

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
)	Chapter 11
)	
SOUTHCROSS ENERGY)	Case No. 19-10702 (MFW)
PARTNERS, L.P., et al.,)	
)	
Debtors. ¹)	Jointly Administered
)	
)	Objection Deadline: August 30, 2019 at 4:00 p.m.
)	Hearing Date: September 18, 2019 at 10:30 a.m.

**FIRST INTERIM FEE APPLICATION OF ALVAREZ & MARSAL NORTH AMERICA,
LLC FOR PAYMENT OF COMPENSATION AND REIMBURSEMENT OF EXPENSES
AS RESTRUCTURING ADVISORS TO THE DEBTORS FOR THE PERIOD FROM
APRIL 1, 2019 THROUGH JUNE 30, 2019**

Name of Applicant:	<u>Alvarez & Marsal North America LLC</u>
Authorized to Provide Professional Services to:	<u>Debtor and Debtors in Possession</u>
Date of Retention:	<u>May 6, 2019 <i>Nunc Pro Tunc</i> to April 1, 2019</u>
Period for which compensation and reimbursement is sought:	<u>April 1, 2019 through June 30, 2019</u>
Amount of Compensation sought as actual, reasonable and necessary:	<u>\$2,245,355.00</u>
Amount of Expense Reimbursement sought as actual, reasonable and necessary:	<u>\$97,020.23</u>
Retainer Balance:	<u>\$245,240.20</u>

¹ The debtors and debtors in possession in these chapter 11 cases, along with the last four digits of their respective Employer Identification Numbers, are as follows: Southcross Energy Partners, L.P. (5230); Southcross Energy Partners GP, LLC (5141); Southcross Energy Finance Corp. (2225); Southcross Energy Operating, LLC (9605); Southcross Energy GP LLC (4246); Southcross Energy LP LLC (4304); Southcross Gathering Ltd. (7233); Southcross CCNG Gathering Ltd. (9553); Southcross CCNG Transmission Ltd. (4531); Southcross Marketing Company Ltd. (3313); Southcross NGL Pipeline Ltd. (3214); Southcross Midstream Services, L.P. (5932); Southcross Mississippi Industrial Gas Sales, L.P. (7519); Southcross Mississippi Pipeline, L.P. (7499); Southcross Gulf Coast Transmission Ltd. (0546); Southcross Mississippi Gathering, L.P. (2994); Southcross Delta Pipeline LLC (6804); Southcross Alabama Pipeline LLC (7180); Southcross Nueces Pipelines LLC (7034); Southcross Processing LLC (0672); FL Rich Gas Services GP, LLC (5172); FL Rich Gas Services, LP (0219); FL Rich Gas Utility GP, LLC (3280); FL Rich Gas Utility, LP (3644); Southcross Transmission, LP (6432); T2 EF Cogeneration Holdings LLC (0613); and T2 EF Cogeneration LLC (4976). The debtors' mailing address is 1717 Main Street, Suite 5300, Dallas, TX 75201.



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Amount of Compensation Paid
as actual, reasonable and necessary
for applicable period:

\$1,796,284.00

Amount of Expense Paid as actual reasonable,
and necessary for applicable period:
Requested:

\$97,020.23

This is a(n): ☐ Monthly ☒ Interim ☐ Final Application

Prior Applications

Fee Statement Period, Docket # & Filing Date	Total Fees Requested	Total Expenses Requested	CNO Date & Docket #	Amount of Fees Authorized to be Paid at 80%	Amount of Expenses Authorized to be Paid at 100%	Amount of Holdback Fees Requested
4/1/2019 - 4/30/2019 DI 244 filed 5/31/2019	\$ 862,425.00	\$ 47,630.47	DI 331 filed 6/17/2019	\$ 689,940.00	\$ 47,630.47	\$ 172,485.00
5/1/2019 - 5/31/2019 DI 347 filed 6/27/2019	\$ 748,487.50	\$ 31,168.89	DI 370 filed 7/12/2019	\$ 598,790.00	\$ 31,168.89	\$ 149,697.50
6/1/2019 - 6/30/2019 DI 393 filed 6/27/2019	\$ 634,442.50	\$ 18,220.87	DI 411 filed 8/7/2019	\$ 507,554.00	\$ 18,220.87	\$ 126,888.50
Total	\$ 2,245,355.00	\$ 97,020.23		\$ 1,796,284.00	\$ 97,020.23	\$ 449,071.00

COMPENSATION BY PROFESSIONAL
APRIL 1, 2019 THROUGH JUNE 30, 2019

The professionals who rendered services in the chapter 11 cases from April 1, 2019 through June 30, 2019 (the “**Fee Period**”) are:

Professional	Position	Billing Rate	Sum of Hours	Sum of Fees
Aaron Stai	Managing Director	\$975.00	3.0	\$ 2,925.00
J.D. Ivy	Managing Director	\$950.00	7.7	7,315.00
Ed Mosley	Managing Director	\$925.00	136.0	125,800.00
Tom Behnke	Managing Director	\$875.00	50.4	44,100.00
Matthew Frank	Senior Director	\$825.00	511.0	421,575.00
Megan Bennett	Senior Director	\$800.00	1.7	1,360.00
Reilly Olson	Senior Director	\$775.00	431.0	334,025.00
Ryan Wells	Director	\$700.00	8.0	5,600.00
Richard Niemerg	Director	\$675.00	317.0	213,975.00
Taylor Archer	Senior Associate	\$550.00	1.0	550.00
Gaurav Walia	Associate	\$550.00	532.1	292,655.00
Gary Fragosso	Associate	\$525.00	448.6	235,515.00
Rob Country	Consultant	\$525.00	344.3	180,757.50
Emily Raab	Jr. Consultant	\$475.00	336.1	159,647.50
Mattie Schirle	Analyst	\$450.00	487.9	219,555.00
Total Hours/Fees			3,615.8	\$ 2,245,355.00
Blended Rate				\$ 620.98

COMPENSATION BY MATTER
APRIL 1, 2019 THROUGH JUNE 30, 2019

Task Description	Sum of Hours	Sum of Fees
Accounting/Cut-off	525.9	\$ 352,687.50
Bankruptcy Support	154.1	99,842.50
Business Plan	22.6	17,517.50
Cash Management	777.0	438,095.00
Communications	29.6	21,000.00
Contract	131.9	80,877.50
Coordination & Communication with Professionals & Creditor Constituents	89.1	56,295.00
Court	21.5	17,140.00
DIP Financing	48.7	35,487.50
Employee Issues; Benefits and Compensation	18.0	14,730.00
Fee application	35.6	26,487.50
Meetings	30.2	24,482.50
Monthly Operating Report and UST Reporting	305.7	208,882.50
Motions	105.1	59,575.00
POR / Disclosure Statement	48.1	34,195.00
Sale Process / 363 Process / Auction	54.6	37,240.00
Statements & Schedules	962.1	548,342.50
Travel Time	139.8	94,942.50
Vendor Management	73.6	46,702.50
Wind Down Planning	42.6	30,832.50
Total Hours/Fees	3,615.8	\$ 2,245,355.00
Blended Rate		\$ 620.98

EXPENSE SUMMARY
APRIL 1, 2019 THROUGH JUNE 30, 2019

Expense Category	Sum of Expenses
Airfare	\$ 38,779.77
Lodging	35,579.27
Meals	11,031.97
Miscellaneous	2,062.28
Transportation	9,566.94
Total	\$ 97,020.23

Annexed hereto are the following schedules for compensation and reimbursement of expenses sought by A&M for the period from April 1, 2019 through June 30, 2019:

- | | |
|-----------|--|
| Exhibit A | Summary of Time Detail by Task |
| Exhibit B | Summary of Time Detail by Professional |
| Exhibit C | Summary of Expense Detail by Category |

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

SOUTHCROSS ENERGY
PARTNERS, L.P., et al.,

Debtors.¹

)
) Chapter 11
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) Case No. 19-10702 (MFW)
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) Jointly Administered
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**FIRST INTERIM FEE APPLICATION OF ALVAREZ & MARSAL NORTH AMERICA,
LLC FOR PAYMENT OF COMPENSATION AND REIMBURSEMENT OF EXPENSES
AS RESTRUCTURING ADVISORS TO THE DEBTORS FOR THE PERIOD FROM
APRIL 1, 2019 THROUGH JUNE 30, 2019**

Alvarez & Marsal North America, LLC (“A&M”), financial advisor to the Debtors in the cases of the above-captioned debtor and debtors in possession (collectively, the “Debtors”), hereby submits its first interim application (the “Application”) for entry of an order pursuant to section 331 of title 11 of the United States Code, 11 U.S.C. §§101 et seq, as amended (the “Bankruptcy Code”) granting it interim compensation and reimbursement of expenses for the period from April 1, 2019 through June 30, 2019. In support hereof, A&M respectfully represents as follows:

**I. JURISDICTION, VENUE AND STATUTORY
PREDICATES FOR RELIEF SOUGHT**

1. This Court has jurisdiction over this Application pursuant to 28 U.S.C.

1334. This is a core proceeding pursuant to 28 U.S.C. §157(b)(2)(A) and (B). Venue of this

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proceeding and this Application is proper in this District pursuant to 28 U.S.C. §§1408 and 1409. The statutory predicate for the relief sought herein is section 331 of the Bankruptcy Code.

II. Background

1. On April 1, 2019 (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors continue in possession of their properties and continue to operate and manage their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Debtors’ chapter 11 cases.

2. On May 6, 2019, this Court entered Order [Docket No. 193] authorizing A&M to be compensated on an hourly basis and to be reimbursed for actual and necessary out-of-pocket expenses.

3. A&M has rendered services on behalf of the debtors for the period from April 1, 2019 through June 30, 2019 (the “Compensation Period”), totaling 3,615.8 hours of professional time.

4. Attached hereto as Exhibit “A-C” is a summary of professional services rendered and expenses incurred by each A&M professional and by category during the Compensation Period.

5. The total sum due to A&M for professional services rendered on behalf of the Debtors for the Compensation Period is \$2,245,355.00. A&M submits that the professional services it rendered on behalf of the debtors during this time were reasonable and necessary.

6. A&M also expended costs on behalf of the Debtors in the sum of \$97,020.23 during the Compensation period. Attached hereto as Exhibit "C" is a summary by category of expenses incurred during the compensation period.

7. A&M accordingly seeks allowance of the sum of \$2,245,355.00 in fees and \$97,020.23 in expenses, for a total of \$2,342,375.23.

8. The undersigned hereby attests that he has reviewed the requirements of Local Rule 2016-2 and this Application conforms to such requirements.

WHEREFORE, A&M hereby requests : (i) allowance on an interim basis of compensation for necessary and valuable professional services rendered to the Debtors in the sum of \$2,245,355.00 and reimbursement of actual and necessary expenses incurred in the sum of \$97,020.23 for the period from April 1, 2019 through June 30, 2019; (ii) payment in the amount of \$449,071.00 representing the 20% holdback and (iii) such other relief as this Court deems just and proper.

Dated: August 16, 2019
Dallas, TX

Respectfully submitted,

**ALVAREZ & MARSAL NORTH
AMERICA, LLC**

/s/ Ed Mosley

Ed Mosley
Managing Director
2100 Ross Avenue
21st Floor
Dallas, TX 75201
Telephone: 214.438.8481
Facsimile: 214.438.1001
emosley@alvarezandmarsal.com

*Financial Advisor to the Debtors and
Debtors in Possession*

EXHIBIT A

Summary of Time Detail by Task

Southcross Energy Partners, L.P., et al.

Alvarez & Marsal North America, LLC

April 1, 2019 through June 30, 2019

Task Description	Sum of Hours	Sum of Fees
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Blended Rate		\$ 620.98
<i>Memo: 80% of Total Fees</i>		\$ 1,796,284.00

EXHIBIT B

Summary of Time Detail by Professional

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