

CNX Coal Resources LP
Form S-3
February 08, 2017
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As filed with the Securities and Exchange Commission on February 8, 2017

Registration No. 333-

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

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CNX Coal Resources LP*

CNX Coal Finance Corp.

and certain subsidiaries identified in the Table of Additional Registrants below

(Exact name of registrant as specified in its charter)

Delaware	47-3445032
Delaware	81-5232249
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1000 CONSOL Energy Drive

Canonsburg, Pennsylvania 15317

(724) 485-4000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Lorraine L. Ritter

Chief Financial Officer and Chief Accounting Officer

1000 CONSOL Energy Drive

Canonsburg, Pennsylvania 15317

(724) 485-4000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:

Martha A. Wiegand

General Counsel and Secretary, CNX Coal Resources LP

1000 CONSOL Energy Drive

Canonsburg, Pennsylvania 15317

(724) 485-4000

Hannah T. Frank

McGuireWoods LLP

625 Liberty Avenue, 23rd Floor

Pittsburgh, Pennsylvania 15222

(412) 667-7936

Approximate date of commencement of proposed sale to the public:

From time to time after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 426(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title Of Each Class Of Securities To Be Registered	To Be Registered	Proposed	Proposed	Amount Of Registration Fee
		Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	
Primary Offering				
Common units	(1)		(1)	
Preferred units	(1)		(1)	
Senior debt securities	(1)(2)		(1)(2)	
Subordinated debt securities	(1)(2)		(1)(2)	
Guarantees of debt securities	(1)(2)		(1)(2)	(3)
Total			\$750,000,000(3)(4)	\$86,925.00(3)(4)
Secondary Offering				
Common units	10,494,934(5)	\$18.33(6)(7)	\$119,849,568.50(6)(7)	\$13,890.56(6)(7)
Class A Preferred Units	3,956,496	\$17.01(8)	\$67,299,996.96(8)	\$7,800.07(8)
				\$108,615.63

Total primary and secondary

- (1) An unspecified aggregate number or principal amount of securities are being registered as may from time to time be offered at indeterminate prices, along with an indeterminate number of securities that may be issued upon exercise, settlement, exchange or conversion of securities offered hereunder. Separate consideration may or may not be received for common units that are issuable upon exercise, settlement, conversion or exchange of other securities or that are issued in units.
- (2) Debt securities (senior or subordinated) will be issued by CNX Coal Resources LP and may be co-issued by CNX Coal Finance Corp. If any debt securities are issued at an original issue discount, then the offering price of those debt securities shall be in an amount as shall result in an aggregate initial offering price not to exceed the proposed maximum aggregate offering price set forth above, less the dollar amount of any registered securities previously issued.
- (3) One or more subsidiaries of CNX Coal Resources LP may guarantee the debt securities. Pursuant to Rule 457(n) under the Securities Act of 1933, no separate fee is payable with respect to the guarantees of the debt securities being registered.
- (4) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933. In no event will the aggregate initial offering price of all securities offered from time to time, in a primary offering, pursuant to the prospectus included as part of this registration statement exceed the proposed maximum aggregate offering price set forth above. The proposed maximum aggregate offering price for each class of securities to be registered is not specified pursuant to General Instruction II.D. of Form S-3.
- (5) Includes 6,538,438 outstanding common units held by the selling unitholders named in the prospectus included as part of this registration statement. Also includes 3,956,496 common units issuable upon conversion of the Class A Preferred Units held by a selling unitholder named in the prospectus included as part of this registration statement. The Class A Preferred Units convert into common units, on a one-for-one basis, at the election of the holder thereof (i) at any time after September 30, 2017, (ii) with respect to any dissolution or liquidation of CNX Coal Resources LP pursuant to the partnership agreement occurring prior to September 30, 2017, and (iii) with respect to a Class A Preferred Unit Change of Control (as defined in the partnership agreement).
- (6) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, with respect to the common units to be sold by the selling unitholders named in the prospectus included as part of

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this registration statement, based on the average of the high and low prices of the common units as reported on the New York Stock Exchange on February 3, 2017.

- (7) The common units issuable upon conversion of the Class A Preferred Units will be issued for no additional consideration and, therefore, no additional registration fee is required pursuant to Rule 457(i) under the Securities Act of 1933.
- (8) Calculated based on the price of the Class A Preferred Units of \$17.01 at the time of original issuance on September 30, 2016.

* **Includes subsidiaries of CNX Coal Resources LP identified on the following page that may guarantee the debt securities.**

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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TABLE OF ADDITIONAL REGISTRANTS

Exact Name of Registrant as Specified in Its Charter	State or Other Jurisdiction of Incorporation or Organization	IRS Employer Identification Number
CNX Operating LLC	Delaware	47-3744108
CNX Thermal Holdings LLC	Delaware	47-3744238

The address for each additional registrant guarantor's principal executive offices is c/o CNX Coal Resources LP, 1000 CONSOL Energy Drive, Canonsburg, Pennsylvania 15317 and the telephone number for each additional registrant guarantor is (724) 485-4000.

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The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED FEBRUARY , 2017

PROSPECTUS

CNX COAL RESOURCES LP

CNX COAL FINANCE CORP.

Common Units Representing Limited Partner Interests

Preferred Units Representing Limited Partner Interests

Class A Preferred Units

Debt Securities

We may offer, from time to time, in one or more series, the following securities under this prospectus:

common units representing limited partnership interests in CNX Coal Resources LP;

preferred units representing limited partnership interests in CNX Coal Resources LP; and

debt securities.

The debt securities may be issued by us or co-issued by us with CNX Coal Finance Corp. Subsidiaries of CNX Coal Resources LP may guarantee the debt securities.

Further, the selling unitholders identified in this prospectus may offer and sell from time to time, in one or more offerings, up to 6,538,438 outstanding common units representing partnership interests and up to 3,956,496 Class A Preferred Units or any common units into which such Class A Preferred Units may be converted.

CONSOL Energy Inc., a selling unitholder, who is an affiliate of CNX Coal Resources LP, is an underwriter within the meaning of the Securities Act of 1933 and, as a result, may be deemed to be making a primary offering of securities, indirectly, on our behalf. We will not receive any of the proceeds from any sale by a selling unitholder. For a detailed discussion of the selling unitholders, including CONSOL Energy Inc., please read the section captioned "The Selling Unitholders" in this prospectus.

We or the selling unitholders may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis. This prospectus describes the general terms of these securities and the general manner in which we or the selling unitholders will offer the securities. The specific terms of any securities we or the selling unitholders offer will be included in a supplement to this prospectus. The prospectus supplement will also describe the specific manner in which we or the selling unitholders will offer the securities.

You should carefully read this prospectus and any prospectus supplement before you invest. You should also read the documents we refer to in the "Where You Can Find More Information" section of this prospectus for information on us and our financial statements. Our common units are traded on the New York Stock Exchange under the symbol CNXC. The Class A Preferred Units have not been, and will not be, listed for trading on the New York Stock Exchange or any other national securities exchange. We are an emerging growth company as that term is used in the Jumpstart Our Business Startups Act.

We will provide information in the prospectus supplement for the trading market, if any, for any debt securities we may offer.

Investing in our securities involves risks. Limited partnerships are inherently different from corporations. You should carefully consider each of the factors referred to under Risk Factors on page 5 of this prospectus and contained in the applicable prospectus supplement before you make an investment in our securities.

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

The date of this prospectus is _____, 2017.

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You should rely only on the information contained in or incorporated by reference into this prospectus and any prospectus supplement. We have not authorized anyone to provide you with additional or different information. If anyone provides you with different or additional information, you should not rely on it. This prospectus and any prospectus supplement are not an offer to sell, nor a solicitation of an offer to buy, these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front cover of this prospectus, or that the information contained in any document incorporated by reference is accurate as of any date other than the date of the document incorporated by reference, regardless of the time of delivery of this prospectus or any sale of a security.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or the SEC, utilizing a shelf registration process or continuous offering process. Under this shelf registration process, we may, from time to time, sell up to \$750,000,000 of the securities described in this prospectus in one or more offerings. In addition, each selling unitholder may sell from time to time, the units registered under this registration statement in their respective names. Each time we or any selling unitholder offer securities with this prospectus, we will provide this prospectus and a prospectus supplement that will describe, among other things, who is selling (the partnership or a selling unitholder or both), the specific amounts and prices of the securities being offered and the terms of the offering, including, in the case of debt securities, the specific terms of the securities. The prospectus supplement may also add to, update, or change information in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information in that prospectus supplement.

The information in this prospectus is accurate as of its date. Therefore, before you invest in our securities, you should carefully read this prospectus and any prospectus supplement and the additional information described under the heading **Where You Can Find More Information**. Our business, financial condition, results of operations and prospects may have changed since that date.

References in this prospectus to **CNX Coal Resources LP**, **we**, **our**, **us** or like terms refer to **CNX Coal Resources LP** and its subsidiaries.

WHERE YOU CAN FIND MORE INFORMATION

We incorporate by reference into this prospectus information we have filed with the SEC, which means that we disclose important information to you without actually including the specific information in this prospectus by referring you to another document filed with the SEC. The information incorporated by reference is an important part of this prospectus. Information that we file later with the SEC will automatically supersede information in this prospectus and information previously filed with the SEC and incorporated by reference. Therefore, before you decide to invest in a particular offering under this prospectus, you should always check for reports we may have filed with the SEC after the date of this prospectus.

We incorporate by reference into this prospectus the documents listed below:

Our Annual Report on Form 10-K for the year ended December 31, 2016;

Our Current Report on Form 8-K filed January 30, 2017 (excluding any information furnished under Item 2.02 or 7.01 on any Current Report on Form 8-K); and

The description of our common units contained in the Registration Statement on Form 8-A (File No. 333-203165), filed with the SEC on June 17, 2015.

In addition, we incorporate by reference in this prospectus any future filings made by **CNX Coal Resources LP** with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 (excluding any information furnished and not filed with the SEC) after the date on which the registration statement that includes this prospectus

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was initially filed with the SEC (including all such documents we may file with the SEC after the date of the initial registration statement and prior to the effectiveness of the registration statement) and until all offerings under this shelf registration statement are terminated.

You may read and copy any document we file at the SEC's public reference facilities at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Copies of this material can also be obtained from the SEC's web site on the Internet at <http://www.sec.gov>. Please call the SEC at 1 (800) SEC-0330 for further information on public

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reference rooms. Additionally, you can obtain information about us through the New York Stock Exchange, 20 Broad Street, New York, New York 10005, on which our common units are listed. We also make available free of charge on our website at <http://www.cnxlp.com> all materials that we file electronically with the SEC as soon as reasonably practicable after we electronically file such materials with the SEC. Information contained on our website is not incorporated by reference into this prospectus, and you should not consider information contained on our website as part of this prospectus.

You also may request a copy of any document incorporated by reference in this prospectus and any exhibit specifically incorporated by reference in those documents, at no cost, by writing or calling us at the following:

Martha A. Wiegand

General Counsel and Secretary, CNX Coal Resources LP

CNX Center

1000 CONSOL Energy Drive

Canonsburg, PA 15317-6506

(724) 485-4000

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. Examples include statements that are predictive in nature, that depend upon or refer to future events or conditions or that include the words believe, expect, anticipate, intend, estimate and other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters. Our forward-looking statements include statements about our business strategy, our industry, our future profitability, our expected capital expenditures and the impact of such expenditures on our performance, the costs of being a publicly traded partnership and our capital programs.

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We believe that we have chosen these assumptions or bases in good faith and that they are reasonable. 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:

changes in coal prices or the costs of mining or transporting coal;

uncertainty in estimating economically recoverable coal reserves and replacement of reserves;

our ability to develop our existing coal reserves and successfully execute our mining plans;

changes in general economic conditions, both domestically and globally;

competitive conditions within the coal industry;

changes in the consumption patterns of coal-fired power plants and steelmakers and other factors affecting the demand for coal by coal-fired power plants and steelmakers;

the availability and price of coal to the consumer compared to the price of alternative and competing fuels;

competition from the same and alternative energy sources;

energy efficiency and technology trends;

our ability to successfully implement our business plan;

the price and availability of debt and equity financing;

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operating hazards and other risks incidental to coal mining;

major equipment failures and difficulties in obtaining equipment, parts and raw materials;

availability, reliability and costs of transporting coal;

adverse or abnormal geologic conditions, which may be unforeseen;

natural disasters, weather-related delays, casualty losses and other matters beyond our control;

interest rates;

labor availability, relations and other workforce factors;

defaults by our sponsor under our operating agreement and employee services agreement;

changes in availability and cost of capital;

changes in our tax status;

delays in the receipt of, failure to receive or revocation of necessary governmental permits;

defects in title or loss of any leasehold interests with respect to our properties;

the effect of existing and future laws and government regulations, including the enforcement and interpretation thereof;

the effects of litigation; and

certain factors discussed elsewhere in this prospectus.

You should not place undue reliance on our forward-looking statements. Although forward-looking statements reflect our good faith beliefs at the time they are made, forward-looking statements involve known and unknown risks, uncertainties and other factors, including the factors described under Risk Factors, which may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievements

expressed or implied by such forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise, unless required by law.

All forward-looking statements included in this prospectus, any prospectus supplement and the documents we incorporate by reference and all subsequent written or oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. The forward-looking statements speak only as of the date of this prospectus or, in the case of forward-looking statements contained in any document incorporated by reference, the date of such document. We expressly disclaim any obligation or undertaking to update these statements to reflect any change in our expectations or beliefs or any change in events, conditions or circumstances on which any forward-looking statement is based.

ABOUT CNX COAL RESOURCES LP

We are a growth-oriented master limited partnership formed on March 16, 2015 by CONSOL Energy Inc. (CONSOL Energy or our sponsor) to manage and further develop all of its thermal coal operations in Pennsylvania. Our assets include a 25% undivided interest in, and operational control over, CONSOL Energy's Pennsylvania mining complex, which consists of three underground mines and related infrastructure that produce high-Btu bituminous thermal coal that is sold primarily to electric utilities in the eastern United States, our core market. We are a leading producer of high-Btu thermal coal in the Northern Appalachian Basin and the eastern United States due to our ability to efficiently produce and deliver large volumes of high-quality coal at competitive prices, the strategic location of our mines, the industry experience of our management team and our relationship with CONSOL Energy.

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The Pennsylvania mining complex, which includes the Bailey Mine, the Enlow Fork Mine and the Harvey Mine, has extensive high-quality coal reserves. We mine our reserves from the Pittsburgh No. 8 Coal Seam, which is a large contiguous formation of uniform, high-Btu thermal coal that is ideal for high productivity, low-cost longwall operations. As of December 31, 2016, our portion of the Pennsylvania mining complex included 191.7 million tons of proven and probable coal reserves with an average gross heat content of approximately 12,970 Btus per pound and approximately 3.7 pounds sulfur dioxide per million British thermal units (lbs. SO₂/MMBTU). Based on our current production capacity, these reserves are sufficient to support approximately 27 years of production. In addition, our reserves currently exhibit thermoplastic behavior suitable for cokemaking and contain an average of approximately 39-40% volatile matter (on a dry basis), which enables us, if market dynamics are favorable, to capture greater margins from selling our coal in the metallurgical market to cokemakers and steel manufacturers who utilize modern cokemaking technologies.

The design of the Pennsylvania mining complex is optimized to produce large quantities of coal on a cost-efficient basis. We are able to sustain high production volumes at comparatively low operating costs due to, among other things, the technologically advanced longwall mining systems, logistics infrastructure and safety. All of our mines utilize longwall mining, which is a highly automated underground mining technique that produces large volumes of coal at lower costs compared to other underground mining methods. Generally, we operate five longwalls and 16 continuous mining sections at the Pennsylvania mining complex. The current production capacity of our portion of the Pennsylvania mining complex's five longwalls is 7.1 million tons of coal per year. The preparation plant is connected via conveyor belts to each of our mines, to clean and process up to 8,200 tons of coal per hour. Our onsite logistics infrastructure at the preparation plant includes a dual-batch train loadout facility capable of loading up to 9,000 tons of coal per hour and 19.3 miles of track linked to separate Class I rail lines owned by Norfolk Southern Corporation and CONSOL Energy, which enables us to simultaneously accommodate multiple unit trains and significantly increases our efficiency in meeting our customers' transportation needs. Our ability to accommodate multiple unit trains allows for the seamless transition of locomotives from empty inbound trains to fully loaded outbound trains at our facility.

On July 1, 2015, our common units began trading on the New York Stock Exchange under the ticker symbol CNXC . On July 7, 2015, we completed the issuance of common units under the initial public offering, a private placement with Greenlight Capital, and entered into a \$400,000,000 senior secure revolving credit facility. In connection with that offering, CONSOL Energy contributed a 20% undivided interest in the assets, liabilities, revenues and expenses comprising the Pennsylvania mining complex.

On September 30, 2016, we acquired an additional 5% of the Pennsylvania mining complex, from CONSOL Energy and its affiliates, for \$21,500,000 in cash and the issuance of 3,956,496 convertible preferred units (the Class A Preferred Units) with a value of \$67,300,000. All information (except distributable cash flow, which reflects the ownership percentage at the time) included within this filing has been recast to reflect our current 25% interest in the assets, liabilities, revenues and expenses comprising the Pennsylvania mining complex.

Our primary strategy for growing our business and increasing distributions to our unitholders is to make acquisitions that increase our distributable cash flow. The primary component of our growth strategy is based upon our expectation of future divestitures by our sponsor to us of portions of its retained 75% undivided interest in the Pennsylvania mining complex. We have a right of first offer pursuant to our omnibus agreement to purchase part or all of the undivided interest in the Pennsylvania mining complex retained by our sponsor for so long as our sponsor controls our general partner. CONSOL Energy has stated its desire to divest its retained interest in the Pennsylvania mining complex, however the timing and magnitude of such divestitures are dependent upon many market factors.

CNX Coal Resources GP LLC, a Delaware limited liability company and our general partner, manages our operations and activities. Our sponsor owns and controls our general partner and appoints all of the directors of our general

partner.

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Our principal executive offices are located at 1000 CONSOL Energy Drive, Canonsburg, Pennsylvania 15317-6506, and our telephone number is (724) 485-4000. Our website is located at <http://www.cnxlp.com>. Information on our website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus.

For additional information as to our business, properties and financial condition, please refer to the documents cited in Where You Can Find More Information.

ABOUT CNX COAL FINANCE CORP.

CNX Coal Finance Corp. was incorporated under the laws of the State of Delaware in February 2017, is wholly owned by CNX Coal Resources LP, and has no material assets or any liabilities other than as a co-issuer of debt securities. Its activities are limited to co-issuing debt securities and engaging in other activities incidental thereto.

RISK FACTORS

An investment in our securities involves a significant degree of risk. Before you invest in our securities, you should carefully consider those risk factors included in our most recent Annual Report on Form 10-K, as supplemented by our quarterly reports on Form 10-Q and Current Reports on Form 8-K, which are incorporated herein by reference, and those risk factors that may be included in the applicable prospectus supplement, together with all of the other information included in this prospectus, any prospectus supplement and the documents we incorporate by reference in evaluating an investment in our securities.

If any of the risks discussed in the foregoing documents were to occur, our business, financial condition, results of operations and cash flows could be materially adversely affected. In that case, we may be unable to pay distributions to our unitholders, or pay interest on, or the principal of, any debt securities. In that event, the trading price of our securities could decline and you could lose all or part of your investment.

RATIO OF EARNINGS AND PREFERENCE DIVIDENDS TO FIXED CHARGES

The following table sets forth our ratio of combined earnings and preference dividends to fixed charges for the periods presented:

	Year Ended December 31,				
	2016	2015	2014	2013	2012
Ratio of combined earnings and preference dividends to fixed charges(a)	2.9x	5.8x	9.1x	12.1x	N/A

- (a) For purposes of computing the ratio of earnings to fixed charges, earnings are defined as income before taxes plus fixed charges less capitalized interest. Fixed charges consist of interest expensed and capitalized, preferred unit distributions and an estimate of interest within rent expense.

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USE OF PROCEEDS

Except as otherwise provided in the applicable prospectus supplement, we will use the net proceeds we receive from the sale of the securities covered by this prospectus for general partnership purposes, including repayment of debt, acquisitions and capital expenditures.

The actual application of proceeds we receive from the sale of any particular offering of securities using this prospectus will be described in the applicable prospectus supplement relating to such offering.

We will not receive any proceeds from the sale of common units by any selling unitholder.

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DESCRIPTION OF THE COMMON UNITS

General

The common units represent limited partner interests in us. As of the date of this prospectus, we had outstanding 11,717,235 common units. The holders of the common units are entitled to participate in partnership distributions and are entitled to exercise the rights or privileges available to limited partners under our partnership agreement. For a description of the relative rights and preferences of holders of common units in and to partnership distributions, please read this section and Provisions of Our Partnership Agreement Relating to Distributions. For a description of the rights and privileges of limited partners under our partnership agreement, including voting rights, please read The Partnership Agreement.

Our common units are listed on the New York Stock Exchange, under the symbol CNXC.

Transfer Agent and Registrar

Duties

Computershare Trust Company, N.A. will serve as the transfer agent and registrar for our common units. We will pay all fees charged by the transfer agent for transfers of common units, except for the following that must be paid by our unitholders:

surety bond premiums to replace lost or stolen certificates, or to cover taxes and other governmental charges in connection therewith;

special charges for services requested by a holder of a common unit; and

other similar fees or charges.

Unless our general partner determines otherwise in respect of some or all of any classes of our partnership interests, our partnership interests will be evidenced by book-entry notation on our partnership register and not by physical certificates.

There will be no charge to our unitholders for disbursements of our cash distributions. We will indemnify the transfer agent, its agents and each of their respective stockholders, directors, officers and employees against all claims and losses that may arise out of acts performed or omitted for its activities in that capacity, except for any liability due to any gross negligence or intentional misconduct of the indemnified person or entity.

Resignation or Removal

The transfer agent may resign, by notice to us, or be removed by us. The resignation or removal of the transfer agent will become effective upon our appointment of a successor transfer agent and registrar and its acceptance of the appointment. If a successor has not been appointed or has not accepted its appointment within 30 days after notice of the resignation or removal, our general partner may act as the transfer agent and registrar until a successor is appointed.

Transfer of Common Units

By transfer of common units in accordance with our partnership agreement, each transferee of common units shall be admitted as a limited partner with respect to the common units transferred when such transfer and admission are reflected in our books and records and in the records of our transfer agent. Each transferee:

represents that the transferee has the capacity, power and authority to become bound by our partnership agreement;

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automatically agrees to be bound by the terms and conditions of, and is deemed to have executed, our partnership agreement; and

gives the consents and approvals contained in our partnership agreement, such as the approval of all transactions and agreements entered into in connection with our formation and this offering.

A transferee will become a substituted limited partner of our partnership for the transferred common units automatically upon the recording of the transfer on our books and records and in the records of our transfer agent. Our general partner will cause any transfers to be recorded on our books and records from time to time as necessary to accurately reflect the transfers but no less frequently than quarterly.

We may, at our discretion, treat the nominee holder of a common unit as the absolute owner. In that case, the beneficial holder's rights are limited solely to those that it has against the nominee holder as a result of any agreement between the beneficial owner and the nominee holder.

Common units are securities and are transferable according to the laws governing the transfer of securities. In addition to other rights acquired upon transfer, the transferor gives the transferee the right to become a substituted limited partner in our partnership for the transferred common units.

Until a common unit has been transferred on our books, we and the transfer agent may treat the record holder of the common unit as the absolute owner for all purposes, except as otherwise required by law or securities exchange regulations.

DESCRIPTION OF THE PREFERRED UNITS

Our partnership agreement authorizes us to issue an unlimited number of additional limited partner interests and other equity securities for the consideration and with the designations, preferences, rights, powers and duties established by our general partner without the approval of any of our limited partners. In accordance with Delaware law and the provisions of our partnership agreement, we may issue additional partnership interests that, as determined by our general partner, have special voting rights to which our common units are not entitled.

As of the date of this prospectus, we have outstanding 3,956,496 preferred units designated as Class A Preferred Units. For a description of the relative rights and preferences, please read the section captioned Description of the Class A Preferred Units.

Should we offer preferred units under this prospectus, a prospectus supplement relating to the particular series of preferred units offered will include the specific terms of those preferred units, including, among other things, the following:

the designation, stated value and liquidation preference of the preferred units and the number of preferred units offered;

the initial public offering price at which the preferred units will be issued;

the conversion or exchange provisions of the preferred units;

any redemption or sinking fund provisions of the preferred units;

the distribution rights of the preferred units, if any;

a discussion of any additional material federal income tax considerations regarding the preferred units; and

any additional rights, preferences, privileges, limitations, and restrictions of the preferred units.

The transfer agent and registrar for any preferred units will be designated in the applicable prospectus supplement.

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DESCRIPTION OF THE CLASS A PREFERRED UNITS

General

On September 30, 2016, we entered into a Second Amended and Restated Agreement of Limited Partnership of the partnership to provide for the creation and issuance of the Class A Preferred Units and issued 3,596,496 Class A Preferred Units to our sponsor CONSOL Energy in a private placement. The following is a description of the terms, rights and preferences of the Class A Preferred Units. In addition, please read the sections captioned Provisions of Our Partnership Agreement Relating to Distributions and The Partnership Agreement .

Distributions

Distributions on each outstanding Class A Preferred Unit will be cumulative, and will accumulate at 11.0% per annum (the Class A Preferred Unit Distribution Rate) for each calendar quarter beginning with the quarter ending December 31, 2016 until such time as we pay the full cumulative Class A Preferred Unit distribution in respect of such Class A Preferred Unit with respect to such calendar quarter or such Class A Preferred Unit is converted in accordance with the partnership agreement, whether or not such Class A Preferred Unit distributions have been declared.

Subject to certain exceptions, a holder of Class A Preferred Units will be entitled to receive Class A Preferred Unit distributions in respect of each Class A Preferred Unit held by such holder as of the applicable record date from time to time out of any of our assets legally available for the payment of distributions at the Class A Preferred Unit Distribution Rate when, as, and if declared by the board of directors of our general partner. Class A Preferred Unit distributions, to the extent declared by the board of directors of our general partner to be paid by us in accordance with the partnership agreement, will be paid quarterly, in arrears, at the election of the partnership either in additional Class A Preferred Units or in cash. If we fail to pay in full any Class A Preferred Unit distribution (a Class A Preferred Unit Payment Default), then the amount of such Class A Preferred Unit arrearage will be increased at an annual rate of 11.0%, compounded quarterly, from the first day of the quarter immediately following the quarter in respect of which such Class A Preferred Unit distribution was to be paid until the Class A Preferred Unit cumulative arrearage has been paid in full.

Until such time as all Class A Preferred Unit cumulative arrearages are paid in full in cash, we will not be permitted to, and will not, declare or make (i) any distributions in respect of any securities of our ranking junior to the Class A Preferred Units (including common units) or (ii) any distributions in respect of any security of us ranking *pari passu* (a Parity Security) with Class A Preferred Units, other than the Class A Preferred Unit distribution; provided, however, that distributions may be declared and paid in respect of the Class A Preferred Units and any Parity Securities, as long as such distributions are declared and paid *pro rata* such that the amounts of distributions declared per Class A Preferred Unit and per unit of such Parity Security shall in all cases bear to each other the same ratio that accrued but unpaid and accumulated distributions per Class A Preferred Unit and per unit of such Parity Security bear to each other.

Dissolution

The partnership agreement also provides that in the event of any liquidation, dissolution or winding up of the Partnership (voluntary or involuntary), (i) the holders of the Class A Preferred Units shall be entitled to receive, out of the assets of the Partnership available for distribution to unitholders, prior and in preference to any distribution of any assets of the Partnership to the holders of any class or series of Units, the positive value in each such holder's Capital Account in respect of such Class A Preferred Units and (ii) items of Partnership income, gain, loss and deduction shall

be allocated to the Class A Preferred Units so as to cause, to the maximum extent possible, the Capital Account in respect of each Class A Preferred Unit to equal the Class A Preferred Unit Issue Price (which was initial \$17.01 and is subject to certain adjustments under the partnership agreement) plus any cumulative arrearages on the Class A Preferred Units.

Table of Contents**Voting**

Holders of Class A Preferred Units will have such voting rights pursuant to the partnership agreement as such holders of Class A Preferred Units would have if all such Class A Preferred Units held by such persons were converted, on a one-for-one basis, into common units that were outstanding as of the relevant record date and will vote together with the holders of common units as a single class on an as if converted on the relevant record date basis. Holders of Class A Preferred Units will be entitled to vote as a separate class on any matter that adversely affects the rights, privileges or preferences of the Class A Preferred Units in any material respect or as required by applicable law or regulation.

Conversion at the Election of the Holder

Class A Preferred Units are convertible, at the election of the holder thereof, into common units on a one-for-one basis (i) at any time after September 30, 2017, (ii) with respect to any dissolution or liquidation of us pursuant to the partnership agreement occurring prior to September 30, 2017, as of the business day immediately prior to the effective date of such dissolution or liquidation and (iii) with respect to a Class A Preferred Unit Change of Control (as defined below), as of the business day immediately prior to the record date or effective date, as applicable, of such Class A Preferred Unit Change of Control.

Class A Preferred Unit Change of Control means the occurrence of any of the following events: (i) CONSOL has ceased to directly or indirectly own at least 50% of the voting securities of our general partner, measured by voting power rather than number of units (other than in connection with a qualified initial public offering of our general partner); (ii) the common units are no longer listed or admitted to trading on the New York Stock Exchange or another national securities exchange; (iii) the sale, lease, transfer, conveyance or other disposition (including by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of our assets taken as a whole to any person individually or two or more persons acting as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of the issuer; (iv) our general partner withdraws or is removed by the limited partners pursuant to the partnership agreement; (v) the dissolution or liquidation of us or our general partner (other than in connection with a bankruptcy proceeding or statutory winding up), (vi) any transaction pursuant to which our general partner or any of its affiliates exercises its rights to purchase all of the common units pursuant to the partnership agreement and (vii) any transaction or event that constitutes a change of control under any of our Funded Indebtedness (as defined below) in excess of \$20 million in the aggregate for such indebtedness that permits or causes the acceleration of such indebtedness or the termination of any commitment to lend. Funded Indebtedness means all indebtedness for borrowed money that by its terms or by the terms of any instrument or agreement relating thereto matures, or which is otherwise payable or unpaid, one year or more from, or is directly or indirectly renewable or extendible at the option of the obligor in respect thereof to a date one year or more (including, without limitation, an option of such obligor under a revolving credit or similar agreement obligating the lender or lenders to extend credit over a period of one year or more) from, the date of the creation thereof.

Conversion at Our Election

All, but not less than all, of the outstanding Class A Preferred Units are convertible, at our election, into common units on a one-for-one basis, on or after September 30, 2019; *provided*, that (i) no Class A Preferred Unit Payment Default has occurred and is continuing; (ii) the volume-weighted average trading price of the common units on the national securities exchange on which the common units are then listed, quoted or admitted to trading over the 15-day trading period ending on the trading day immediately prior to the date of the Class A Preferred Unit conversion notice is equal to or greater than 140% of the Class A Preferred Unit Issue Price; and (iii) the average daily trading volume of the common units on the national securities exchange on which the common units are then listed, quoted or admitted to

trading is at least 35,000 common units (subject to customary anti-dilution adjustments) with respect to any 20 trading days within the 30-trading day period ending on the trading day immediately prior to the date of the Class A Preferred Unit conversion notice.

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We shall make a cash payment to any holder of Class A Preferred Units with respect to any Class A Preferred Units converted to account for any accrued but unpaid distributions on such Class A Preferred Units up to, but excluding, the date of such conversion. Instead of issuing any fractional common units, we shall, after aggregating all common units to be issued to such holder of Class A Preferred Units at that time, round down the number of common units issued to each holder of Class A Preferred Units to the next lower whole common unit and, subject to the Delaware Act, pay cash in lieu of any such fractional unit based on the then-applicable issue price of Class A Preferred Units.

With respect to Class A Preferred Units that are converted into common units, the holder thereof will not be entitled to a Class A Preferred Unit distribution and a common unit distribution with respect to the same period, but will be entitled only to the distribution to be paid based upon the class of units held as of the close of business on the applicable record date, together with all accrued but unpaid distributions on the converted Class A Preferred Units.

Upon conversion, the rights of a holder of converted Class A Preferred Units as a holder of Class A Preferred Units shall cease with respect to such converted Class A Preferred Units, including any rights under our partnership agreement with respect to holders of Class A Preferred Units, and such person shall continue to be a limited partner and have the rights of a holder of common units under our partnership agreement. Each Class A Preferred Unit shall, upon its conversion be deemed to be transferred to, and cancelled by, us in exchange for the issuance of the common units(s) into which such Class A Preferred Unit is converted. Notwithstanding the foregoing, as a result of a conversion, a holder shall not lose or relinquish any claims or rights of action such holder may then or thereafter have as a result of such holder's previous ownership of Class A Preferred Units.

We will pay any documentary, stamp or similar issue or transfer taxes or duties relating to the issuance or delivery of common units upon conversion of the Class A Preferred Units. However, the holder shall pay any tax or duty which may be payable relating to any transfer involving the issuance or delivery of common units in a name other than the holder's name. The transfer agent may refuse to deliver the certificate representing common units (or notation of book entry) being issued in a name other than the holder's name until the transfer agent receives a sum sufficient to pay any tax or duties due because the units are to be issued in a name other than the holder's name. Nothing herein shall preclude any tax withholding required by law or regulation.

We must keep free from preemptive rights a sufficient number of common units to permit the conversion of all outstanding Class A Preferred Units into common units to the extent provided in, and in accordance with our partnership agreement. All common units delivered upon conversion of the Class A Preferred Units shall be (1) newly issued or (2) duly authorized, validly issued, fully paid and non-assessable limited partner interests in us, except as such non-assessability may be affected by Section 17-303, 17-607 or 17-804 of the Delaware Act, and shall be free from preemptive rights and free of any lien, claim, rights or encumbrances, other than those arising under the Delaware Act or our partnership agreement. We will comply with all applicable securities laws regulating the offer and delivery of any common units upon conversion of Class