

NuStar Energy L.P.
Form 10-Q
November 07, 2011

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2011

OR

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

For the transition period from _____ to _____

Commission File Number 1-16417

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

Delaware
(State or other jurisdiction of incorporation or organization)

74-2956831
(I.R.S. Employer Identification No.)

2330 North Loop 1604 West
San Antonio, Texas
(Address of principal executive offices)

78248
(Zip Code)

Registrant's telephone number, including area code (210) 918-2000

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, 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:

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

The number of common units outstanding as of October 31, 2011 was 64,718,578.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

NUSTAR ENERGY L.P. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Thousands of Dollars, Except Unit Data)

	September 30, 2011 (Unaudited)	December 31, 2010
Assets		
Current assets:		
Cash and cash equivalents	\$59,214	\$181,121
Accounts receivable, net of allowance for doubtful accounts of \$1,742 and \$1,457 as of September 30, 2011 and December 31, 2010, respectively	467,912	302,053
Inventories	603,683	413,537
Other current assets	69,101	42,796
Total current assets	1,199,910	939,507
Property, plant and equipment, at cost	4,328,975	4,021,319
Accumulated depreciation and amortization	(943,539)	(833,862)
Property, plant and equipment, net	3,385,436	3,187,457
Intangible assets, net	42,499	43,033
Goodwill	846,526	813,270
Investment in joint venture	67,203	69,603
Deferred income tax asset	9,671	8,138
Other long-term assets, net	296,903	325,385
Total assets	\$5,848,148	\$5,386,393
Liabilities and Partners' Equity		
Current liabilities:		
Current portion of long-term debt	\$355,645	\$832
Accounts payable	461,038	282,382
Payable to related party	12,369	10,345
Accrued interest payable	23,615	29,706
Accrued liabilities	110,934	57,953
Taxes other than income tax	16,499	10,718
Income tax payable	2,959	1,293
Total current liabilities	983,059	393,229
Long-term debt, less current portion	2,170,010	2,136,248
Long-term payable to related party	11,871	10,088
Deferred income tax liability	35,917	29,565
Other long-term liabilities	122,242	114,563
Commitments and contingencies (Note 5)		
Partners' equity:		
Limited partners (64,670,520 and 64,610,549 common units outstanding as of September 30, 2011 and December 31, 2010, respectively)	2,553,995	2,598,873
General partner	56,284	57,327
Accumulated other comprehensive (loss) income	(97,912)	46,500
Total NuStar Energy L.P. partners' equity	2,512,367	2,702,700

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Noncontrolling interest	12,682	—
Total partners' equity	2,525,049	2,702,700
Total liabilities and partners' equity	\$5,848,148	\$5,386,393

See Condensed Notes to Consolidated Financial Statements.

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CONSOLIDATED STATEMENTS OF INCOME

(Unaudited, Thousands of Dollars, Except Unit and Per Unit Data)

	Three Months Ended September		Nine Months Ended September	
	30,		30,	
	2011	2010	2011	2010
Revenues:				
Service revenues:				
Third parties	\$210,395	\$201,390	\$607,866	\$585,772
Related party	286	—	823	—
Total service revenues	210,681	201,390	608,689	585,772
Product sales	1,613,669	936,989	4,039,461	2,623,077
Total revenues	1,824,350	1,138,379	4,648,150	3,208,849
Costs and expenses:				
Cost of product sales	1,535,609	860,942	3,797,424	2,422,751