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

FORM 10-Q/A

(Amendment No. 1)

(Mark One)

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

For the quarterly period ended March 31, 2017

or

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

Commission file number 001-37412

PennTex Midstream Partners, LP

(Exact name of registrant as specified in its charter)

Delaware	**47-1669563**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
8111 Westchester Drive, Suite 600 Dallas, Texas	**75225**
(Address of principal executive offices)	(Zip Code)

(832) 456-4000

(Registrant's telephone number, including area code)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post 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 ☒ (Do not check if a smaller reporting company)	Smaller reporting company ☐
	Emerging growth company ☒

If an emerging growth company, indicate by check mark 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 ☒

As of May 1, 2017, the registrant had 20,714,256 common units and 20,000,000 subordinated units outstanding.

EXPLANATORY NOTE

PennTex Midstream Partners, LP (the “Partnership”) filed its Form 10-Q for the three months ended March 31, 2017 with the Securities and Exchange Commission on May 4, 2017 (“Original Filing”). The Partnership is filing this Amendment No. 1 on Form 10-Q/A (this “Amendment”) to amend the text of Exhibit 31.1 (Certification of Principal Executive Officer Pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as Amended) and Exhibit 31.2 (Certification of Principal Financial Officer Pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as Amended).

Pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, as amended, this Amendment contains the complete text of Items 1 and 4 and the amended Exhibit 31.1 and Exhibit 31.2. Those sections or exhibits of the Original Filing that are unaffected by this Amendment are not included herein.

This Amendment continues to speak as of the date of the Original Filing, and the Partnership has not updated the disclosure contained herein to reflect events that have occurred since the filing of the Original Filing. Accordingly, this Amendment should be read in conjunction with the Partnership’s other filings made with the Securities and Exchange Commission subsequent to the filing of the Original Filing.

PENNTEX MIDSTREAM PARTNERS, LP

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GLOSSARY OF INDUSTRY AND OTHER COMMONLY-USED TERMS

AMI and Exclusivity Agreement: The Amended & Restated Area of Mutual Interest and Midstream Exclusivity Agreement dated as of April 14, 2015 among PennTex NLA Holdings, LLC, Range North Louisiana Operating, LLC and PennTex North Louisiana, LLC, as amended.

Bbl or barrel: One stock tank barrel, or 42 U.S. gallons liquid volume, used in reference to oil, NGLs or other liquid hydrocarbons.

Bbl/d: Bbl per day.

Btu: British thermal units.

Cotton Valley formation: A prolific natural gas play spread across East Texas, northern Louisiana and southern Arkansas. This formation has been under development since the 1930s and is characterized by thick, multi-zone natural gas and oil reservoirs with well-known geologic characteristics and long-lived, predictable production profiles. The depth of the Cotton Valley formation is roughly 7,800 to 10,000 feet.

Energy Transfer: ETP and its affiliates other than the Partnership, including ETE and SXL.

EPA: U.S. Environmental Protection Agency.

ETC: Energy Transfer Company, the name assumed by La Grange Acquisition, L.P., a wholly owned subsidiary of ETP, for conducting business and shared services.

ETE: Energy Transfer Equity, L.P. (NYSE: ETE), a publicly traded Delaware limited partnership.

ETE GP: LE GP, LLC, the general partner of ETE.

ETP: Energy Transfer Partners, L.P. (NYSE: ETP), a publicly traded Delaware limited partnership controlled by ETE. ETP owns all of the membership interests in PennTex Development and directly and indirectly owns and controls the Partnership's general partner.

ETP GP: Energy Transfer Partners GP, L.P., the general partner of ETP and which is indirectly owned and controlled by ETE.

ETP LLC: Energy Transfer Partners, L.L.C, the general partner of ETP GP and which is owned and controlled by ETE.

expansion capital expenditures: Cash expenditures incurred to construct or acquire new midstream infrastructure and to extend the useful lives of our assets, reduce costs, increase revenues or increase system throughput or capacity from current levels.

FERC: U.S. Federal Energy Regulatory Commission.

field: The general area encompassed by one or more oil or gas reservoirs or pools that are located on a single geologic feature, that are otherwise closely related to the same geologic feature (either structural or stratigraphic).

general partner: PennTex Midstream GP, LLC, the general partner of the Partnership.

hydrocarbon: An organic compound containing only carbon and hydrogen.

maintenance capital expenditures: Cash expenditures (including expenditures for the construction of new capital assets or the replacement or improvement of existing capital assets) made to maintain, over the long term, our operating capacity, throughput or revenue.

Mcf: One thousand cubic feet of natural gas.

MDth: A thousand dekatherms, which is a unit of energy equal to 10,000 therms or one billion Btus.

MDth/d: MDth per day.

Memorial Resource: Memorial Resource Development Corp. and its subsidiaries. Memorial Resource was a publicly traded independent exploration and production company and an affiliate of NGP prior to its acquisition by Range Resources in September 2016.

MMBtu: One million British thermal units.

MMcf: One million cubic feet of natural gas.

MMcfe: One million cubic feet equivalent, determined using a ratio of six Mcf of natural gas to one Bbls of crude oil, condensate or natural gas liquids.

MMcf/d: One million cubic feet per day.

MMcfe/d: One million cubic feet equivalent per day.

natural gas: Hydrocarbon gas found in the earth, composed of methane, ethane, butane, propane and other gases.

NGLs: Natural gas liquids, which consist primarily of ethane, propane, isobutane, normal butane and natural gasoline.

NGP: Natural Gas Partners and its affiliated investment funds.

oil: Crude oil and condensate.

Partnership: PennTex Midstream Partners, LP and its subsidiaries.

PennTex Development: PennTex Midstream Partners, LLC, a wholly owned subsidiary of ETP.

PennTex Management: PennTex Midstream Management Company, LLC, a wholly owned subsidiary of PennTex Development.

Range Resources: Range Resources Corporation (NYSE: RRC), a publicly traded independent exploration and production company, and, unless the context otherwise requires, its subsidiaries. Range Resources became the Partnership's primary customer as a result of its acquisition of Memorial Resource in September 2016.

rich natural gas: Gas having a heat content of greater than 1100 BTU.

SXL: Sunoco Logistics Partners L.P. (NYSE: SXL), a publicly traded Delaware limited partnership. SXL's general partner is a consolidated subsidiary of, and is controlled by, ETP.

throughput: The volume of product transported or passing through a pipeline, plant, terminal or other facility.

Vernon Field: a natural gas field located in and around Jackson Parish, Louisiana within the Cotton Valley formation that offers economic stacked-pay drilling opportunities with high initial production rates.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some of the information in this quarterly report may contain forward-looking statements. Forward-looking statements give our current expectations, contain projections of results of operations or of financial condition, or forecasts of future events. Words such as "may," "assume," "forecast," "position," "predict," "strategy," "expect," "intend," "plan," "estimate," "anticipate," "believe," "project," "budget," "potential" or "continue," and similar expressions are used to identify forward-looking statements. They can be affected by assumptions used or by known or unknown risks or uncertainties. Consequently, no forward-looking statements can be guaranteed. When considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under "Risk Factors" in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2016 (the "2016 Form 10-K") and those set forth from time to time in our filings with the Securities and Exchange Commission (the "SEC"), which are available through our website at www.penntex.com and through the SEC's website at www.sec.gov. Actual results may vary materially. You are cautioned not to place undue reliance on any forward-looking statements. You should also understand that it is not possible to predict or identify all such factors and should not consider the following list to be a complete statement of all potential risks and uncertainties. Factors that could cause our actual results to differ materially from the results contemplated by such forward-looking statements include:

- our primary customer's inability to successfully execute its drilling and development plan in northern Louisiana on a timely basis or at all;
- our ability to successfully implement our business strategy;
- realized natural gas, NGL and oil prices;
- competition, including from ETP, which owns our general partner and controls the Partnership;
- government regulations;
- actions taken by third-party producers, operators, processors and transporters;
- pending legal or environmental matters;
- costs of conducting our midstream operations;
- general economic conditions;
- credit markets;
- operating hazards, natural disasters, weather-related delays, casualty losses and other matters beyond our control;
- uncertainty regarding our future operating results; and
- plans, objectives, expectations and intentions contained in this report that are not historical.

We caution you that these forward-looking statements are subject to all of the risks and uncertainties incident to our midstream business, most of which are difficult to predict and many of which are beyond our control. These risks include, but are not limited to, commodity price volatility, inflation, environmental risks, drilling and completion and other operating risks, regulatory changes, the uncertainty inherent in projecting future rates of production, cash flow and access to capital, the timing of development expenditures and the other risks referenced under "Risk Factors" in Item 1A of the 2016 Form 10-K.

Should one or more of the risks or uncertainties described in this quarterly report occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements.

All forward-looking statements, expressed or implied, included in this quarterly report are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue.

Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this quarterly report.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

PENNTEX MIDSTREAM PARTNERS, LP

UNAUDITED CONSOLIDATED BALANCE SHEET

(in thousands, except outstanding units)

	March 31, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	$ 4,490	$ 8,442
Accounts receivable	17,373	15,225
Other receivables	118	112
Materials and supplies	2,813	2,391
Prepaid and other current assets	275	371
Total current assets	25,069	26,541
Property, plant and equipment, net	359,766	362,906
Intangible assets, net	19,767	20,064
Total non-current assets	379,533	382,970
Total assets	$ 404,602	$ 409,511
Liabilities		
Current liabilities:		
Accounts payable	$ 385	$ 224
Accounts payable—related party	3,400	626
Other current liabilities	3,113	3,198
Total current liabilities	6,898	4,048
Long-term debt, net	152,809	163,973
Deferred revenues	32,832	23,313
Other non-current liabilities	90	90
Total liabilities	192,629	191,424
Equity		
Partners' equity:		
Limited Partners:		
Common units (20,714,256 units issued and outstanding as of March 31, 2017 and December 31, 2016)	215,712	218,821
Subordinated units (20,000,000 units issued and outstanding as of March 31, 2017 and December 31, 2016)	(3,739)	(734)
General partner	—	—
Total equity	211,973	218,087
Total liabilities and equity	$ 404,602	$ 409,511

The accompanying notes are an integral part of these financial statements.

PENNTEX MIDSTREAM PARTNERS, LP

UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS

(***in thousands, except per unit amounts***)

	Three months ended March 31,	
	2017	**2016**
Revenues	$ 17,071	$ 17,649
Operating expenses:		
Cost of revenues	2,688	2,192
General and administrative expense	1,672	3,935
Operating and maintenance expense	1,484	2,619
Depreciation and amortization expense	3,435	3,346
Taxes other than income taxes	281	227
Total operating expenses	9,560	12,319
Operating income	7,511	5,330
Interest expense, net	1,615	1,813
Net income	$ 5,896	$ 3,517
Earnings per common unit:		
Basic	$ 0.14	$ 0.12
Diluted	$ 0.14	$ 0.12
Weighted average common and common equivalent units outstanding:		
Basic	20,714,256	20,000,000
Diluted	20,714,256	20,000,000
Cash distribution declared per unit	$ 0.2950	$ 0.2750

The accompanying notes are an integral part of these financial statements.

PENNTEX MIDSTREAM PARTNERS, LP

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands)

	Three months ended March 31,	
	2017	**2016**
Operating activities		
Net income	$ 5,896	$ 3,517
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization expense	3,435	3,346
Accretion of debt discount	336	332
Equity-based compensation expense	—	1,151
Non-cash contribution for general and administrative expense	—	1,157
Changes in deferred revenue, net	9,520	4,116
Changes in operating assets and liabilities:		
Accounts receivable	(2,139)	(384)
Accounts receivable - related party	(9)	(4,401)
Prepaid and other current assets	(331)	2,313
Accounts payable	161	(444)
Accounts payable - related party	2,773	227
Other liabilities	(84)	812
Cash provided by operating activities	19,558	11,742
Investing activities		
Property, plant and equipment expenditures	—	(9,386)
Intangible assets expenditures	—	(45)
Cash used in investing activities	—	(9,431)
Financing activities		
Proceeds from long-term debt	—	14,500
Payments on long-term debt	(11,500)	(11,500)
Payments for debt issuance costs	—	(10)
Distributions to unitholders	(12,010)	(11,000)
Phantom units surrendered to pay taxes	—	(174)
Cash used in financing activities	(23,510)	(8,184)
Net change in cash and cash equivalents	(3,952)	(5,873)
Cash and cash equivalents—beginning of period	8,442	7,760
Cash and cash equivalents—end of period	$ 4,490	$ 1,887
Supplemental cash flows:		
Interest paid, net of capitalized interest	$ 1,619	$ 1,583

The accompanying notes are an integral part of these financial statements.

PENNTEX MIDSTREAM PARTNERS, LP

UNAUDITED STATEMENT OF CHANGES IN EQUITY

(in thousands)

	General Partner	Common Units	Subordinated Units	Total
Balance at December 31, 2016	$ —	$ 218,821	$ (734)	$ 218,087
Distributions to unitholders	—	(6,110)	(5,900)	(12,010)
Net income	—	3,001	2,895	5,896
Balance at March 31, 2017	$ —	$ 215,712	$ (3,739)	$ 211,973

The accompanying notes are an integral part of these financial statements.

PENNTEX MIDSTREAM PARTNERS, LP

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

1. Organization and Business Operations

Organization

PennTex Midstream Partners, LP (the "Partnership") is a growth-oriented limited partnership focused on owning, operating, acquiring and developing midstream energy infrastructure assets in North America. Our sponsor, PennTex Midstream Partners, LLC ("PennTex Development"), was formed by members of its original management team and Natural Gas Partners ("NGP") in 2014 to develop a multi-basin midstream growth platform initially in partnership with oil and natural gas producers affiliated with NGP.

On November 1, 2016, Energy Transfer Partners, L.P. ("Energy Transfer") acquired from NGP and certain other contributors (i) all of the outstanding membership interests in PennTex Development, (ii) 6,301,596 common units and 20,000,000 subordinated units collectively representing approximately 64.6% of the outstanding limited partner interests in the Partnership, (iii) all of the outstanding membership interests in the Partnership's general partner and (iv) 100% of the Partnership's incentive distribution rights. As a result of such transaction, ETP controls the Partnership. During the three months ended March 31, 2017, Energy Transfer purchased an additional 400,000 common units, on the open market, increasing their total investment to 65.6% of the outstanding limited partner interests in the Partnership.

In April 2017, Energy Transfer merged with a subsidiary of Sunoco Logistics Partners L.P., at which time Energy Transfer changed its name from "Energy Transfer Partners, L.P." to "Energy Transfer, LP" and Sunoco Logistics Partners L.P. changed its name to "Energy Transfer Partners, L.P." References to "Energy Transfer" refer to the entity named Energy Transfer Partners, L.P. prior to the close of the merger and the combined entity subsequent to the merger.

Business

The Partnership's initial assets are located in northern Louisiana and were developed in two phases. The first phase of development, referred to as Phase I, was completed in May 2015 and includes the Lincoln Parish plant, a 200 MMcf/d design-capacity, cryogenic natural gas processing plant, and related natural gas gathering and residue gas transportation pipelines. The second phase of development, referred to as Phase II, was completed in September 2015 and includes the Mt. Olive plant, a 200 MMcf/d design-capacity, cryogenic natural gas processing plant, an NGL transportation pipeline and additions to the residue gas pipeline. The Partnership constructed additional gathering facilities in 2016 and expects to pursue other opportunities for organic development and growth as producers in the region continue to increase production.

Range Louisiana Operating LLC ("RRC Operating"), formerly known as MRD Operating LLC, is the Partnership's primary customer. On September 16, 2016, Range Resources Corporation ("Range Resources") completed its previously announced acquisition of Memorial Resource Development Corp. ("Memorial Resource"), and RRC Operating became a wholly owned subsidiary of Range Resources. Prior to the completion of the acquisition, RRC Operating was a wholly owned subsidiary of Memorial Resource, an affiliate of NGP, and was a related party of the Partnership. In connection with the acquisition, MRD Operating LLC changed its name to Range Louisiana Operating LLC. As of September 16, 2016, RRC Operating ceased to be a related party.

The Partnership operates and manages the business as one reportable segment. The accompanying unaudited consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles ("GAAP") for interim financial information and with the requirements of Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, these statements include all adjustments (consisting of only normal recurring accruals, unless otherwise disclosed in this quarterly report) necessary for their fair presentation. The accompanying unaudited interim consolidated financial statements do not include all notes that would be included in the Partnership's annual financial statements and therefore should be read in conjunction with the historical audited financial statements of PennTex Operating and the footnotes thereto included in the Partnership's Annual Report on Form 10-K for the year ended December 31, 2016 (the "2016 Form 10-K").

The statement of operations included in the accompanying unaudited consolidated financial statements also includes expense allocations for certain partnership functions performed by PennTex Development, including allocations of general corporate expenses related to executive oversight, accounting, treasury, tax, legal and procurement and information technology. These allocations are based primarily on specific identification of time and/or activities associated with pre-construction, construction and operating activities, employee headcount or capital expenditures. Management believes the assumptions underlying the financial statements, including the assumptions regarding allocating general and administrative expenses from PennTex Development, are reasonable. General and administrative expenses allocated to the Partnership for which the Partnership will reimburse PennTex Development are reflected as a payable due to a related party.

Use of Estimates

The financial statements have been prepared in conformity with GAAP, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date, the reported amounts of expense and disclosure of contingencies. This includes estimates made in the assessment of potential impairment of long-lived assets and estimates used to calculate allocation of expenses from PennTex Development. The Partnership's valuation methodology for assessing impairment requires management to make judgments and assumptions based on historical experience and to rely on projections of future operating performance. Although management believes these estimates are reasonable, actual results could differ from such estimates.

Revenue Recognition

The Partnership earns revenue from gathering, processing and transportation services provided to its customers. Revenue is recognized when all of the following criteria are met: (i) persuasive evidence of an exchange arrangement exists, (ii) delivery has occurred or service obligations have been fulfilled, (iii) the price is fixed or determinable and (iv) collectability is reasonably assured. For commercial agreements that provide for specified minimum volume commitments and variable rates, the Partnership recognizes revenue based on a weighted average rate over the term of the agreements.

Deferred Revenue

The Partnership's processing agreement with RRC Operating requires RRC Operating to pay a fee based on the volume of gas actually processed, subject to a cumulative minimum volume commitment that is measured as of the end of each quarterly period. To the extent that RRC Operating has not delivered the applicable cumulative minimum volume commitment as of the end of a quarterly period, RRC Operating is required to pay a deficiency fee to the Partnership. The amount paid to the Partnership as a deficiency fee is characterized as unearned revenue. The Partnership invoices RRC Operating based upon the applicable rates specified in the processing agreement for the services provided and recognizes revenue based on a weighted average rate over the term of the agreement. The excess of the fees invoiced under the processing agreement compared to the fees recognized as revenue are characterized as unearned revenue. Unearned revenue is reported as deferred revenue on the Consolidated Balance Sheet.

Deferred revenue is recognized as revenue once all contingencies or potential performance obligations associated with the related volumes have either been satisfied or expired. As of March 31, 2017, the Partnership had deferred revenue of $32.8 million, of which $9.5 million was generated during the three months ended March 31, 2017. As of December 31, 2016, the Partnership had $23.3 million deferred revenue.

Accounting Policies

The accounting policies followed by the Partnership are set forth in Note 2—Summary of Significant Accounting Policies in the 2016 Form 10-K. The accompanying unaudited consolidated financial statements include all of the Partnership's accounts and the accounts of its subsidiaries. There were no significant changes to the Partnership's accounting policies during the three months ended March 31, 2017.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") amended its guidance on revenue recognition. The core principle of those accounting standards updates ("ASU") is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This guidance is effective for interim and annual reporting periods beginning after December 15, 2017, with earlier adoption permitted for interim and annual periods beginning after December 15, 2016. This guidance may be adopted either retrospectively to each prior reporting period presented or as a cumulative-effect adjustment as of the date of adoption. The Partnership anticipates adopting this guidance in the first quarter of 2018 and is currently evaluating the impact on its consolidated financial statements.The Partnership plans to apply the modified retrospective method. The Partnership is currently evaluating the impact of this pronouncement on its consolidated financial statements.

In February 2016, the FASB issued authoritative guidance that requires the balance sheet recognition of lease assets and lease liabilities by lessees for leases previously classified as operating leases under prior GAAP. The lease assets recognized in the balance sheet will represent a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The lease liability recognized in the balance sheet will represent the lessee's obligation to make lease payments arising from a lease, measured on a discounted basis. The Partnership will be required to adopt the new standard in annual and interim periods beginning January 1, 2019. Lessees and lessors will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The modified retrospective approach includes a number of optional practical expedients that entities may elect to apply. These practical expedients relate to the identification and classification of leases that commenced before the effective date, initial direct costs for leases that commenced before the effective date, and the ability to use hindsight in evaluating lessee options to extend or terminate a lease or to purchase the underlying asset. The Partnership is continuing to evaluate the new standard but has not yet determined the appropriate methodology for implementing the new standard or the expected impact adoption will have on its consolidated financial statements.

In August 2016, the FASB issued authoritative guidance to reduce the diversity of reporting on statements of cash flows. This amendment is intended to reduce diversity in practice as to how certain cash receipts and cash payments are presented and classified in the statement of cash flows by providing guidance for several specific cash flow issues. This guidance becomes effective for fiscal years beginning after December 15, 2017 and, therefore, the Partnership will adopt this pronouncement January 1, 2018. The Partnership is currently evaluating the impact of this pronouncement on its consolidated financial statements.

3. Long-term Debt

The Partnership's debt obligations consisted of the following (in thousands) as of the below dates:

	March 31, 2017	December 31, 2016
$275 million MLP revolving credit facility	$ 156,500	$ 168,000
Unamortized debt issuance costs	(3,691)	(4,027)
Total long-term debt	$ 152,809	$ 163,973

$275 million MLP revolving credit facility

On December 19, 2014, the Partnership entered into a senior secured revolving credit facility with Royal Bank of Canada, as administrative agent, and a syndicate of lenders that became effective in June 2015 and matures on December 19, 2019 (the "MLP revolving credit facility"). The agreement provides for a $275 million credit commitment that is expandable up to $400 million under certain conditions. The funds have been used for general purposes, including the funding of capital expenditures. The Partnership's assets are pledged as collateral for this credit facility.

The MLP revolving credit facility contains various covenants and restrictive provisions that, among other things, limit or restrict the Partnership's ability to incur or guarantee additional debt, incur certain liens on assets, dispose of assets, make certain distributions (including distributions from available cash, if a default or event of default under the credit agreement then exists or would result from making such a distribution), change the nature of the Partnership's business, engage in certain mergers or make certain investments and acquisitions, enter into non-arms-length transactions with affiliates and designate certain subsidiaries of the Partnership as "Unrestricted Subsidiaries" for purposes of the credit agreement. Currently, no subsidiaries have been designated as Unrestricted Subsidiaries. The Partnership is required to comply with a minimum consolidated interest coverage ratio of 2.50x and a maximum consolidated leverage ratio of 4.75x with respect to the fiscal quarter ending March 31, 2017.

As of March 31, 2017, the Partnership had $117.5 million of available borrowing capacity under the MLP revolving credit facility. As of March 31, 2017, the Partnership was in compliance with the covenants under the MLP revolving credit facility.

The borrowed amounts are subject to interest based upon the current consolidated total leverage ratio at the time of the borrowing. At the Partnership's discretion it can borrow utilizing either Eurodollar loans or Alternate Base Rate ("ABR") loans. Interest on Eurodollar loans is based on the LIBOR plus an applicable margin that varies between 2.0% and 3.25% based on the consolidated total leverage ratio. Interest on ABR loans is equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1.5% and (c) the Adjusted LIBOR for a one-month interest period on such day plus 1.0% and plus an applicable margin that varies between 1.00% and 2.25% based on the consolidated total leverage ratio. The unused portion of the credit facility is subject to a commitment fee, which is 0.375% multiplied by the amount of the unused commitment. As of March 31, 2017, the weighted average interest rate on outstanding borrowings was 2.8%. The fair value of the long-term debt approximates the carrying amount because the interest rate is variable and reflective of market rates.

The following table sets forth the outstanding borrowings, letters of credit issued and available borrowing capacity under the MLP revolving credit facility as of March 31, 2017 (in thousands):

Total borrowing capacity	$	275,000
Less: Outstanding borrowings		156,500
Less: Letters of credit issued		1,000
Available borrowing capacity	$	117,500

4. Partnership and Equity Distributions

Quarterly Distribution

The First Amended and Restated Agreement of Limited Partnership of the Partnership (the "Partnership Agreement") provides for a minimum quarterly distribution of $0.2750 per unit for each quarter, or $1.10 per unit on an annualized basis. On April 26, 2017, the Partnership announced a distribution of $0.2950 per unit for the first quarter of 2017. This distribution will be paid on May 12, 2017 to unitholders of record on May 5, 2017.

5. Earnings per Unit

The following table illustrates the Partnership's calculation of net income per unit for the three months ended March 31, 2017:

	Three months ended March 31,			
	2017		2016	
	(in thousands, except unit and per unit amounts)			
Net income	$	5,896	$	3,517
Less: Net loss attributable to general partner		—		(1,157)
Net income attributable to the Partnership		5,896		4,674
Less:				
Payments for distribution equivalents [2]		—		174
Limited partners' distribution declared on common units[1]		6,110		5,501
Limited partners' distribution declared on subordinated units[1]		5,900		5,500
Distribution in excess of net income attributable to the Partnership		(6,114)		(6,501)
Distribution in excess of net income attributable to equity-based awards		—		(101)
Distribution in excess of net income attributable to partners	$	(6,114)	$	(6,400)

[1]Distribution declared on April 26, 2017, attributable to the first quarter of 2017.
[2]Represents Distribution Equivalent Rights (the "DERs") paid in respect of phantom units.

PENNTEX MIDSTREAM PARTNERS, LP

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

	General Partner	Limited Partners— Common Units	Limited Partners— Subordinated Units	Total
	(in thousands, except unit and per unit amounts)			
Three Months Ended March 31, 2017				
Net income attributable to the limited partner unitholders:				
Distribution declared[1]	$ —	$ 6,110	$ 5,900	$ 12,010
Distribution in excess of net income attributable to partners	—	(3,111)	(3,003)	(6,114)
Net income attributable to limited partners	$ —	$ 2,999	$ 2,897	$ 5,896
Weighted average common units outstanding:				
Basic	—	20,714,256	20,000,000	40,714,256
Diluted	—	20,714,256	20,000,000	40,714,256
Net income per common unit:				
Basic		$ 0.14	$ 0.14	
Diluted		$ 0.14	$ 0.14	

[1]Distribution declared on April 26, 2017 attributable to the period indicated; includes distribution to be paid in respect of common units issued and outstanding as of the distribution record date of May 5, 2017.

	General Partner	Limited Partners— Common Units	Limited Partners— Subordinated Units	Total
	(in thousands, except unit and per unit amounts)			
Three months ended March 30, 2016				
Net income attributable to the limited partner unitholders:				
Distribution declared	$ —	$ 5,500	$ 5,500	$ 11,000
Distribution in excess of net income attributable to partners	—	(3,200)	(3,200)	(6,400)
Net income attributable to partners	$ —	$ 2,300	$ 2,300	$ 4,600
Weighted average common units outstanding:				
Basic	—	20,000,000	20,000,000	40,000,000
Diluted	—	20,000,000	20,000,000	40,000,000
Net income per common unit:				
Basic		$ 0.12	$ 0.12	
Diluted		$ 0.12	$ 0.12	

6. Commitments and Contingencies

Contractual Commitments

Commercial Agreements with RRC Operating

The Partnership has entered into 15-year processing, gathering and residue gas and NGL transportation agreements with RRC Operating. The processing agreement contains a specified daily minimum volume threshold for RRC Operating, which increased to 460,000 MMBtu/d effective July 1, 2016. On July 1, 2026, RRC Operating’s daily minimum volume threshold will decrease to 345,000 MMBtu/d through May 31, 2030, and will then decrease to 115,000 MMBtu/d effective June 1, 2030 through the remainder of the initial term ending October 1, 2030. Any volumes of gas delivered up to the applicable daily minimum volume threshold are charged the firm fixed-commitment fee and any volumes delivered in excess of such threshold are charged the interruptible-service fixed fee. RRC Operating must pay a deficiency payment based on the firm-commitment fixed fee with respect to a particular quarterly period if the cumulative minimum volume commitment as of the end of such period exceeds the sum of (i) the cumulative volumes processed under the processing agreement as of the end of such period plus (ii) volumes corresponding to deficiency payments incurred prior to such period. RRC Operating may utilize these deficiency payments as a credit for fees owed to the Partnership only to the extent it has delivered the total minimum volume commitment under the processing agreement within the initial 15-year term of the agreement. Additionally, all volumes delivered by RRC Operating in excess of the minimum volume commitment in a quarterly period apply against and reduce, on a one-for-one basis, the cumulative minimum volume commitment used to calculate deficiency payments for future quarterly periods. The processing agreement also requires RRC Operating to reimburse a portion of the Partnership's electricity expenses for electric compression at the processing plants.

The gathering agreement provides for the gathering of RRC Operating's processable natural gas for delivery to the Partnership's processing plants (or a third party as described below). The gathering agreement initially provides for a firm capacity reservation payment and a usage fee that is subject to a minimum volume commitment. For the period from June 1, 2015 through November 30, 2019, (i) the firm capacity reservation payment is based on a daily capacity of 460,000 MMBtu/d, calculated monthly, and (ii) the usage fee is based on volumes delivered into the gathering system, subject to a deficiency fee based on a specified minimum volume commitment that is calculated and paid on an annual basis. The specified minimum gathering volume commitment equals RRC Operating's then applicable daily minimum volume threshold under the processing agreement (excluding any optional increases by RRC Operating). Accordingly, the specified minimum gathering volume commitment will not be less than 115,000 MMBtu/d nor more than 460,000 MMBtu/d. Beginning December 1, 2019 through the end of the gathering agreement term, all volumes will be subject to a usage fee, subject to the deficiency fee and minimum volume commitment described above, and no firm capacity reservation payment will apply. The gathering agreement also provides for the delivery of RRC Operating's rich natural gas, on an interruptible basis, to facilities operated by a third party for a specified usage fee.

The residue gas and NGL transportation agreements provide for the transportation of residue gas and NGLs produced at the Partnership's processing plants to downstream markets. RRC Operating pays a usage fee for all volumes transported under the residue gas and NGL transportation agreements and also pays a monthly fee for priority firm service under the gas transportation agreement. Both transportation agreements include a plant tailgate dedication pursuant to which all of RRC Operating's residue gas and NGLs produced from the Partnership's processing plants are delivered for transportation on the Partnership's residue gas and NGL pipelines.

Services and Secondment Agreement

The Partnership is party to a 10-year services and secondment agreement with the general partner, PennTex Development and PennTex Midstream Management Company, LLC ("PennTex Management") pursuant to which PennTex Management and PennTex Development provide operational, general and administrative services to the Partnership.

Guarantees or Other Support

The Partnership has letters of credit outstanding that are backed by the MLP revolving credit facility as collateral support.

Legal Proceedings

The Partnership may from time to time be involved as a party to various legal proceedings that are incidental to the ordinary course of business. The Partnership regularly analyzes current information and, as necessary, will provide accruals for probable liabilities on the eventual disposition of these matters. In the opinion of management, as of March 31, 2017, there are no pending legal matters that would have a material impact on the results of operations, financial position or cash flows.

7. Related-Party Transactions

Operational, General and Administrative Services

The Partnership does not have employees, and the officers of the general partner manage the operations and activities of the Partnership. All operational, general and administrative responsibilities are performed by employees of Energy Transfer pursuant to the services and secondment agreement and for which the Partnership reimburses or pays a specified administrative fee to Energy Transfer, which is settled in cash monthly. The administrative fee was $250,000 per month during the first six months of the year ended December 31, 2016 and was $333,333 per month during the last six months of the year ended December 31, 2016. Beginning January 1, 2017, the administrative fee is subject to renegotiation. Beginning January 1, 2017, the administrative fee is $338,000 per month. The Partnership is also required to reimburse PennTex Development and its affiliates for all other direct or allocated costs and expenses incurred by them on the Partnership's behalf under the services and secondment agreement.

In addition, the Partnership is allocated additional general and administrative expenses to the extent that the administrative fee paid under the services and secondment agreement is less than the Partnership's share of PennTex Development's overall general and administrative expenses, which allocation is not payable in cash and is recorded as a non-cash general and administrative expense of the Partnership. The non-cash general and administrative expense is recorded as a non-cash contribution to the Partnership by the general partner. The Partnership's allocated general and administrative expenses and operating and maintenance expenses consist of the following (in thousands):

	Three months ended March 31,	
	2017	2016
Allocated general and administrative expenses:		
Cash	$ 1,000	$ 750
Non-cash	—	1,157
Operating and maintenance expenses	730	1,152
Total	$ 1,730	$ 3,059

The Partnership had outstanding accounts payable to affiliates of $3.4 million and $0.6 million as of March 31, 2017 and December 31, 2016, respectively.

8. Concentrations of Risk

Financial instruments that potentially subject the Partnership to concentrations of credit risk consist of cash and cash equivalents and accounts receivable. The Partnership maintains cash in bank deposit accounts that, at times, may exceed federally insured limits. The Partnership has not experienced any losses in such accounts to date and does not believe it is exposed to any significant risk.

Accounts receivable are from natural gas producers for which the Partnership will gather, process and transport natural gas and transport natural gas liquids. This industry concentration has the potential to impact the Partnership's overall exposure to credit risk, either positively or negatively, in that the Partnership's customers may be similarly affected by changes in economic, industry or other conditions. Management monitors the creditworthiness of counterparties.

The Partnership has entered into long-term commercial agreements with RRC Operating. RRC Operating accounted for 86% and 97% of the Partnership's total revenues for the three months ended March 31, 2017 and 2016, respectively. The Partnership is potentially exposed to concentration of business and credit risk primarily through the Partnership's commercial agreements with RRC Operating. Management monitors the creditworthiness of RRC Operating, and the Partnership has not experienced any collectability issues with RRC Operating.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we have evaluated, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this quarterly report. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of March 31, 2017 at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

During the three months ended March 31, 2017, our internal controls over financial reporting, including certain disclosure controls and corporate governance procedures, have been impacted by changes made to conform to the existing controls of ETP, the owner of our general partner. None of these changes are in response to any identified deficiency or weakness in our internal controls over financial reporting.

There were no other changes that have materially affected, or are reasonably likely to affect, our internal controls over financial reporting.

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PART II OTHER INFORMATION

Item 6. Exhibits

The exhibits required to be filed pursuant to the requirements of Item 601 of Regulation S-K are set forth in the Exhibit Index accompanying this Quarterly Report on Form 10-Q/A and are incorporated herein by reference.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this quarterly report to be signed on its behalf by the undersigned thereunto duly authorized.

PennTex Midstream Partners, LP
By: PennTex Midstream GP, LLC, its general partner

Date:	July 5, 2017	By:	/s/ Thomas E. Long
			Thomas E. Long Chief Financial Officer (Principal Financial Officer)

EXHIBIT INDEX

Exhibit Number	Description
3.1	Certificate of Limited Partnership of PennTex Midstream Partners, LP (incorporated by reference to Exhibit 3.1 to PennTex Midstream Partners, LP's registration statement on Form S-1, as amended (File No. 333-199020), initially filed with the Commission on September 30, 2014).
3.2	First Amended and Restated Agreement of Limited Partnership of PennTex Midstream Partners, LP, dated as of June 9, 2015 (incorporated by reference to Exhibit 3.1 to PennTex Midstream Partners, LP's Current Report on Form 8-K filed with the Commission on June 9, 2015).
31.1*	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934.
31.2*	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934.
32.1**	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.CAL*	XBRL Calculation Linkbase Document
101.DEF*	XBRL Definition Linkbase Document
101.INS*	XBRL Instance Document
101.LAB*	XBRL Labels Linkbase Document
101.PRE*	XBRL Presentation Linkbase Document
101.SCH*	XBRL Schema Document

* Filed as an exhibit to this Quarterly Report on Form 10-Q/A.

** Furnished as an exhibit to this Quarterly Report on Form 10-Q/A.

Exhibit 31.1

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

I, Kelcy L. Warren, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q/A (the “report”) of PennTex Midstream Partners, LP (the “registrant”);

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 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 ou 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 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: July 5, 2017

/s/ Kelcy L. Warren

Kelcy L. Warren
Chief Executive Officer
(Principal Executive Officer)
PennTex Midstream GP, LLC, as general partner of PennTex Midstream Partners, LP

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Thomas E. Long, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q/A (the "report") of PennTex Midstream Partners, LP (the "registrant");

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 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 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: July 5, 2017

/s/ Thomas E. Long

Thomas E. Long
Chief Financial Officer
(Principal Financial Officer)
PennTex Midstream GP, LLC, as general partner of PennTex Midstream Partners, LP

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 on Form 10-Q/A of PennTex Midstream Partners, LP (the "Partnership"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Kelcy L. Warren, Chief Executive Officer of PennTex Midstream GP, LLC, the general partner of the Partnership, and Thomas E. Long, Chief Financial Officer of PennTex 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, to their knowledge:

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:	July 5, 2017	/s/ Kelcy L. Warren
		Kelcy L. Warren
		Chief Executive Officer
		(Principal Executive Officer)
		PennTex Midstream GP, LLC, as general partner of PennTex Midstream Partners, LP
Date:	July 5, 2017	/s/ Thomas E. Long
		Thomas E. Long
		Chief Financial Officer
		(Principal Financial Officer)
		PennTex Midstream GP, LLC, as general partner of PennTex Midstream Partners, LP

The foregoing certifications are being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and, accordingly, are not being filed as part of the Report for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not incorporated by reference into any filing of the Partnership, whether made before or after the date hereof, regardless of any general incorporation language in such filing.