

MAGELLAN MIDSTREAM PARTNERS LP
Form 10-Q
August 02, 2013

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 June 30, 2013

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 No.: 1-16335

Magellan Midstream Partners, L.P.
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

One Williams Center, P.O. Box 22186, Tulsa, Oklahoma 74121-2186

(Address of principal executive offices and zip code)

(918) 574-7000

(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.

Large accelerated filer Accelerated filer Non-accelerated filer 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 August 1, 2013, there were 226,679,438 outstanding limited partner units of Magellan Midstream Partners, L.P. that trade on the New York Stock Exchange under the ticker symbol "MMP."

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FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

MAGELLAN MIDSTREAM PARTNERS, L.P.
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per unit amounts)
(Unaudited)

	Three Months Ended		Six Months Ended June	
	June 30,		30,	
	2012	2013	2012	2013
Transportation and terminals revenue	\$248,761	\$282,462	\$466,315	\$509,733
Product sales revenue	200,568	157,922	476,298	359,633
Affiliate management fee revenue	198	3,528	397	6,967
Total revenue	449,527	443,912	943,010	876,333
Costs and expenses:				
Operating	82,326	77,415	150,778	142,596
Product purchases	144,498	115,328	393,110	275,726
Depreciation and amortization	31,486	34,186	62,996	70,518
General and administrative	25,414	33,262	49,158	63,318
Total costs and expenses	283,724	260,191	656,042	552,158
Earnings of non-controlled entities	1,478	736	3,126	2,787
Operating profit	167,281	184,457	290,094	326,962
Interest expense	29,118	31,720	58,241	63,443
Interest income	(29)	(13)	(64)	(35)
Interest capitalized	(1,028)	(3,243)	(1,892)	(6,694)
Debt placement fee amortization expense	518	540	1,037	1,080
Income before provision for income taxes	138,702	155,453	232,772	269,168
Provision for income taxes	881	1,813	1,427	2,561
Net income	\$137,821	\$153,640	\$231,345	\$266,607
Basic and diluted net income per limited partner unit	\$0.61	\$0.68	\$1.02	\$1.18
Weighted average number of limited partner units outstanding used for basic and diluted net income per unit calculation	226,429	226,864	226,305	226,785

See notes to consolidated financial statements.

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MAGELLAN MIDSTREAM PARTNERS, L.P.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited, in thousands)