

NuStar Energy L.P.
Form 10-Q
April 25, 2012

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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 March 31, 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 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 March 31, 2012 was 70,756,078.

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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)

	March 31, 2012 (Unaudited)	December 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	\$37,696	\$17,497
Accounts receivable, net of allowance for doubtful accounts of \$1,774 and \$2,147 as of March 31, 2012 and December 31, 2011, respectively	495,982	547,808
Inventories	774,008	587,785
Income tax receivable	9,221	4,148
Other current assets	51,489	43,685
Total current assets	1,368,396	1,200,923
Property, plant and equipment, at cost	4,526,182	4,413,305
Accumulated depreciation and amortization	(1,026,553)	(982,837)
Property, plant and equipment, net	3,499,629	3,430,468
Intangible assets, net	36,900	38,923
Goodwill	849,040	846,717
Investment in joint venture	69,073	66,687
Deferred income tax asset	10,479	9,141
Other long-term assets, net	249,911	288,331
Total assets	\$6,083,428	\$5,881,190
Liabilities and Partners' Equity		
Current liabilities:		
Current portion of long-term debt	\$831,374	\$364,959
Accounts payable	528,376	454,326
Payable to related party	15,312	6,735
Accrued interest payable	24,283	29,833
Accrued liabilities	75,711	71,270
Taxes other than income tax	13,014	13,455
Income tax payable	4,620	3,222
Total current liabilities	1,492,690	943,800
Long-term debt, less current portion	1,690,038	1,928,071
Long-term payable to related party	13,672	14,502
Deferred income tax liability	36,670	35,437
Other long-term liabilities	86,140	95,045
Commitments and contingencies (Note 5)		
Partners' equity:		
Limited partners (70,756,078 common units outstanding as of March 31, 2012 and December 31, 2011)	2,755,526	2,817,069
General partner	61,088	62,539
Accumulated other comprehensive loss	(65,552)	(27,407)
Total NuStar Energy L.P. partners' equity	2,751,062	2,852,201

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Noncontrolling interest	13,156	12,134
Total partners' equity	2,764,218	2,864,335
Total liabilities and partners' equity	\$6,083,428	\$5,881,190

See Condensed Notes to Consolidated Financial Statements.

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NUSTAR ENERGY L.P. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (Unaudited, Thousands of Dollars, Except Unit and Per Unit Data)

	Three Months Ended March 31,	
	2012	2011
Revenues:		
Service revenues:		
Third parties	\$205,448	\$198,263
Related party	697	130
Total service revenues	206,145	198,393
Product sales	1,529,547	1,036,223
Total revenues	1,735,692	1,234,616
Costs and expenses:		
Cost of product sales	1,489,837	992,367
Operating expenses:		
Third parties	86,734	85,130
Related party	38,932	35,109
Total operating expenses	125,666	120,239
General and administrative expenses:		
Third parties	8,018	9,035
Related party	19,169	16,948
Total general and administrative expenses	27,187	25,983
Depreciation and amortization expense	44,681	40,296
Total costs and expenses	1,687,371	