

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

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): August 4, 2005

CROSSTEX ENERGY, L.P.  
(Exact name of registrant as specified in its charter)

DELAWARE	000-50067	16-1616605
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)
2501 CEDAR SPRINGS, SUITE 100 DALLAS, TEXAS		75201
(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code: (214) 953-9500

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On August 4, 2005, Crosstex Energy, L.P. (the "Registrant") issued a press release reporting its financial results for the quarter ended June 30, 2005. A copy of the press release is furnished as Exhibit 99.1 to this Current Report and will be published on the Registrant's website at [www.crosstexenergy.com](http://www.crosstexenergy.com). In accordance with General Instruction B.2 of Form 8-K, the information set forth in this Item 2.02 and in the attached exhibit are deemed to be furnished and shall not be deemed to be "filed" for purposes of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits.

In accordance with General Instruction B.2 of Form 8-K, the information set forth in the attached exhibit are deemed to be furnished and shall not be deemed to be "filed" for purposes of the Exchange Act.

EXHIBIT NUMBER	DESCRIPTION
99.1	-- Press release dated August 4, 2005.

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SIGNATURES

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

CROSSTEX ENERGY, L.P.

By: Crosstex Energy GP, L.P., its General Partner

By: Crosstex Energy GP, LLC, its General Partner

Date: August 4, 2005

By: /s/ William W. Davis

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William W. Davis  
Executive Vice President and  
Chief Financial Officer

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INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
99.1	-- Press Release dated August 4, 2005

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## CROSSTEX REPORTS SECOND QUARTER RESULTS

DALLAS, Aug. 4 /PRNewswire-FirstCall/ -- Crosstex Energy, L.P. (Nasdaq: XTEX) (the Partnership) today reported results for the second quarter of 2005 that are in-line with accomplishing goals for the year. Crosstex Energy, Inc. (Nasdaq: XTXI) will report results next week.

## Crosstex Energy, L.P. Financial Results

The Partnership reported net income of \$4.5 million for the second quarter of 2005, or \$0.17 per limited partner unit, compared to net income in the second quarter of 2004 of \$5.9 million, or \$0.24 per unit. Partnership net income in the second quarter of 2005 was negatively impacted by a \$1.0 million charge for non-cash stock based compensation, due to the exercise of Crosstex Energy, Inc. stock options by employees of the Partnership, and by \$800,000 associated with the gas leak reported in the first quarter's results.

The Partnership's Distributable Cash Flow for the quarter was \$13.4 million, 2.89 times the amount required to cover its Minimum Quarterly Distribution of \$0.25 per unit, and 1.22 times the amount required to cover its distribution of \$0.47 per unit. As previously disclosed, the Partnership has agreed to sell certain idle equipment for \$9.0 million in 2005, and during the second quarter, the Partnership received the second \$1.8 million deposit on such sale, which is included in Distributable Cash Flow for the quarter. The sales proceeds will not be reflected in net income until the sale closes, which is expected in the third quarter. Distributable Cash Flow for the quarter increased \$3.4 million, or 34 percent, over Distributable Cash Flow of \$10.0 million in the 2004 second quarter. Distributable Cash Flow is a non-GAAP financial measure and is explained in greater detail under "Non-GAAP Financial Information." Also, in the tables at the end of this release is a reconciliation of this measure to net income.

In addition to the sale proceeds, the growth in Distributable Cash Flow was driven by growth in the Partnership's gross margin, to \$34.7 million in the second quarter of 2005 compared to \$29.4 million in the corresponding 2004 period, an increase of 18 percent. Gross margin from the midstream segment increased by \$2.4 million, or 11 percent, to \$25 million, primarily due to a 25 percent increase in processed volumes and a five percent increase in on-system gathering and transmission volumes. Midstream margin growth was negatively impacted by the \$800,000 loss associated with the gas leak previously mentioned.

Gross margin from the Treating segment increased \$3.2 million, or 53 percent, to \$9.3 million. Plants in service increased to 100 at June 30, 2005 from 62 at June 30, 2004, contributing \$2.2 million to the increase in gross margin. Plant expansions made up \$0.5 million of the increase with increased volumes and fees contributed the remaining \$0.5 million.

"We are pleased that our organic growth and the cash we received from the sale of idle equipment allows us to continue our smooth distribution and dividend growth while we work to complete our North Texas Pipeline. With the results of the quarter, we feel comfortable with our current guidance for 2005," said Barry E. Davis, President and Chief Executive Officer of Crosstex Energy, L.P. "We think it is especially noteworthy to reach the milestone of having 100 treating plants in service. In the current environment, we expect to see our organic treating growth continue to accelerate."

## Earnings Call

The Partnership will hold its quarterly conference call to discuss second quarter results today, August 4, at 10:00 a.m. Central Time (11:00 a.m. Eastern Time). The dial-in number for the call is 866-831-6234, passcode Crosstex. A live Webcast of the call can be accessed on the investor information page of Crosstex Energy's Website at <http://www.crosstexenergy.com>. The call will be available for replay for 30 days by dialing 888-286-8010, passcode 38739179. A replay of the broadcast will also be available on the Partnership's Website.

## About Crosstex

Crosstex Energy, L.P., a mid-stream natural gas company headquartered in Dallas, operates over 4,500 miles of pipeline, five processing plants, and approximately 100 natural gas amine treating plants. Crosstex currently provides services for approximately 1.9 BCF/day of natural gas.

Crosstex Energy Inc. owns the general partner, a 54 percent limited partner interest in and the incentive distribution rights of Crosstex Energy, L.P.

Additional information about the Crosstex companies can be found at <http://www.crosstexenergy.com>.

## Non-GAAP Financial Information

This press release contains a non-generally accepted accounting principle financial measure which we refer to as Distributable Cash Flow. Distributable Cash Flow includes earnings before non-cash charges, less maintenance capital expenditures plus, in this period, a cash deposit securing the contracted sale of idle equipment. The amounts included in the calculation of these measures are

computed in accordance with generally accepted accounting principles (GAAP), with the exception of maintenance capital expenditures. Maintenance capital expenditures are capital expenditures made to replace partially or fully depreciated assets in order to maintain the existing operating capacity of our assets and to extend their useful lives. We believe this measure is useful to investors because it may provide users of this financial information with meaningful comparisons between current results and prior reported results and a meaningful measure of the Partnership's cash flow after it has satisfied the capital and related requirements of its operations. Distributable Cash Flow is not a measure of financial performance or liquidity under GAAP. It should not be considered in isolation or as an indicator of the Partnership's performance. Furthermore, it should not be seen as a measure of liquidity or a substitute for metrics prepared in accordance with GAAP. Our reconciliation of this measure to net income is included in the following tables.

This press release contains forward-looking statements identified by the use of words such as "forecast", "anticipate" and "estimate". These statements are based on currently available information and assumptions and expectations that the Partnership believes are reasonable. However, the assumptions and expectations are subject to a wide range of business risks, so the Partnership can give no assurance that actual performance will fall within the forecast ranges. Among the key risks that may bear directly on the Partnership's results of operations and financial condition are: (1) the amount of natural gas transported in the Partnership's gathering and transmission lines may decline as a result of competition for supplies, reserve declines and reduction in demand from key customers and markets; (2) the level of the Partnership's processing and treating operations may decline for similar reasons; (3) fluctuations in natural gas and NGL prices may occur due to weather and other natural and economic forces; (4) there may be a failure to successfully integrate new acquisitions; (5) the Partnership's credit risk management efforts may fail to adequately protect against customer nonpayment; and (6) the Partnership may not adequately address construction and operating risks. The Partnership has no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

CROSSTEX ENERGY, L.P.  
Selected Financial and Operating Data  
(All amounts in thousands except per unit numbers)

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
<S>	<C>	<C>	<C>	<C>
Revenues				
Midstream	\$ 619,432	\$ 507,744	\$ 1,158,996	\$ 825,957
Treating	11,040	7,568	20,947	14,712
Profit from Energy Trading Activities	399	826	444	1,246
	630,871	516,138	1,180,387	841,915
Cost of Gas				
Midstream	594,482	485,212	1,110,898	788,088
Treating	1,711	1,487	3,204	2,863
	596,193	486,699	1,114,102	790,951
Gross Margin	34,678	29,439	66,285	50,964
Operating Expenses				
General and Administrative	12,178	10,366	23,722	16,630
(Gain) Loss on Sale of Property	7,750	4,960	14,211	8,709
Depreciation and Amortization	(120)	(22)	(164)	274
Total	7,370	5,921	14,306	10,339
	27,178	21,225	52,075	35,952
Operating Income	7,500	8,214	14,210	15,012
Interest Expense	(3,196)	(2,186)	(6,561)	(3,341)
Other Income	322	112	348	204
Total Other Income	(2,874)	(2,074)	(6,213)	(3,137)
Income Before Income Taxes and Interest of Non- controlling Partners in the				

Partnership's Net Income	4,626	6,140	7,997	11,875
Interest of Non-controlling Partners in the Partnership's Net Income	(88)	(70)	(225)	(99)
Income Tax Provision	(54)	(129)	(108)	(129)
Net Income	\$ 4,484	\$ 5,941	\$ 7,664	\$ 11,647
General Partner Share of Net Income	\$ 1,205	\$ 1,393	\$ 3,226	\$ 2,442
Limited Partners Share of Net Income	\$ 3,279	\$ 4,548	\$ 4,438	\$ 9,205
Net Income per Limited Partners' Unit:				
Basic	\$ 0.18	\$ 0.25	\$ 0.25	\$ 0.51
Diluted	\$ 0.17	\$ 0.24	\$ 0.24	\$ 0.48
Weighted Average Limited Partners' Units Outstanding:				
Basic	18,124	18,081	18,111	18,077
Diluted	18,880	19,156	18,819	19,122

CROSSTEX ENERGY, L.P.  
Reconciliation of Net Income to Distributable Cash Flow  
(All amounts in thousands except ratios)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Net Income	\$ 4,484	\$ 5,941	\$ 7,664	\$ 11,647
Depreciation and Amortization (1)	7,301	5,882	14,175	10,262
Stock-Based Compensation	1,240	269	1,516	478
(Gain) Loss on Sale of Property	(120)	(22)	(164)	274
Proceeds from Sale of Property (2)	1,920	-	3,913	-
Deferred Tax Benefit	(95)	-	(190)	-
Cash Flow	14,730	12,070	26,914	22,661
Maintenance Capital Expenditures	(1,375)	(2,028)	(2,489)	(2,972)
Distributable Cash Flow	\$ 13,355	\$ 10,042	\$ 24,425	\$ 19,689
Minimum Quarterly Distribution (MQD)	\$ 4,628	\$ 4,613	\$ 9,247	\$ 9,225
Distributable Cash Flow/MQD	2.89	2.18	2.64	2.13
Actual Distribution	\$ 10,920	\$ 9,076	\$ 21,457	\$ 17,429
Distribution Coverage	1.22	1.11	1.14	1.13

(1) Excludes minority interest share of depreciation and amortization of \$69,000 and \$131,000 for the three and six months ended June 30, 2005, respectively, and \$38,000 and \$76,000 for the three and six months ended June 30, 2004, respectively.

(2) Includes deposits from the contracted sale of equipment.

CROSSTEX ENERGY, L.P.  
Operating Data  
(All volumes in MMBtu/d)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004

<S>	<C>	<C>	<C>	<C>
Pipeline Throughput				
Gulf Coast				
Transmission & Vanderbilt	144,000	139,000	143,000	148,000
CCNG Transmission	255,000	285,000	246,000	272,000
Gregory Gathering	123,000	128,000	123,000	142,000
LIG Pipeline & Marketing	630,000	561,000	633,000	561,000
Other Midstream	146,000	135,000	145,000	132,000
Total Gathering and Transmission Volume	1,288,000	1,248,000	1,281,000	1,255,000
Natural Gas Processed				
Gregory Processing	100,000	99,000	95,000	116,000
Conroe Processing	25,000	28,000	26,000	26,000
LIG Processing	361,000	263,000	327,000	263,000
Total Processed Volume	486,000	390,000	448,000	405,000
Total On-System Volumes	1,774,000	1,638,000	1,729,000	1,660,000
Commercial Services Volume	194,000	166,000	185,000	181,000
Treating Plants in Service (1)	100	62	100	62

</TABLE>

(1) Plants in service represents plants in service on the last day of the quarter.

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SOURCE Crosstex Energy, L.P.

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