

American Midstream Partners, LP
Form 10-Q
August 14, 2012
[Table of Contents](#)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2012

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: 001-35257

AMERICAN MIDSTREAM PARTNERS, LP

(Exact name of registrant as specified in its charter)

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Delaware (State or other jurisdiction of incorporation or organization)	27-0855785 (I.R.S. Employer Identification No.)
1614 15th Street, Suite 300 Denver, CO (Address of principal executive offices)	80202 (Zip code)
(720) 457-6060 (Registrant's telephone number, including area code)	

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

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

There were 4,581,850 common units and 4,526,066 subordinated units of American Midstream Partners, LP outstanding as of July 31, 2012. Our common units trade on the New York Stock Exchange under the ticker symbol AMID.

Table of Contents

TABLE OF CONTENTS

	Page
<u>PART I. FINANCIAL INFORMATION</u>	4
Item 1. <u>Financial Statements</u>	4
<u>Consolidated Balance Sheets as of June 30, 2012 and December 31, 2011</u>	4
<u>Consolidated Statements of Operations for three and six months ended June 30, 2012 and 2011</u>	5
<u>Consolidated Statements of Comprehensive Income for three and six months ended June 30, 2012 and 2011</u>	6
<u>Consolidated Statements of Changes in Partners' Capital as of and for six months ended June 30, 2012 and 2011</u>	7
<u>Consolidated Statements of Cash Flows for six months ended June 30, 2012 and 2011</u>	8
<u>Notes to Unaudited Consolidated Financial Statements</u>	9
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	21
<u>Cautionary Statement About Forward-Looking Statements</u>	21
<u>Overview</u>	21
<u>Recent Developments</u>	22
<u>Subsequent Event</u>	22
<u>Our Operations</u>	22
<u>How We Evaluate Our Operations</u>	23
<u>General Trends and Outlook</u>	25
<u>Liquidity and Capital Resources</u>	30
<u>Critical Accounting Policies</u>	32
<u>Recent Accounting Pronouncements</u>	32
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	33
Item 4. <u>Controls and Procedures</u>	34
<u>PART II. OTHER INFORMATION</u>	35
Item 1. <u>Legal Proceedings</u>	35
Item 1A. <u>Risk Factors</u>	35
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	35
Item 3. <u>Defaults Upon Senior Securities</u>	35
Item 4. <u>Mine Safety Disclosures</u>	35
Item 5. <u>Other Information</u>	35
Item 6. <u>Exhibits</u>	35

Table of Contents

Glossary of Terms

As generally used in the energy industry and in this Quarterly Report on Form 10-Q (the **Quarterly Report**), the identified terms have the following meanings:

ASC	Accounting Standards Codification; trademark of the Financial Accounting Standards Board (FASB).
Bbl	Barrels: 42 U.S. gallons measured at 60 degrees Fahrenheit.
BBtu	Billion British thermal units: one billion cubic feet.
Btu	British thermal unit; the approximate amount of heat required to raise the temperature of one pound of water by one degree Fahrenheit.
/d	Per day.
FERC	Federal Energy Regulatory Commission.
GAAP	General Accepted Accounting Principles: Accounting principles generally accepted in the United States of America.
gal	Gallons.
MBbl	One thousand barrels.
Mcf	One thousand cubic feet.
MMBbl	One million barrels.
MMBtu	One million British thermal units.
MMcf	One million cubic feet.
NGL or NGLs	Natural gas liquid(s): The combination of ethane, propane, normal butane, isobutene and natural gasoline s that, when removed from natural gas, become liquid under various levels of higher pressure and lower temperature.

As used in this Quarterly Report, unless the context otherwise requires, we, us, our, the Partnership and similar terms refer to American Midstream Partners LP, together with its consolidated subsidiaries.

Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****American Midstream Partners, LP and Subsidiaries****Condensed Consolidated Balance Sheets****(Unaudited)**

	June 30, 2012	December 31, 2011
	(in thousands)	
Assets		
Current assets		
Cash and cash equivalents	\$ 1,038	\$ 871
Accounts receivable	1,273	1,218
Unbilled revenue	14,089	19,745
Risk management assets	2,721	456
Funds held in escrow	5,500	
Other current assets	3,196	3,323
Total current assets	27,817	25,613
Property, plant and equipment, net	161,525	170,231
Risk management assets - long term	594	
Other assets, net	4,448	3,707
Total assets	\$ 194,384	\$ 199,551
Liabilities and Partners' Capital		
Current liabilities		
Accounts payable	\$ 743	\$ 837
Accrued gas purchases	9,451	14,715
Risk management liabilities		635
Accrued expenses and other current liabilities	5,317	7,086
Total current liabilities	15,511	23,273
Other liabilities	8,490	8,612
Long-term debt	72,260	66,270
Total liabilities	96,261	98,155
Commitments and contingencies (see Note 12)		
Partners' capital		
General partner interest (185 and 185 thousand units issued and outstanding as of June 30, 2012 and December 31, 2011, respectively)	1,360	1,091
Limited partner interest (9,108 and 9,087 thousand units issued and outstanding as of June 30, 2012 and December 31, 2011, respectively)	96,331	99,890
Accumulated other comprehensive income	432	415
Total partners' capital	98,123	101,396
Total liabilities and partners' capital	\$ 194,384	\$ 199,551

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

Table of Contents**American Midstream Partners, LP and Subsidiaries****Condensed Consolidated Statements of Operations****(Unaudited)**

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
	(in thousands, except for per unit amounts)			
Revenue	\$ 42,889	\$ 66,030	\$ 90,278	\$ 133,369
Realized gain (loss) on early termination of commodity derivatives		(2,998)		(2,998)
Unrealized gain (loss) on commodity derivatives	3,171	2,602	3,494	(972)
Total revenue	46,060	65,634	93,772	129,399
Operating expenses:				
Purchases of natural gas, NGLs and condensate	30,239	55,413	63,449	110,366
Direct operating expenses	3,527	3,105	6,767	6,163
Selling, general and administrative expenses	3,668	2,670	6,997	4,871
Transaction expenses		(7)		281
Equity compensation expense	467	2,184	798	2,658
Depreciation and accretion expense	5,124	5,170	10,283	10,207
(Gain) loss on sale of assets, net	(117)		(122)	
Total operating expenses	42,908	68,535	88,172	134,546
Operating income (loss)	3,152	(2,901)	5,600	(5,147)
Other income (expenses):				
Interest expense	(825)	(1,281)	(1,582)	(2,545)
Net income (loss)	\$ 2,327	\$ (4,182)	\$ 4,018	\$ (7,692)
General partner's interest in net income (loss)	\$ 46	\$ (84)	\$ 80	\$ (154)
Limited partners' interest in net income (loss)	\$ 2,281	\$ (4,098)	\$ 3,938	\$ (7,538)
Limited partners' net income (loss) per unit (basic) (See Note 9)	\$ 0.25	\$ (0.74)	\$ 0.43	\$ (1.36)
Weighted average number of units used in computation of limited partners' net income (loss) per unit (basic)	9,107	5,525	9,100	5,546
Limited partners' net income (loss) per unit (diluted) (See Note 9)	\$ 0.25	\$ (0.74)	\$ 0.43	\$ (1.36)
Weighted average number of units used in computation of limited partners' net income (loss) per unit (diluted)	9,276	5,525	9,263	5,546

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

Table of Contents

American Midstream Partners, LP and Subsidiaries

Condensed Consolidated Statements of Comprehensive Income

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
	(in thousands)			
Net income (loss)	\$ 2,327	\$ (4,182)	\$ 4,018	\$ (7,692)
Unrealized gain (loss) on post retirement benefit plan assets and liabilities	14		17	
Comprehensive income (loss)	\$ 2,341	\$ (4,182)	\$ 4,035	\$ (7,692)

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