owned and after-acquired assets of the Partnership and its direct and indirect wholly owned material domestic subsidiaries, including equity interests directly owned by such entities, subject to certain customary exclusions. The Credit Facilities contain representations and warranties, affirmative and negative covenants and events of default that the Partnership considers to be customary for an agreement of this type, including a covenant that requires the Partnership to maintain a ratio of total debt to EBITDA (as defined in the Credit Facilities) for the prior four fiscal quarters of not greater than 5.00 to 1.00 as of the last day of each fiscal quarter (5.50 to 1.00 during the specified period following certain acquisitions) and, prior to the Partnership obtaining an investment grade credit rating, a ratio of secured debt to EBITDA for the prior four fiscal quarters of not greater than 4.00 to 1.00 as of the last day of each fiscal quarter. As of March 31, 2020, we were in compliance with these financial covenants.

Cash Flows

Operating Activities. Cash flows provided by operating activities increased $38.4 million for the first three months of 2020 compared to the same period in 2019. The change in operating cash flows resulted from an increase in revenues and other income of $101.2 million offset by an increase in expenses other than depreciation, amortization and equity-based compensation of $48.3 million and a decrease in cash provided by changes in working capital of $14.5 million.

Investing Activities. Cash flows used in investing activities decreased $147.3 million for the first three months of 2020 compared to the same period in 2019. The decrease in investing cash outflows resulted from our previous acquisition of Summit Midstream Partners' Tioga Gathering System for $89.2 million, our previous acquisition of Hess Water Services for $225.0 million, of which $68.9 million was included in cash outflows from investing activities, and lower payments for our investment in the LM4 joint venture of $7.0 million, partially offset by an increase in payments for capital expenditures of $17.8 million.

Financing Activities. Cash flows provided by financing activities decreased $82.5 million for the first three months of 2020 compared to the same period in 2019 due to a decrease in borrowings of $137.8 million, and an increase in distributions to shareholders and noncontrolling interest of $100.8 million. The remaining change resulted from our previous acquisition of Hess Water Services for $225.0 million, as described above, of which $156.1 million was included in the cash outflows from financing activities as a distribution to Hess.

Capital Expenditures

Our operations can be capital intensive, requiring investments to expand, upgrade, maintain or enhance existing operations and to meet environmental and operational regulations. Our partnership agreement requires that we distinguish between maintenance capital expenditures and expansion capital expenditures. Maintenance capital expenditures are capital expenditures made to maintain, over the long term, our operating capacity, operating income or revenue. Examples of maintenance capital expenditures are expenditures to repair, refurbish or replace existing assets, to maintain equipment reliability, integrity and safety and to address environmental laws and regulations. In contrast, expansion capital expenditures are expenditures incurred for acquisitions or capital improvements that we expect will increase our operating capacity, operating income or revenue over the long term. Examples of expansion capital expenditures include the acquisition of equipment, construction, development or acquisition of additional capacity, or expenditures for connecting additional wells to our gathering systems, to the extent such capital expenditures are expected to expand our long-term operating capacity, operating income or revenue.

The following table sets forth a summary of maintenance and expansion capital expenditures and reconciles capital expenditures on an accrual basis to additions to property, plant and equipment on a cash basis:

	Three Months Ended March 31,	
(in millions)	2020	2019
Expansion capital expenditures	$ 55.3	$ 26.5
Maintenance capital expenditures	1.7	0.9
Total capital expenditures	57.0	27.4
(Increase) decrease in related liabilities	21.1	32.9
Additions to property, plant and equipment	$ 78.1	$ 60.3

Capital expenditures in 2020 are primarily attributable to civil construction and fabrication activities for the planned expansion of the Tioga Gas Plant.

Cautionary Note Regarding Forward-looking Information

This Quarterly Report on Form 10-Q, including information incorporated by reference herein, contains "forward-looking statements" within the meaning of U.S. federal securities laws. Words such as "anticipate," "estimate," "expect," "forecast," "guidance," "could," "may," "should," "would," "believe," "intend," "project," "plan," "predict," "will," "target" and similar expressions identify forward-looking statements, which are not historical in nature. Our forward-looking statements may include, without limitation: our future financial and operational results; our business strategy; our industry; our expected revenues; our future profitability; our projected budget and capital expenditures (including for maintenance or expansion projects and environmental expenditures) and the impact of such expenditures on our performance; and future economic and market conditions in the oil and gas industry.

Forward-looking statements are based on our current understanding, assessments, estimates and projections of relevant factors and reasonable assumptions about the future. Forward-looking statements are subject to certain known and unknown risks and uncertainties that could cause actual results to differ materially from our historical experience and our current projections or expectations of future results expressed or implied by these forward-looking statements. The following important factors could cause actual results to differ materially from those in our forward-looking statements:

- the direct and indirect effects of the COVID-19 global pandemic and other public health developments on our business and those of our business partners, suppliers and customers, including Hess;
- the ability of Hess and other parties to satisfy their obligations to us, including Hess' ability to meet its drilling and development plans on a timely basis or at all and the operation of joint ventures that we may not control;
- our ability to generate sufficient cash flow to pay current and expected levels of distributions;
- reductions in the volumes of crude oil, natural gas, NGLs and produced water we gather, process, terminal or store;
- fluctuations in the prices and demand for crude oil, natural gas and NGLs, including as a result of the COVID-19 global pandemic;
- changes in global economic conditions and the effects of a global economic downturn on our business and the business of our suppliers, customers, business partners and lenders;
- our ability to comply with government regulations or make capital expenditures required to maintain compliance, including our ability to obtain or maintain permits in a timely manner, if at all, including those necessary for capital projects, or the revocation or modification of existing permits;
- our ability to successfully identify, evaluate and timely execute our capital projects, investment opportunities and growth strategies, whether through organic growth or acquisitions;
- costs or liabilities associated with federal, state and local laws, regulations and governmental actions applicable to our business, including legislation and regulatory initiatives relating to environmental protection and safety, such as spills, releases, pipeline integrity and measures to limit greenhouse gas emissions;
- our ability to comply with the terms of our credit facility, indebtedness and other financing arrangements, which, if accelerated, we may not be able to repay;
- reduced demand for our midstream services, including the impact of weather or the availability of the competing third-party midstream gathering, processing and transportation operations;
- potential disruption or interruption of our business due to catastrophic events, such as accidents, severe weather events, labor disputes, information technology failures, constraints or disruptions and cyber-attacks;
- any limitations on our ability to access debt or capital markets on terms that we deem acceptable, including as a result of weakness in the oil and gas industry or negative outcomes within commodity and financial markets;
- liability resulting from litigation; and
- other factors described in the section entitled "Risk Factors" in this Quarterly Report on Form 10-Q and in Item 1A—Risk Factors in our Annual Report on Form 10-K, as well as any additional risks described in our other filings with the Securities and Exchange Commission.

As and when made, we believe that our forward-looking statements are reasonable. However, given these risks and uncertainties, caution should be taken not to place undue reliance on any such forward-looking statements since such statements speak only as of the date when made and there can be no assurance that such forward-looking statements will occur and actual results may differ materially from those contained in any forward-looking statement we make. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events or otherwise.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of loss arising from adverse changes in market rates and prices. We generally do not take ownership of the crude oil, natural gas or NGLs that we currently gather, process, terminal, store or transport for our customers. Because we generate substantially all of our revenues by charging fees under long-term commercial agreements with Hess with minimum volume commitments, Hess bears the risks associated with fluctuating commodity prices and we have minimal direct exposure to commodity prices.

In the normal course of our business, we are exposed to market risks related to changes in interest rates. Our financial risk management activities may include transactions designed to reduce risk by reducing our exposure to interest rate movements. Interest rate swaps may be used to convert interest payments on certain long-term debt. At March 31, 2020, we did not have in place any derivative instruments to hedge any exposure to changes in interest rates.

At March 31, 2020, our total debt had a carrying value of $1,814.6 million and a fair value of approximately $1,448.7 million, based on Level 2 inputs in the fair value measurement hierarchy. A 15% increase or decrease in interest rates would decrease or increase the fair value of our fixed rate debt by approximately $82.7 million or $93.2 million, respectively. The carrying value of the amounts under our Term Loan A facility and revolving credit facility at the year-end approximated their fair value. Any changes in interest rates do not impact cash outflows associated with fixed rate interest payments or settlement of debt principal, unless a debt instrument is repurchased prior to maturity.

Item 4. Controls and Procedures

Based upon their evaluation of the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of March 31, 2020, John B. Hess, Chief Executive Officer, and Jonathan C. Stein, Chief Financial Officer, concluded that these disclosure controls and procedures were effective as of March 31, 2020.

There was no change in internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, in the quarter ended March 31, 2020 that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

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Item 1. Legal Proceedings

Information regarding legal proceedings is contained in Note 12, Commitments and Contingencies in the Notes to Consolidated Financial Statements and is incorporated herein by reference.

Item 1A. Risk Factors

Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2019, includes certain risk factors that could materially affect our business, financial condition, or future results. Those risk factors have not materially changed, except as set forth and as supplemented below:

Our business and operations have been and may continue to be adversely affected by the COVID-19 global pandemic or other similar public health developments and the recent reduced demand for oil and natural gas.

The COVID-19 global pandemic and related actions taken by governments and businesses, including voluntary and mandatory quarantines and travel and other restrictions, has resulted in a significant and swift reduction in U.S. economic activity. As a result of the COVID-19 pandemic, our operations, and those of our business partners, suppliers and customers, including Hess, have experienced and may continue to experience adverse effects, including disruptions, delays or temporary suspensions of operations and supply chains; temporary inaccessibility or closures of facilities; and workforce impacts from illness, school closures and other community response measures. We have implemented a variety of health and safety measures including enhanced cleaning procedures and modified work practices such as travel restrictions, health screenings, reduced personnel at offshore platforms and onshore work sites wherever this can be done safely, and remote working arrangements for office workers. To the extent we or our business partners, suppliers or customers continue to experience restrictions or other effects, our financial condition, results of operations and future expansion projects could be adversely affected.

The timeline and potential magnitude of the COVID-19 pandemic is currently unknown. In addition to the global health concerns of COVID-19, the pandemic has negatively affected the United States and global economy and severely adversely impacted demand for oil and natural gas. The continuation or amplification of the outbreak of COVID-19 could result in further economic downturn that may affect our operating results in the long-term. In addition, the effects of COVID-19 and concerns regarding its global spread have negatively impacted the domestic and international demand for crude oil and natural gas, which has contributed to price volatility and adversely affected the demand for and marketability of crude oil, natural gas and NGLs that we gather, process and terminal for Hess and other third-party producers. In the event one or more of our business partners is adversely affected by COVID-19 or the current market environment, that may impact our costs and ability to conduct business with them. In addition, we may face an increased risk of changes in the regulation related to our business, such as the imposition of limitations on the production of oil and gas by states or other jurisdictions, that may result in additional limits on demand by our customers for our services. We also are subject to litigation risk and possible loss contingencies related to COVID-19, including with respect to commercial contracts, employee matters and insurance arrangements. The current environment may make it more difficult to comply with our covenants and other restrictions in agreements governing our debt, and a lack of confidence in our industry on the part of the financial markets may result in a lack of access to capital, any of which could lead to reduced liquidity.

As the potential impact from the COVID-19 pandemic is difficult to predict, the extent to which it may negatively affect our operating results is uncertain. Any impact will depend on future developments and new information that may emerge regarding the severity and duration of COVID-19 and the actions taken by authorities to contain it or treat its impact, all of which are beyond our control. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in our annual report on Form 10-K for the year ended December 31, 2019.

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Item 6. Exhibits

a. Exhibits

10.1#	Form of Phantom Unit Agreement
31.1	Certification required by Rule 13a-14(a) (17 CFR 240.13a-14(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a))
31.2	Certification required by Rule 13a-14(a) (17 CFR 240.13a-14(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a))
32.1	Certification required by Rule 13a-14(b) (17 CFR 240.13a-14(b)) or Rule 15d-14(b) (17 CFR 240.15d-14(b)) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350)
32.2	Certification required by Rule 13a-14(b) (17 CFR 240.13a-14(b)) or Rule 15d-14(b) (17 CFR 240.15d-14(b)) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350)
101(INS)	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101(SCH)	Inline XBRL Taxonomy Extension Schema Document
101(CAL)	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101(LAB)	Inline XBRL Taxonomy Extension Labels Linkbase Document
101(PRE)	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101(DEF)	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Compensatory plan or arrangement

SIGNATURES

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Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HESS MIDSTREAM LP (Registrant)

By: HESS MIDSTREAM GP LP, its General Partner

By: HESS MIDSTREAM GP LLC, its General Partner

By /s/ John B. Hess

John B. Hess

Chairman of the Board of Directors and Chief Executive Officer

By /s/ Jonathan C. Stein

Jonathan C. Stein

Chief Financial Officer

Date: May 7, 2020

Exhibit 10.1

HESS MIDSTREAM
2017 LONG-TERM INCENTIVE PLAN
PHANTOM UNIT AGREEMENT

Pursuant to this Phantom Unit Agreement, dated as of the Grant Date set forth in the Grant Notice below (this "**Agreement**"), Hess Midstream GP LLC (the "**Company**"), as the general partner of Hess Midstream GP LP, which is the general partner of Hess Midstream LP (the "**Partnership**"), hereby grants to the individual identified in the Grant Notice below (the "**Participant**") the following Award of Phantom Units ("**Phantom Units**"), pursuant and subject to the terms and conditions of this Agreement and the Hess Midstream LP 2017 Long-Term Incentive Plan, as amended from time to time (the "**Plan**"), the terms and conditions of which are hereby incorporated into this Agreement by reference. Each Phantom Unit granted hereunder shall constitute a Phantom Unit under the terms of the Plan and is hereby granted in tandem with a corresponding DER, as further detailed in Section 3 below. In the event of any conflict between the terms of this Agreement and the Plan, the terms of the Plan shall control. Except as otherwise expressly provided herein, all capitalized terms used in this Agreement, but not defined herein, shall have the meanings provided in the Plan.

GRANT NOTICE

Subject to the terms and conditions of this Agreement, the principal features of this Award are as follows:

Participant: [___________]

Number of Phantom Units: [____] Phantom Units

Grant Date: [________], 20[__]

Vesting of Phantom Units: [To be specified in individual awards.]

Forfeiture of Phantom Units: In the event of a termination of the Participant's Service for any reason, all Phantom Units that have not vested prior to or in connection with such termination of Service shall thereupon automatically be forfeited by the Participant without further action and for no consideration.

Payment of Phantom Units: Vested Phantom Units shall be paid to the Participant in the form of Units as set forth in and subject to Section 5 below.

DERs: Each Phantom Unit granted under this Agreement shall be issued in tandem with a corresponding DER each of which shall entitle the Participant to receive payments in an amount equal to Partnership distributions with respect to a Unit in accordance with Section 3 below.

TERMS AND CONDITIONS OF PHANTOM UNITS

1. Grant. The Company hereby grants to the Participant, as of the Grant Date, an Award of the number of Phantom Units set forth in the Grant Notice above, subject to all of the terms and conditions contained in this Agreement and the Plan.

2. Phantom Units. Subject to Section 4 below, each Phantom Unit that vests shall represent the right to receive payment, in accordance with Section 5 below, in the form of one (1) Unit. Unless and until a Phantom Unit vests, the Participant will have no right to payment in respect of such Phantom Unit. Prior to actual payment in respect of any vested Phantom Unit, such Phantom Unit will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

3. Grant of Tandem DER. Each Phantom Unit granted hereunder is hereby granted in tandem with a corresponding DER, which shall remain outstanding from the Grant Date until the earlier of the payment or forfeiture of the related Phantom Unit, and which shall be subject to all of the terms and conditions contained in this Agreement and the Plan. Each vested DER shall entitle the Participant to receive payments, subject to and in accordance with this Agreement, in an amount equal to any distributions made by the Partnership following the Grant Date in respect of the Unit underlying the Phantom Unit to which such DER relates. The Company shall establish, with respect to each Phantom Unit, a separate DER bookkeeping account for such Phantom Unit (a "**DER Account**"), which shall be credited (without interest) on the applicable distribution dates with a notional amount equal to any distributions made by the Partnership during the period that such Phantom Unit remains outstanding with respect to the Unit underlying the Phantom Unit to which such DER relates. Upon the vesting of a Phantom Unit, the DER (and the DER Account) with respect to such vested Phantom Unit shall also become vested. The DER corresponding to a Phantom Unit shall expire upon the settlement of that Phantom Unit. Similarly, upon the forfeiture of a Phantom Unit, the DER (and the DER Account) with respect to such forfeited Phantom Unit shall also be forfeited without payment of consideration.

4. Vesting and Forfeiture.

(a) *Vesting*. Subject to Section 4(d) below, the Phantom Units shall vest in such amounts and at such times as are set forth in the Grant Notice above.

(b) *Accelerated Vesting.* [To be specified in individual awards.]

(c) *Early Retirement Vesting.* [To be specified in individual awards.]

(d) *Forfeiture*. In the event of a termination of the Participant's Service for any reason, all Phantom Units that have not vested prior to or in connection with such termination of Service shall thereupon automatically be forfeited by the Participant without further action and without payment of consideration therefor. No portion of the Phantom Units which has not become vested at the date of the Participant's termination of Service shall thereafter become vested.

(e) *Payment*. Vested Phantom Units shall be subject to the payment provisions set forth in Section 5 below.

5. Payment of Phantom Units and DERs.

(a) *Phantom Units*. Unpaid, vested Phantom Units shall be paid to the Participant in the form of Units in a lump-sum as soon as reasonably practical, but not later than sixty (60) days following the date on which such Phantom Units vest. Payments of any Phantom Units that vest in accordance herewith shall be made to the Participant (or in the event of the Participant's death, to the Participant's estate) in whole Units in accordance with this Section 5. In lieu of the foregoing, the Committee may elect at its discretion to pay some or all of the Phantom Units in cash equal to the Fair Market Value of the Units that would otherwise be distributed as of the date of vesting.

(b) *DERs*. Unpaid, vested DERs shall be paid to the Participant as follows: as soon as reasonably practical, but not later than sixty (60) days, following the date on which a Phantom Unit and related DER vests, the Participant shall be paid an amount in cash equal to the amount then credited to the DER Account maintained with respect to such Phantom Unit.

(c) *Potential Delay*. Notwithstanding anything to the contrary in this Agreement, no amounts payable under this Agreement shall be paid to the Participant prior to the expiration of the six (6)-month period following his "separation from service" (within the meaning of Treasury Regulation Section 1.409A-1(h)) (a "**Separation from Service**") to the extent that the Company determines that paying such amounts prior to the expiration of such six (6)-month period would result in a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code. If the payment of any such amounts is delayed as a result of the previous sentence, then on the first business day following the end of the applicable six (6)-month period (or such earlier date upon which such amounts can be paid under Section 409A of the Code without resulting in a prohibited distribution, including as a result of the Participant's death), such amounts shall be paid to the Participant.

6. Tax Withholding. Unless other arrangements have been made that are acceptable to the Company in its sole discretion, the Company or any Affiliate thereof is authorized to deduct or withhold, or cause to be deducted or withheld, (i) from any Award, (ii) from any payment due or transfer made under any Award or (iii) from any compensation or other amount owing to a Participant the amount of any applicable taxes required to be withheld by the Company or any Affiliate in respect of an Award, including taxes required to be withheld in connection with its grant, its exercise, the lapse of restrictions thereon or any payment or transfer thereunder or under the Plan, and to take such other action as may be necessary in the opinion of the Company to satisfy its withholding obligations for the payment of such taxes. The Company or any Affiliate may withhold cash or Units, including Units that would otherwise be issued pursuant to such Award or other property. In the event that Units that would otherwise be issued pursuant to an Award are used to satisfy such withholding obligations, the number of Units so withheld or surrendered shall be limited to the number of Units that have a Fair Market Value on the date of withholding equal to the aggregate amount of the Company's or any Affiliate's withholding obligation based on the minimum applicable statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes.

7. Rights as Unit Holder. Neither the Participant nor any person claiming under or through the Participant shall have any of the rights or privileges of a holder of Units in respect of any Units that may become deliverable hereunder unless and until certificates representing such Units shall have been issued or recorded in book entry form on the records

of the Partnership or its transfer agents or registrars, and delivered in certificate or book entry form to the Participant or any person claiming under or through the Participant.

8. Transferability of Units. Neither the Phantom Units nor any right of the Participant under the Phantom Units (including any DER) may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant (or any permitted transferee) other than by will or the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company, the Partnership and any of their Affiliates. Notwithstanding the foregoing, the Participant may designate the beneficiary or beneficiaries to receive the Phantom Units or other amounts which may be delivered in respect of this Award after the Participant's death. Such designation may be made by the Participant on the enclosed beneficiary designation form and (unless the Participant has waived such right) may be changed by the Participant from time to time by filing a new beneficiary designation form with the Committee. If the Participant does not designate a beneficiary or if no designated beneficiary(ies) survives the Participant, the Participant's beneficiary will be the legal representative of the Participant's estate.

9. Distribution of Units. Unless otherwise determined by the Committee or required by any applicable law, rule or regulation, neither the Company nor the Partnership shall deliver to the Participant certificates evidencing Units issued pursuant to this Agreement and instead such Units shall be recorded in the books of the Partnership (or, as applicable, its transfer agent or equity plan administrator). All certificates for Units issued pursuant to this Agreement and all Units issued pursuant to book entry procedures hereunder shall be subject to such stop transfer orders and other restrictions as the Company may deem advisable under the Plan or the rules, regulations, and other requirements of the SEC, any stock exchange upon which such Units are then listed, and any applicable federal or state laws, and the Company may cause a legend or legends to be inscribed on any such certificates or book entry to make appropriate reference to such restrictions. In addition to the terms and conditions provided herein, the Company may require that the Participant make such covenants, agreements, and representations as the Company, in its sole discretion, deems advisable in order to comply with any such laws, regulations, or requirements. No fractional Units shall be issued or delivered pursuant to the Phantom Units and the Committee shall determine, in its discretion, whether cash, other securities, or other property shall be paid or transferred in lieu of fractional Units or whether such fractional Units or any rights thereto shall be canceled, terminated, or otherwise eliminated.

10. Partnership Agreement. Units issued upon payment of the Phantom Units shall be subject to the terms of the Plan and the Partnership Agreement. Upon the issuance of Units to the Participant, the Participant shall, automatically and without further action on his or her part, (i) be admitted to the Partnership as a Limited Partner (as defined in the Partnership Agreement) with respect to the Units, and (ii) become bound, and be deemed to have agreed to be bound, by the terms of the Partnership Agreement.

11. No Effect on Service. Nothing herein or in the Plan will be construed as conferring on the Participant or anyone else the right to continue in the employ or service of the Company or any Affiliate thereof. Furthermore, the Company and its Affiliates may at any time dismiss the Participant from employment or consulting free from any liability or any claim under the Plan or this Agreement, unless otherwise expressly provided in the Plan, this Agreement or any other written agreement between the Participant and the Company or an Affiliate thereof.

12. Terms of Employment. The Plan is a discretionary plan. The Participant hereby acknowledges that neither the Plan nor this Agreement forms part of the Participant's terms of Service and nothing in the Plan may be construed as imposing on the Company, the Partnership or any of their Affiliates a contractual obligation to offer participation in the Plan to any Employee, Consultant or Director. The Company, the Partnership and their Affiliates are under no obligation to grant further Phantom Units to the Participant under the Plan or, if such Phantom Units are granted, to grant such Award on the same or similar terms as provided in this Agreement. If the Participant ceases to be an Employee, Consultant or Director for any reason, the Participant shall not be entitled by way of compensation for loss of office or otherwise howsoever to any sum or other benefit to compensate the Participant for the loss of any rights under this Agreement or the Plan.

13. Severability. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction will not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder will be enforceable to the fullest extent permitted by law.

14. No Guarantee of Tax Consequences. None of the Board, the Committee, the Company or the Partnership provides or has provided any tax advice to the Participant or makes or has made any assurance, commitment or guarantee to the Participant that any federal, state, local or other tax treatment will (or will not apply) or be available to the Participant with respect to the issuance, holding, vesting, payment, settlement or other occurrence with respect to the Phantom Units, the DERs, the Units or the transactions contemplated by this Agreement. The Participant represents that he or she is in no manner relying on such entities or their representatives for tax advice or an assessment of such tax consequences, and such entities assume no liability with respect to any tax or associated liabilities to which the Participant may be subject. The Participant understands that the Participant may suffer adverse tax consequences in connection with the Phantom Units and DERs granted pursuant to this Agreement.

15. Entire Agreement; Amendments, Suspension and Termination. This Agreement (including the Plan which is incorporated herein by reference) contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties hereto relating to such subject matter. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Board or the Committee. Except as provided in the preceding sentence, this Agreement cannot be modified, altered or amended, except by an agreement, in writing, signed by both the Partnership and the Participant.

16. Notices. Any notice which may be required or permitted under this Agreement will be in writing and will be delivered in person, or via facsimile transmission, overnight courier service or certified mail, return receipt requested, postage prepaid, properly addressed as follows:

(a) If the notice is to the Company, the Partnership or any of their Affiliates, to the attention of the Secretary of Hess Midstream GP LLC, 1501 McKinney Street, Houston, TX 77010, or at such other address as the Company, the Partnership or any of their Affiliates by notice to the Participant may designate in writing from time to time.

(b) If the notice is to the Participant, at the Participant's address as shown on the records of the Company, the Partnership or their Affiliates, or at such other address as the Participant, by notice to the Company, the Partnership or their Affiliates, may designate in writing from time to time.

17. Lock-Up Agreement. The Participant shall agree, if so requested by the Company or the Partnership and any underwriter in connection with any public offering of securities of the Partnership or any Affiliate thereof, not to directly or indirectly offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of or otherwise dispose of or transfer any Units held by him or her for such period, not to exceed one hundred eighty (180) days following the effective date of the relevant registration statement filed under the Securities Act in connection with such public offering, as such underwriter shall specify reasonably and in good faith. The Company or the Partnership may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such 180-day period. Notwithstanding the foregoing, the 180-day period may be extended in the discretion of the Company for up to such number of additional days as is deemed necessary by such underwriter or the Company or Partnership to continue coverage by research analysts in accordance with FINRA Rule 2711 or any successor or other applicable rule.

18. Compliance with Laws. The Participant acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act, any and all regulations and rules promulgated by the SEC thereunder, all applicable state securities laws and regulations, and any other law, rule or regulation applicable thereto. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Phantom Units and DERs are granted, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

19. Code Section 409A. The intent of the parties is that the payments and benefits under this Agreement comply with or be exempt from Section 409A of the Code and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. Nevertheless, to the extent that the Committee determines that the Phantom Units or DERs may not be exempt from (or compliant with) Section 409A of the Code, the Committee may (but shall not be required to) amend this Agreement in a manner intended to comply with the requirements of Section 409A of the Code or an exemption therefrom (including amendments with retroactive effect), or take any other actions as it deems necessary or appropriate to attempt to (a) exempt the Phantom Units or DERs from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Phantom Units or DERs, or (b) comply with the requirements of Section 409A of the Code. To the extent applicable, this Agreement shall be interpreted in accordance with the provisions of Section 409A of the Code. Notwithstanding anything in this Agreement to the contrary, to the extent that any payment or benefit hereunder constitutes non-exempt "nonqualified deferred compensation" for purposes of Section 409A of the Code, and such payment or benefit would otherwise be payable or distributable hereunder by reason of the Participant's termination of Service, all references to the Participant's termination of Service shall be construed to mean a Separation from Service, and the Participant shall not be considered to have a termination of Service unless such

termination constitutes a Separation from Service with respect to the Participant.

20. Adjustments; Clawback. The Participant acknowledges that the Phantom Units are subject to modification and forfeiture in certain events as provided in this Agreement and Section 7 of the Plan. The Participant further acknowledges that the Phantom Units, DERs and Units issuable hereunder, whether vested or unvested and whether or not previously issued, are subject to clawback as provided in Section 8(o) of the Plan.

21. Successors and Assigns. The Company or the Partnership may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company and the Partnership. Subject to the restrictions on transfer contained herein, this Agreement shall be binding upon the Participant and his or her heirs, executors, administrators, successors and assigns.

22. Further Assurances. Each party hereto will do and perform (or will cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the Plan and the consummation of the transactions contemplated thereunder.

23. Governing Law. The validity, construction, and effect of this Agreement and any rules and regulations relating to this Agreement shall be determined in accordance with the laws of the State of Delaware without regard to its conflicts of laws principles.

24. Counterparts; Headings. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original, but all of which will constitute one and the same instrument. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

25. Data Protection. By signing this Agreement, the Participant consents to the holding and processing of personal data provided by the Participant to the Company, the Partnership or their Affiliates for all purposes necessary for the operation of the Plan. These include, but are not limited to:

(a) Administering and maintaining the Participant's records;

(b) Providing information to any registrars, brokers or third party administrators of the Plan; and

(c) Providing information to future purchasers of the Company or any Affiliate in which the Participant works.

[*Signature page follows*]

The Participant's signature below indicates the Participant's agreement with and understanding that this Award is subject to all of the terms and conditions contained in the Plan and in this Agreement, and that, in the event that there are any inconsistencies between the terms of the Plan and the terms of this Agreement, the terms of the Plan shall control. The Participant further acknowledges that the Participant has read and understands the Plan and this Agreement, which contains the specific terms and conditions of this grant of Phantom Units and DERs. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or this Agreement.

HESS MIDSTREAM GP LLC
a Delaware limited liability company

By: ________________________________
Name:
Title:

HESS MIDSTREAM LP
a Delaware limited partnership

By: Hess Midstream GP LP
Its: General Partner
By: Hess Midstream GP LLC
Its: General Partner

By:__________________________________
Name:
Title:

"**PARTICIPANT**"

____
Print Name: __________________________

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John B. Hess, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hess Midstream LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2020

By /s/ John B. Hess

John B. Hess
Chairman of the Board of Directors and
Chief Executive Officer
HESS MIDSTREAM GP LP, its General Partner
HESS MIDSTREAM GP LLC, its General Partner

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jonathan C. Stein, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hess Midstream LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2020

By /s/ Jonathan C. Stein
Jonathan C. Stein
Chief Financial Officer
HESS MIDSTREAM GP LP, its General Partner
HESS MIDSTREAM GP LLC, its General Partner

Exhibit 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Hess Midstream LP (the “Partnership”) on Form 10-Q for the period ended March 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, John B. Hess, Chairman of the Board of Directors and Chief Executive Officer of Hess Midstream GP LLC, the general partner of the Partnership, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: May 7, 2020

By /s/ John B. Hess
John B. Hess
Chairman of the Board of Directors and Chief Executive Officer
HESS MIDSTREAM GP LP, its General Partner
HESS MIDSTREAM GP LLC, its General Partner

A signed original of this written statement required by Section 906 has been provided to the Partnership and will be retained by the Partnership and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Hess Midstream LP (the "Partnership") on Form 10-Q for the period ended March 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jonathan C. Stein, Chief Financial Officer of Hess Midstream GP LLC, the general partner of the Partnership, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: May 7, 2020

By /s/ Jonathan C. Stein
Jonathan C. Stein
Chief Financial Officer
HESS MIDSTREAM GP LP, its General Partner
HESS MIDSTREAM GP LLC, its General Partner

A signed original of this written statement required by Section 906 has been provided to the Partnership and will be retained by the Partnership and furnished to the Securities and Exchange Commission or its staff upon request.