

SemGroup Energy Partners, L.P.
Form 10-Q
November 13, 2009

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 September 30, 2009

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 001-33503

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

Delaware (State or other jurisdiction of incorporation or organization)	20-8536826 (IRS Employer Identification No.)
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Two Warren Place
6120 South Yale Avenue, Suite 500
Tulsa, Oklahoma 74136
(Address of principal executive offices, zip code)

Registrant's telephone number, including area code: (918) 237-4000

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

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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. (Check one):

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

As of November 6, 2009, there were 21,702,309 common units and 12,570,504 subordinated units outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

SEMGROUP ENERGY PARTNERS, L.P.
CONSOLIDATED BALANCE SHEETS
(in thousands, except per unit data)

	As of December 31, 2008	As of September 30, 2009
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 28,785	\$ 5,638
Accounts receivable, net of allowance for doubtful accounts of \$554 and \$429 at December 31, 2008 and September 30, 2009, respectively	8,342	11,906
Receivables from related parties, net of allowance for doubtful accounts of \$0 for both dates	18,912	1,010
Prepaid insurance	2,256	3,461
Other current assets	1,811	1,691
Total current assets	60,106	23,706
Property, plant and equipment, net of accumulated depreciation of \$80,277 and \$95,002 at December 31, 2008 and September 30, 2009, respectively	284,489	277,942
Goodwill	6,340	6,340
Debt issuance costs	1,956	6,999
Intangibles and other assets, net	1,750	1,847
Total assets	\$ 354,641	\$ 316,834
LIABILITIES AND PARTNERS' CAPITAL (DEFICIT)		
Current liabilities:		
Accounts payable	\$ 2,610	\$ 4,767
Payables to related parties	20,134	4,048
Accrued interest payable	175	3,403
Accrued property taxes payable	1,951	3,237
Interest rate swap settlements payable	1,505	129
Unearned revenue	2,765	4,888
Accrued payroll	170	4,338
Other accrued liabilities	2,753	2,752
Current portion of capital lease obligations	866	412
Total current liabilities	32,929	27,974
Long-term debt	448,100	422,499
Long-term capital lease obligations	255	—
Commitments and contingencies (Notes 4, 9 and 12)		
Partners' capital (deficit):	481,007	477,023

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Common unitholders (21,557,309 units issued and outstanding as of December 31, 2008 and September 30, 2009)

Subordinated unitholders (12,570,504 units issued and outstanding for both dates)	(284,332)	(287,205)
General partner interest (2.0% interest with 690,725 general partner units outstanding for both dates)	(323,318)	(323,457)
Total partners' capital (deficit)	(126,643)	(133,639)
Total liabilities and partners' capital (deficit)	\$ 354,641	\$ 316,834

See accompanying notes to unaudited consolidated financial statements.

SEMGROUP ENERGY PARTNERS, L.P.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per unit data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2009	2008	2009
	(unaudited)			
Service revenue:				
Third party revenue	\$ 15,571	\$ 39,021	\$ 26,222	\$ 93,625
Related party revenue	38,223	998	123,062	26,077
Total revenue	53,794	40,019	149,284	119,702
Expenses:				
Operating	27,368	24,479	80,405	71,425
General and administrative	27,177	7,106	33,244	