

SUBURBAN PROPANE PARTNERS LP  
Form 10-Q  
May 08, 2008

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 10-Q**

Quarterly Report Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

**For the quarterly period ended March 29, 2008**

Transition Report Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Commission File Number: 1-14222

**SUBURBAN PROPANE PARTNERS, L.P.**

(Exact name of registrant as specified in its charter)

**Delaware**

**22-3410353**

(State or other jurisdiction of

(I.R.S. Employer

incorporation or organization)

Identification No.)

**240 Route 10 West**

**Whippany, NJ 07981**

**(973) 887-5300**

(Address, including zip code, and telephone number,

including area code, of registrant's principal executive offices)

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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

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

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**SUBURBAN PROPANE PARTNERS, L.P. AND SUBSIDIARIES**

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Condensed Consolidated Balance Sheets as of March 29, 2008 and September 29, 2007

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**DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS**

This Quarterly Report on Form 10-Q contains forward-looking statements ( Forward-Looking Statements ) as defined in the Private Securities Litigation Reform Act of 1995 and Section 27A of the Securities Act of 1933, as amended, relating to future business expectations and predictions of financial condition and results of operations of Suburban Propane Partners, L.P. (the Partnership ). Some of these statements can be identified by the use of forward-looking terminology such as prospects, outlook, believes, estimates, intends, may, will, should, anticipates, the negative or other variation of these or similar words, or by discussion of trends and conditions, strategies or risks and uncertainties. These Forward-Looking Statements involve certain risks and uncertainties that could cause actual results to differ materially from those discussed or implied in such Forward-Looking Statements (statements contained in this Quarterly Report identifying such risks and uncertainties are referred to as Cautionary Statements ). The risks and uncertainties and their impact on the Partnership s results include, but are not limited to, the following risks:

The impact of weather conditions on the demand for propane, fuel oil and other refined fuels, natural gas and electricity;

Fluctuations in the unit cost of propane, fuel oil and other refined fuels and natural gas, and the impact of price increases on customer conservation;

The ability of the Partnership to compete with other suppliers of propane, fuel oil and other energy sources;

The impact on the price and supply of propane, fuel oil and other refined fuels from the political, military or economic instability of the oil producing nations, global terrorism and other general economic conditions;

The ability of the Partnership to acquire and maintain reliable transportation for its propane, fuel oil and other refined fuels;

The ability of the Partnership to retain customers;

The impact of customer conservation, energy efficiency and technology advances on the demand for propane and fuel oil;

The ability of management to continue to control expenses;

The impact of changes in applicable statutes and government regulations, or their interpretations, including those relating to the environment and global warming and other regulatory developments on the Partnership's business;

The impact of legal proceedings on the Partnership's business;

The impact of operating hazards that could adversely affect the Partnership's operating results to the extent not covered by insurance; and

The Partnership's ability to make strategic acquisitions and successfully integrate them.

Some of these Forward-Looking Statements are discussed in more detail in Management's Discussion and Analysis of Financial Condition and Results of Operations in this Quarterly Report. Reference is also made to the risk factors discussed in Item 1A of our Annual Report on Form 10-K for the fiscal year ended September 29, 2007. On different occasions, the Partnership or its representatives have made or may make Forward-Looking Statements in other filings with the Securities and Exchange Commission (SEC), press releases or oral statements made by or with the approval of one of the Partnership's authorized executive officers. Readers are cautioned not to place undue reliance on Forward-Looking Statements, which reflect management's view only as of the date made. The Partnership undertakes no obligation to update any Forward-Looking Statement or Cautionary Statement. All subsequent written and oral Forward-Looking Statements attributable to the Partnership or persons acting on its behalf are expressly qualified in their entirety by the Cautionary Statements in this Quarterly Report and in future SEC reports.

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**SUBURBAN PROPANE PARTNERS, L.P. AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

**(in thousands)**

**(unaudited)**

**March 29,  
2008**

**September 29,  
2007**

**ASSETS**

Current assets:

Cash and cash equivalents

\$

100,803

\$

96,586

Accounts receivable, less allowance for doubtful accounts of \$7,462 and \$5,041, respectively

175,252

71,607

Inventories

81,205

81,246

Assets held for sale

11,221

Prepaid expenses and other current assets

27,605

21,551

Total current assets

384,865

282,211

Property, plant and equipment, net

371,694

374,641

Goodwill

276,038

277,559

Other intangible assets, net

17,129

18,242

Pension asset

5,714

5,547

Other assets

16,578

17,018

Total assets

\$

1,072,018

\$

975,218

**LIABILITIES AND PARTNERS CAPITAL**

Current liabilities:

Accounts payable

\$

77,014

\$

56,999

Accrued employment and benefit costs

27,512

41,702

Accrued insurance

10,480

13,880

Customer deposits and advances

21,537

61,731

Accrued interest

8,649

8,546

Liabilities associated with assets held for sale

1,291

Other current liabilities

19,838

12,261

Total current liabilities

165,030

196,410

Long-term borrowings



548,655

548,538

Postretirement benefits obligation

21,972

22,193

Accrued insurance

33,240

36,428

Other liabilities

9,939

5,372

Total liabilities

778,836

808,941

Commitments and contingencies

Partners' capital:

Common Unitholders (32,725 and 32,674 units issued and outstanding  
at March 29, 2008 and September 29, 2007, respectively)

339,376

208,230

Deferred compensation

5,660

Common Units held in trust, at cost

(5,660

)

Accumulated other comprehensive loss

(46,194

)

(41,953

)

Total partners' capital

293,182

166,277

Total liabilities and partners' capital

\$

1,072,018

\$

975,218

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





**SUBURBAN PROPANE PARTNERS, L.P. AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

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

**(unaudited)**

**Three Months Ended**

**March 29,  
2008**

**March 31,  
2007**

Revenues

Propane

\$

422,376

\$

391,236

Fuel oil and refined fuels

114,312

111,215

Natural gas and electricity

38,203

36,455

Services



11,096

14,671

All other

1,110

1,534

587,097

555,111

Costs and expenses

Cost of products sold

380,757

327,347

Operating

79,697

88,553

General and administrative

15,161

15,693

Restructuring charges and severance costs

1,100

Depreciation and amortization

7,107

7,446

482,722