Calumet Specialty Products Partners, L.P.
Form 10-Q
May 09, 2008

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q

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

For the quarterly period ended March 31, 2008.

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM TO

Commission File Number: 000-51734

Calumet Specialty Products Partners, L.P.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**37-1516132**
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification Number)*
2780 Waterfront Pkwy E. Drive, Suite 200 Indianapolis, Indiana	**46214**
(Address of principal executive officers)	(Zip code)

Registrant s telephone number including area code **(317) 328-5660**

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 þ No o

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 o	Accelerated filer þ	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

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

At May 9, 2008, the registrant had 19,166,000 common units and 13,066,000 subordinated units outstanding.

CALUMET SPECIALTY PRODUCTS PARTNERS, L.P.
FORM 10-Q March 31, 2008 QUARTERLY REPORT
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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q includes certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements can be identified by the use of forward-looking terminology including may, believe, expect, anticipate, estimate, continue, or other similar words. The statements regarding (i) the Shreveport refinery expansion project s estimated cost and resulting increases in production levels, (ii) expected settlements with the Louisiana Department of Environmental Quality (LDEQ) or other environmental liabilities, (iii) the expected purchase price, goodwill, and future benefits and risks of the Penreco acquisition and (iv) future compliance with our debt covenants, as well as other matters discussed in this Form 10-Q that are not purely historical data, are forward-looking statements. These statements discuss future expectations or state other forward-looking information and involve risks and uncertainties. When considering these forward-looking statements, unitholders should keep in mind the risk factors and other cautionary statements included in this quarterly report and in our 2007 Annual Report on Form 10-K filed on March 4, 2008. These risk factors and cautionary statements noted throughout this Form 10-Q could cause our actual results to differ materially from those contained in any forward-looking statement. These factors include, but are not limited to:

- the overall demand for specialty hydrocarbon products, fuels and other refined products;
- our ability to produce specialty products and fuels that meet our customers unique and precise specifications;
- the impact of crude oil and crack spread price fluctuations and rapid increases or decreases;
- the results of our hedging and other risk management activities;
- risks associated with our Shreveport expansion project;
- difficulties in successfully integrating Penreco;
- our ability to comply with the financial covenants contained in our credit agreements;
- the availability of, and our ability to consummate, acquisition or combination opportunities;
- labor relations;
- our access to capital to fund expansions or acquisitions and our ability to obtain debt or equity financing on satisfactory terms;
- successful integration and future performance of acquired assets or businesses;
- environmental liabilities or events that are not covered by an indemnity, insurance or existing reserves;
- maintenance of our credit rating and ability to receive open credit from our suppliers;
- demand for various grades of crude oil and resulting changes in pricing conditions;
- fluctuations in refinery capacity;
- the effects of competition;
- continued creditworthiness of, and performance by, counterparties;

the impact of current and future laws, rulings and governmental regulations;

shortages or cost increases of power supplies, natural gas, materials or labor;

weather interference with business operations or project construction;

fluctuations in the debt and equity markets; and

general economic, market or business conditions.

Other factors described herein, or factors that are unknown or unpredictable, could also have a material adverse effect on future results. Please read Part I Item 3 Quantitative and Qualitative Disclosures About Market Risk. We will not update these statements unless securities laws require us to do so.

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References in this Form 10-Q to Calumet, the Company, we, our, us or like terms refer to Calumet Specialty Products Partners, L.P. and its subsidiaries. References in this quarterly report on Form 10-Q to our general partner refer to Calumet GP, LLC.

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PART I

Item 1. ***Financial Statements***

CALUMET SPECIALTY PRODUCTS PARTNERS, L.P.
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2008 (Unaudited)	December 31, 2007
	(In thousands)	
ASSETS		
Current assets:		
Cash	$ 50	$ 35
Accounts receivable:		
Trade	168,802	109,501
Other	3,520	4,496
	172,322	113,997
Inventories	147,521	107,664
Prepaid expenses	1,391	7,567
Other current assets	22	21
Total current assets	321,306	229,284
Property, plant and equipment, net	617,651	442,882
Goodwill	49,446	
Other intangible assets, net	58,461	2,460
Other noncurrent assets, net	12,709	4,231
Total assets	$ 1,059,573	$ 678,857
LIABILITIES AND PARTNERS CAPITAL		
Current liabilities:		
Accounts payable	$ 229,642	$ 167,977
Accrued salaries, wages and benefits	7,093	2,745
Taxes payable	8,059	6,215
Other current liabilities	5,455	4,882
Current portion of long-term debt	4,792	943
Derivative liabilities	114,798	57,503
Total current liabilities	369,839	240,265
Pension and postretirement benefit obligations	4,571	
Long-term debt, less current portion	365,638	38,948
Total liabilities	740,048	279,213
Commitments and contingencies		
Partners capital:		
Common unitholders (19,166,000 units issued and outstanding)	361,788	375,925
Subordinated unitholders (13,066,000 units issued and outstanding)	34,418	43,996
General partner s interest	17,864	19,364

Accumulated other comprehensive income (loss)	(94,545)	(39,641)
Total partners capital	319,525	399,644
Total liabilities and partners capital	$ 1,059,573	$ 678,857

See accompanying notes to unaudited condensed consolidated financial statements.

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CALUMET SPECIALTY PRODUCTS PARTNERS, L.P.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Months Ended March 31,	
	2008	2007
	(In thousands, except per unit data)	
Sales	$ 594,723	$ 351,113
Cost of sales	559,889	296,079
Gross profit	34,834	55,034
Operating costs and expenses:		
Selling, general and administrative	8,252	5,398
Transportation	23,860	13,569
Taxes other than income taxes	1,054	912
Other	224	180
Operating income (loss)	1,444	34,975
Other income (expense):		
Interest expense	(5,166)	(1,015)
Interest income	216	991
Debt extinguishment costs	(526)	
Realized loss on derivative instruments	(2,877)	(1,736)
Unrealized gain (loss) on derivative instruments	3,570	(4,777)
Other	(45)	(178)
Total other income (expense)	(4,828)	(6,715)
Net income (loss) before income taxes	(3,384)	28,260
Income tax expense	8	50
Net income (loss)	$ (3,392)	$ 28,210
Minimum quarterly distribution to common unitholders	(8,625)	(7,365)
General partner s incentive distribution rights		(4,749)
General partner s interest in net (income) loss	68	(297)
Common unitholders share of income in excess of minimum quarterly distribution		(5,516)
Subordinated unitholders interest in net income (loss)	$ (11,949)	$ 10,283
Basic and diluted net income (loss) per limited partner unit:		
Common	$ 0.45	$ 0.79
Subordinated	$ (0.91)	$ 0.79
Weighted average limited partner common units outstanding basic	19,166	16,366
Weighted average limited partner common units outstanding diluted	19,166	16,367
	13,066	13,066

Weighted average limited partner subordinated units outstanding basic and diluted				
Cash distributions declared per common and subordinated unit	$	0.63	$	0.60

See accompanying notes to unaudited condensed consolidated financial statements.

CALUMET SPECIALTY PRODUCTS PARTNERS, L.P.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PARTNERS CAPITAL

	Accumulated Other Comprehensive Income (Loss)	Partners' Capital General Partner	Limited Partners Common	Limited Partners Subordinated	Total
			(In thousands)		
Balance at December 31, 2007	$ (39,641)	$ 19,364	$ 375,925	$ 43,996	$ 399,644
Comprehensive income (loss):					
Net income (loss)		(68)	(1,977)	(1,347)	(3,392)
Cash flow hedge loss reclassified to net (loss) income	678				678
Change in fair value of cash flow hedges	(55,582)				(55,582)
Comprehensive loss					(58,296)
Common units repurchased for phantom unit grants			(115)		(115)
Amortization of phantom units			30		30
Distributions to partners		(1,432)	(12,075)	(8,231)	(21,738)
Balance at March 31, 2008	$ (94,545)	$ 17,864	$ 361,788	$ 34,418	$ 319,525

See accompanying notes to unaudited condensed consolidated financial statements.

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CALUMET SPECIALTY PRODUCTS PARTNERS, L.P.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Three Months Ended March 31, 2008	2007
	(In thousands)	
Operating activities		
Net income (loss)	$ (3,392)	$ 28,210
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	11,350	3,573
Amortization of turnaround costs	330	968
Non-cash debt extinguishment costs	526	
Unrealized (gain) loss on derivative instruments	(3,570)	4,777
Other non-cash activities	897	6
Changes in operating assets and liabilities, net of business acquisition:		
Accounts receivable	(16,745)	(8,648)
Inventories	24,494	3,279
Prepaid expenses	6,237	(7,608)
Derivative activity	5,961	(969)
Other current assets	(1)	1,940
Other noncurrent assets	1,373	(2,680)
Accounts payable	32,910	23,573
Accrued salaries, wages and benefits	349	(3,475)
Taxes payable	1,235	(647)
Other current liabilities	475	527
Net cash provided by operating activities	62,429	42,826
Investing activities		
Additions to property, plant and equipment	(90,274)	(41,734)
Acquisition of Penreco, net of cash acquired	(268,969)	
Proceeds from disposal of property, plant and equipment		19
Net cash used in investing activities	(359,243)	(41,715)
Financing activities		
Proceeds from (repayments of) borrowings, net revolving credit facility with third parties	(6,958)	
Repayments of borrowings prior term loan credit facility with third parties	(30,099)	(125)
Proceeds from borrowings new term loan credit facility with third parties, net	367,600	
Debt issuance costs	(10,996)	
Repayments of borrowings new term loan credit facility with third parties	(963)	
Change in bank overdraft	98	
Purchase of units for unit grants	(115)	
Distributions to partners	(21,738)	(18,673)
Net cash provided by (used in) financing activities	296,829	(18,798)

Net increase (decrease) in cash		15		(17,687)
Cash at beginning of period		35		80,955
Cash at end of period	$	50	$	63,268
Supplemental disclosure of cash flow information				
Interest paid	$	5,666	$	1,988
Income taxes paid	$	7	$	32

See accompanying notes to unaudited condensed consolidated financial statements.

CALUMET SPECIALTY PRODUCTS PARTNERS, L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except operating, unit and per unit data)

1. Partnership Organization and Basis of Presentation

Calumet Specialty Products Partners, L.P. (Calumet, Partnership, or the Company) is a Delaware limited partnership. The general partner is Calumet GP, LLC, a Delaware limited liability company. On January 31, 2006, the Partnership completed the initial public offering of its common units. At that time, substantially all of the assets and liabilities of Calumet Lubricants Co., Limited Partnership and its subsidiaries were contributed to Calumet. On July 5, 2006 and November 20, 2007, the Partnership completed follow-on public offerings of its common units. As of March 31, 2008, Calumet had 19,166,000 common units, 13,066,000 subordinated units, and 657,796 general partner equivalent units outstanding. The general partner owns 2% of Calumet while the remaining 98% is owned by limited partners. On January 3, 2008 the Company closed on the acquisition of Penreco, a Texas general partnership, for approximately $268,969. See Note 4 for further discussion of this acquisition. As a result, the assets and liabilities previously held by Penreco and results of the operation of these assets are included within the Company s consolidated balance sheet as of March 31, 2008 and consolidated results of operations for the three months ended March 31, 2008. Calumet is engaged in the production and marketing of crude oil-based specialty lubricating oils, white mineral oils, solvents, petrolatums, waxes and fuels. Calumet owns facilities located in Princeton, Louisiana, Cotton Valley, Louisiana, Shreveport, Louisiana, Karns City, Pennsylvania, and Dickinson, Texas, and a terminal located in Burnham, Illinois.

The unaudited condensed consolidated financial statements of the Company as of March 31, 2008 and for the three months ended March 31, 2008 and 2007 included herein have been prepared, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and disclosures normally included in the consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the following disclosures are adequate to make the information presented not misleading. These unaudited condensed consolidated financial statements reflect all adjustments that, in the opinion of management, are necessary to present fairly the results of operations for the interim periods presented. All adjustments are of a normal nature, unless otherwise disclosed. The results of operations for the three months ended March 31, 2008 are not necessarily indicative of the results that may be expected for the year ending December 31, 2008. These unaudited condensed consolidated financial statements should be read in conjunction with the Company s 2007 Annual Report on Form 10-K for the year ended December 31, 2007 filed on March 4, 2008.

2. New Accounting Pronouncements

In April 2007, the FASB issued FASB Staff Position No. FIN 39-1, *Amendment of FASB Interpretation No. 39* (the Position), which amends certain aspects of FASB Interpretation Number 39, *Offsetting of Amounts Related to Certain Contracts*. The Position permits companies to offset fair value amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral against fair value amounts recognized for derivative instruments executed with the same counterparty under a master netting arrangement. The Position is effective for fiscal years beginning after November 15, 2007. The Company adopted the Position on January 1, 2008 and the adoption did not have a material effect on its financial position, results of operations, or cash flows.

In December 2007, FASB issued FASB Statement No. 141(R), Business Combinations (the Statement). The Statement applies to the financial accounting and reporting of business combinations. The Statement is effective for business combination transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The Company anticipates that the Statement will not have a material effect on its financial position, results of operations, or cash flows.

In March 2008, FASB issued FASB Statement No. 161, *Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133* (SFAS 161). SFAS 161 requires entities that utilize derivative instruments to provide qualitative disclosures about their objectives and strategies for using such instruments, as well as any details of credit-risk-related contingent features contained within derivatives. SFAS 161 also requires entities to disclose additional information about the amounts and location of derivatives located within the financial statements, how the provisions of SFAS 133 has been applied, and the impact that hedges have on an entity s financial position, financial performance, and cash flows. SFAS 161 is effective for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The Company currently provides an abundance of information about its hedging activities and use of derivatives in its quarterly and annual filings with the SEC, including many of the disclosures contained within SFAS 161.

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Thus, the Company currently does not anticipate the adoption of Statement 161 will have a material impact on the disclosures already provided.

In March 2008, FASB issued Emerging Issues Task Force Issue No. 07-4, *Application of the Two-Class Method under FASB Statement No. 128 to Master Limited Partnerships* (EITF 07-4). EITF 07-4 requires master limited partnerships to treat incentive distribution rights (IDRs) as participating securities for the purposes of computing earnings per unit in the period that the general partner becomes contractually obligated to pay the IDR. EITF 07-4 requires that undistributed earnings be allocated to the partnership interests based on the allocation of earnings to capital accounts as specified in the respective partnership agreement. When distributions exceed earnings, EITF 07-4 requires that net income be reduced by the actual distributions with the resulting net loss being allocated to capital accounts as specified in the respective partnership agreement. EITF 07-4 is effective for fiscal years and interim periods beginning after December 15, 2008. The Company is evaluating the potential impacts of EITF 07-4.

3. Inventory

The cost of inventories is determined using the last-in, first-out (LIFO) method. Inventories are valued at the lower of cost or market value.

Inventories consist of the following:

	March 31, 2008	December 31, 2007
Raw materials	$ 40,533	$ 20,887
Work in process	35,246	21,325
Finished goods	71,742	65,452
	$ 147,521	$ 107,664

The replacement cost of these inventories, based on current market values, would have been $129,595 and $107,885 higher at March 31, 2008 and December 31, 2007, respectively. For the three months ended March 31, 2008 and 2007, the Company recorded $9,120 and $0, respectively of income in the unaudited condensed consolidated statements of operations due to the liquidation of a portion of its LIFO inventory.

4. Acquisition of Penreco

On January 3, 2008 the Company closed on the acquisition of Penreco, a Texas general partnership, for $268,969, net of the cash balance in Penreco s accounts at closing. Penreco was owned by ConocoPhillips Company and M.E. Zukerman Specialty Oil Corporation. Penreco manufactures and markets highly-refined products and specialty solvents, including white mineral oils, petrolatums, natural petroleum sulfonates, cable-filling compounds, refrigeration oils, food-grade compressor lubricants and gelled products. The acquisition includes facilities in Karns City, Pennsylvania and Dickinson, Texas, as well as several long-term supply agreements with ConocoPhillips Company.

The Company believes that this acquisition will provide several key strategic benefits, including market synergies within our solvents and lubricating oil product lines as well as additional operational and logistical flexibility. The acquisition will also broaden the Company s customer base and give the Company access to new markets.

As a result of the acquisition, the assets and liabilities previously held by Penreco and results of the operation of these assets have been included in the Company s condensed consolidated balance sheet and condensed consolidated statement of operations since the date of acquisition. The unaudited pro forma summary results of operations for the three months ended March 31, 2007 below combine the results of operations of Calumet and Penreco as if the acquisition had occurred on January 1, 2007.

	March 31, 2007 (Unaudited)

Sales	$450,024
Net income	$ 35,328
Basic and diluted net income per limited partner unit	$ 0.91

The Company may be required to make an additional contingent payment to ConocoPhillips Company and M.E. Zukerman Specialty Oil Corporation for working capital adjustments. The Company recorded $49,446 of goodwill as a result of this acquisition, all of which was recorded within the Company s specialty products segment. The preliminary allocation of the aggregate purchase price, which is preliminary pending the working capital adjustment and the finalization of fair value appraisals of assets acquired, is as follows:

Accounts receivable	41,980
Inventories	64,351
Prepaid expenses and other current assets	61
Property, plant and equipment	91,790
Other noncurrent assets	288
Intangibles	58,604
Goodwill	49,446
Accounts payable	(28,755)
Other current liabilities	(4,608)
Other noncurrent liabilities	(4,188)
Total purchase price, net of cash acquired	$ 268,969

The components of intangible assets listed in the table above as of January 3, 2008, based upon a preliminary appraisal, were as follows:

	Amount	Life
Customer relationships	$ 27,998	20
Supplier agreements	21,341	6
Patents	1,573	9
Non-competition agreements	5,732	5
Distributor agreements	1,960	3
Total	$ 58,604	
Weighted average amortization period		13

The Company formulated its plan associated with the involuntary termination of certain Penreco employees and has accrued $1,870 for such costs, all of which has been included in the acquisition cost allocation. Certain employees may be added or removed from the termination plan and, as such, the termination plan is not yet finalized. The Company expects that additional liabilities will be minimal. The majority of affected employees had been terminated as of March 31, 2008, with the remaining affected employees expected to be terminated by July 2008. For the three months ended March 31, 2008, the Company paid $773 of termination benefits against the liability and had accrued $1,097 additional liability for termination costs, all of which was charged against the cost of the acquired company.

5. Shreveport Refinery Expansion

As of December 31, 2007, the Company had invested $254,414 in its Shreveport refinery expansion project. Through March 31, 2008, the Company has invested an additional $65,804 for a total of $320,218 in its Shreveport refinery expansion project. The Shreveport expansion project is expected to increase this refinery s throughput capacity by 35.7% from 42,000 bpd to 57,000 bpd. As part of this project, the Company has enhanced the Shreveport refinery s ability to process sour crude oil. As of early May, the Company is processing approximately 16,000 bpd of sour crude oil at the Shreveport refinery and will continue to increase these rates up to operational limits. This current throughput is an increase of at least 3,000 bpd over its previously estimated sour crude oil throughput upon project completion. In certain operating scenarios where overall throughput is reduced, the Company expects it will be able to increase sour crude oil throughput rates to approximately 25,000 bpd. The Company estimates that the total cost of the Shreveport refinery expansion project will be approximately $350,000, an increase of $50,000 from its previous estimate. This increase is primarily due to increased construction labor costs caused by further delay in startup of the project.

Additionally, for the year ended December 31, 2007 and the three months ended March 31, 2008, the Company had invested $65,633 and $21,810, respectively, in the Shreveport refinery for other capital expenditures including projects to improve efficiency, de-bottleneck certain operating units and for new product development. The remaining capital expenditures for these projects will be less than $5,000.

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6. Goodwill and Intangible Assets

The Company has preliminarily recorded $49,446 of goodwill as a result of the Penreco acquisition, all of which are recorded within the Company s specialty products segment. The Company had none recorded as of December 31, 2007.

Intangible assets consist of the following:

		March 31, 2008		December 31, 2007	
	Weighted Average Life	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
Customer relationships	20	$ 30,274	$ (2,627)	$ 2,276	$ (2,165)
Supplier agreements	6	21,341	(1,639)		
Patents	9	1,573	(46)		
Non-competition agreements	5	5,732	(287)		
Distributor agreements	3	1,960	(163)		
Royalty agreements	15	2,680	(337)	2,680	(331)
	13	$ 63,560	$ (5,099)	$ 4,956	$ (2,496)

Intangible assets associated with supplier agreements, non-competition agreements and distributor agreements are being amortized over the term of the related agreements. Intangible assets associated with patents are being amortized over the life of the patents. Intangible assets associated with customer relationships of Penreco are being amortized over a useful life estimated using an assumed rate of annual customer attrition. The Company s intangible assets have no residual values. For the three months ended March 31, 2008 and 2007, the Company recorded amortization expense of intangible assets of $2,602 and $234, respectively. The Company estimates that amortization of intangible assets will be $7,456 for the remainder of 2008, with annual amortization of $7,718, $7,182, $3,851, and $3,851 for the years ended December 31, 2009, 2010, 2011, and 2012, respectively.

7. Fair Value of Financial Instruments

In September 2006, the FASB issued Statement No. 157, Fair Value Measurements (SFAS 157). SFAS 157 defines fair value, establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States, and expands disclosures about fair value measurements. The Company has adopted the provisions of SFAS 157 as of January 1, 2008, for financial instruments. Although the adoption of SFAS 157 did not materially impact its financial condition, results of operations, or cash flow, the Company is now required to provide additional disclosures as part of its financial statements. In February 2008, the FASB agreed to defer for one year the effective date of SFAS 157 for certain nonfinancial assets and liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis.

SFAS 157 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

As of March 31, 2008, the Company held certain assets that are required to be measured at fair value on a recurring basis. These included the Company s derivative instruments related to crude oil, gasoline, diesel, natural gas and interest rates, and investments associated with the Company s Non-Contributory Defined Benefit Plan (Pension Plan).