

SUBURBAN PROPANE PARTNERS LP  
Form 10-Q  
May 10, 2007

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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 31, 2007

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  
(State or other jurisdiction of  
incorporation or organization)

22-3410353  
(I.R.S. Employer  
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

## INDEX TO FORM 10-Q

|   | Page |
|---|------|
| PART I  |      |
| ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)  |      |
| Condensed Consolidated Balance Sheets as of March 31, 2007 and<br>September 30, 2006                            | 1    |
| Condensed Consolidated Statements of Operations for the three months ended<br>March 31, 2007 and March 25, 2006 | 2    |
| Condensed Consolidated Statements of Operations for the six months ended<br>March 31, 2007 and March 25, 2006   | 3    |
| Condensed Consolidated Statements of Cash Flows for the six months ended<br>March 31, 2007 and March 25, 2006   | 4    |
| Condensed Consolidated Statement of Partners' Capital for the six months ended<br>March 31, 2007                | 5    |
| Notes to Condensed Consolidated Financial Statements  | 6    |
| ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL<br>CONDITION AND RESULTS OF OPERATIONS                | 19   |
| ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET<br>RISK   | 36   |
| ITEM 4. CONTROLS AND PROCEDURES   | 38   |
| PART II   |      |
| ITEM 6. EXHIBITS  | 39   |
| SIGNATURES  | 40   |

## 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 and 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 are subject to 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;

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- 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 energy efficiency and technology advances on the demand for propane and fuel oil;
- The ability of management to continue to control expenses including the results of our field and HVAC realignment initiative;
- 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 integrate acquired businesses successfully.

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 30, 2006. 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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### Table of Contents

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

#### CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)

(unaudited)

|                 | March 31,<br>2007 | September<br>30,<br>2006 |
|-----------------|-------------------|--------------------------|
| ASSETS          |                   |                          |
| Current assets: |                   |                          |

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|   |              |            |
|---|--------------|------------|
| Cash and cash equivalents   | \$ 88,986    | \$ 60,571  |
| Accounts receivable, less allowance for doubtful accounts<br>of \$6,134 and \$5,530, respectively | 157,686      | 78,547     |
| Inventories   | 65,488       | 79,418     |
| Prepaid expenses and other current assets   | 28,379       | 16,815     |
| Total current assets  | 340,539      | 235,351    |
| Property, plant and equipment, net  | 386,314      | 390,383    |
| Goodwill  | 281,359      | 281,359    |
| Other intangible assets, net  | 19,405       | 18,098     |
| Other assets  | 28,418       | 28,695     |
| Total assets  | \$ 1,056,035 | \$ 953,886 |
| <b>LIABILITIES AND PARTNERS' CAPITAL</b>  |              |            |
| Current liabilities:  |              |            |
| Accounts payable  | \$ 71,794    | \$ 57,372  |
| Accrued employment and benefit costs  | 37,372       | 35,510     |
| Accrued insurance   | 16,960       | 7,360      |
| Customer deposits and advances  | 26,417       | 62,630     |
| Accrued interest  | 8,368        | 8,371      |
| Other current liabilities   | 15,000       | 21,373     |
| Total current liabilities   |              |            |