SUBURBAN PROPANE PARTNERS LP
Form S-1/A
July 30, 2012
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As filed with the Securities and Exchange Commission on July 30, 2012

Registration No. 333-181314

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 4

TO

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

SUBURBAN PROPANE PARTNERS, L.P.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**5084**	**22-3410353**
(State or Other Jurisdiction of Incorporation or Organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

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Approximate date of commencement of proposed issuance: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. x

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

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

CALCULATION OF REGISTRATION FEE

Title Of Each Class Of Securities To Be Registered	Amount to be registered	Proposed Maximum Offering Price per Common Unit	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Common units representing limited partner interests	14,200,422	N/A	$620,842,450	$71,149(2)

(1) Pursuant to Rule 457(c) and 457(f) under the Securities Act of 1933, and solely for the purpose of calculating the registration fee, the market value of the securities to be distributed was calculated as the product of (i) 14,200,422 common units representing limited partner interests of Suburban Propane Partners, L.P. and (ii) the average of the high and low sales prices of common units representing limited partner interests of Suburban Propane Partners, L.P. on the New York Stock Exchange on July 26, 2012.

(2) A total registration fee of $75,983 was previously paid in connection with the filing of the Registration Statement (File No. 333-181314) on May 10, 2012 and July 19, 2012 based on the registration of 15,940,869 common units. The registration fee represents this previously paid fee minus $4,834, based on the 1,740,447 decrease in common units to be registered. As a result, no filing fee is being paid herewith.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be distributed until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to issue these securities in any state where the issuance is not permitted.

SUBJECT TO COMPLETION, DATED JULY 30, 2012

SUBURBAN PROPANE PARTNERS, L.P.

Up to 14,200,422 Common Units

Representing Limited Partner Interests

Suburban Propane Partners, L.P. (**Suburban**) is registering the issuance and distribution of up to 14,200,422 common units representing limited partnership interests. Our common units are listed on the New York Stock Exchange under the symbol SPH. On July 26, 2012 the last reported sale price of our common units on the New York Stock Exchange was $43.61 per common unit.

We are issuing an aggregate of up to 14,200,422 common units to Inergy, L.P. (**Inergy**) and Inergy Sales & Service, Inc. (**Inergy Sales**), a wholly owned subsidiary of Inergy, in connection with the Inergy Propane Acquisition (as defined herein). Inergy Sales will distribute any and all common units it receives in connection with the Inergy Propane Acquisition to Inergy. Thereafter, in connection with the Inergy Propane Acquisition, Inergy will distribute up to 14,058,418 of our common units to its unitholders of record as of the Record Date (as defined herein), pro rata, for no consideration and will retain up to 142,004 common units. The Suburban common units covered by this prospectus constitute the Equity Consideration (as defined herein) to be issued by Suburban Propane to Inergy and Inergy Sales in connection with the Inergy Propane Acquisition and in accordance with the terms of the Contribution Agreement. See Inergy Propane Acquisition and Related Transactions The Contribution Agreement.

Inergy is deemed to be acting as an underwriter under the Securities Act of 1933, as amended (the **Securities Act**), in connection with its distribution of up to 14,058,418 common units covered by this prospectus to the unitholders of Inergy. See Plan of Distribution.

We will receive no cash proceeds from our issuance or Inergy s distribution of the common units.

Investing in our common units involves risks. See Risk Factors beginning on page 9. These risks include:

- Since weather conditions may adversely affect demand for propane, fuel oil and other refined fuels and natural gas, our results of operations and financial condition are vulnerable to warm winters.

- Cash distributions are not guaranteed and may fluctuate with our performance and other external factors.

We may not be able to successfully integrate Inergy Propane s operations with our operations, which could cause our business to suffer.

Holders of our common units have limited voting rights.

Our issuance of the common units to Inergy and Inergy Sales will be made as soon as practicable following the closing of the Inergy Propane Acquisition and the effectiveness of the registration statement (the **Form S-1**) of which this prospectus is a part. Inergy intends to distribute up to 14,058,418 of our common units to its unitholders, pro rata, as promptly as practicable following the effectiveness of the Form S-1 of which this prospectus is a part.

Subject to the approval of the board of directors of Inergy s general partner, Inergy s management expects that the distribution would be made no later than the payment date of Inergy s first regular quarterly cash distribution declared after the closing of the Inergy Propane Acquisition. Such date, as determined by the board of directors of Inergy s general partner is referred to herein as the **Distribution Date**. The board of directors of Inergy s general partner will determine a corresponding record date (the **Record Date**) for the distribution, which Inergy s management expects to be no later than the record date for Inergy s first regular quarterly cash distribution declared after the closing of the Inergy Propane Acquisition.

If you are a record holder of Inergy units as of the Record Date, you will be entitled to receive a pro rata share of the Suburban common units issued to Inergy based on the number of Inergy units you hold on the Record Date. We will issue the Suburban common units to Inergy and Inergy Sales in book-entry form, which means that we will not issue physical stock certificates.

The transfer agent will not distribute any fractional units of Suburban common units. Instead, the transfer agent will aggregate fractional units into whole units and issue those units to Inergy. Each Inergy unitholder that would have been entitled to receive a fractional unit in the distribution from Inergy will instead be entitled to receive from Inergy a cash payment equal to the value of such fractional unit based on the market price of the Suburban common units on the third trading day immediately preceding the Distribution Date (as defined herein).

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2012.

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You should rely only on the information contained in this document or in any free writing prospectus we may authorize to be distributed to you. Neither we nor Inergy has authorized anyone to provide you with information that is different from that contained in this prospectus or any free writing prospectus prepared by us or on our behalf. We do not, and Inergy does not, take any responsibility for, and can provide no assurances as to, the reliability of any information that others provide to you. We are issuing common units only in jurisdictions where issuances are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any issuance of the common units.

This prospectus contains forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond our control. Please read Risk Factors and Special Note Regarding Forward-Looking Statements.

Industry and Market Data

We obtained the market and competitive position data used throughout this prospectus from internal surveys, as well as market research, publicly available information and industry publications as indicated herein. Industry publications, including those referenced herein, generally state that the information presented therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys and market research, while believed to be reliable, have not been independently verified, and neither Suburban nor Inergy makes any representation as to the accuracy of such information.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements, relating to future business expectations and predictions and financial condition and results of operations of Suburban. Some of these statements can be identified by the use of forward-looking terminology such as prospects, outlook, believes, estimates, intends, may, will, should, anticipates, expects or plans or the negative or other variation of these or similar v discussion of trends and conditions, strategies or risks and uncertainties. These forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those discussed or implied in such forward-looking statements (statements contained in this prospectus and identifying such risks and uncertainties are referred to as cautionary statements). They include statements regarding the timing and expected benefits of the Inergy Propane Acquisition (as defined herein), and also include statements relating to or regarding:

- the cost savings, transaction costs or integration costs that Suburban anticipates to arise from the Inergy Propane Acquisition;
- various actions to be taken or requirements to be met in connection with completing the Inergy Propane Acquisition or integrating the operations of Inergy Propane (as defined herein) into Suburban s operations;
- revenue, income and operations of the combined company after the Inergy Propane Acquisition is consummated;
- future issuances of debt and equity securities and Suburban s ability to achieve financing in connection with the Inergy Propane Acquisition or otherwise; and
- other objectives, expectations and intentions and other statements that are not historical facts.

These forward-looking statements are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. The following factors, among others, including those discussed in the Risk Factors section of this prospectus, could cause actual results to differ materially from those described in the forward-looking statements:

- expected cost savings from the Inergy Propane Acquisition may not be fully realized or realized within the expected time frame;
- Suburban s revenue following the Inergy Propane Acquisition may be lower than expected;
- adverse weather conditions may result in reduced demand;
- costs or difficulties related to obtaining regulatory approvals for completing the Inergy Propane Acquisition and, following the consummation of the Inergy Propane Acquisition, the integration of the businesses of Inergy Propane and Suburban may be greater than expected;
- general economic conditions, either internationally or nationally or in the jurisdictions in which Suburban is doing business, may be less favorable than expected;
- Suburban may be unable to retain key personnel after the Inergy Propane Acquisition; and

operating, legal and regulatory risks Suburban may face.

These risks and other factors that may impact Suburban s assumptions are more particularly described under the caption Risk Factors in this prospectus. While Suburban believes that its assumptions are reasonable, it is very difficult to predict the impact of known factors on, and it is impossible to anticipate all factors that could affect, Suburban s actual results. All subsequent written and oral forward-looking statements attributable to Suburban or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Neither Suburban nor any other party undertakes any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

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PROSPECTUS SUMMARY

This summary highlights information included in this prospectus. It does not contain all of the information that may be important to you as an investor in our common units. You should read carefully the entire prospectus, including the Risk Factors section herein, the consolidated historical financial statements and related notes and the unaudited pro forma condensed combined financial statements and related notes included herein. Unless the context otherwise requires, references to Suburban, the Partnership, we, us and our refer to Suburban Propane Partners, L.P. and its subsidiaries. We include a glossary of some of the terms we use to describe our business and industry and other terms used in this prospectus in Appendix A.

Our Company

Suburban Propane Partners, L.P. (**Suburban**), a publicly traded Delaware limited partnership, is a nationwide marketer and distributor of a diverse array of products meeting the energy needs of our customers. We specialize in the distribution of propane, fuel oil and refined fuels, as well as the marketing of natural gas and electricity in deregulated markets. In support of our core marketing and distribution operations, we install and service a variety of home comfort equipment, particularly in the areas of heating and ventilation. We believe, based on *LP/Gas Magazine* dated February 2012 and after taking into effect the combination of two larger competitors earlier this year, that we are the fourth largest retail marketer of propane in the United States, measured by retail gallons sold in the calendar year 2011. As of September 24, 2011, we were serving the energy needs of approximately 750,000 residential, commercial, industrial and agricultural customers through approximately 300 locations in 30 states located primarily in the east and west coast regions of the United States, including Alaska. We sold approximately 298.9 million gallons of propane and 37.2 million gallons of fuel oil and refined fuels to retail customers during the year ended September 24, 2011. We were organized on December 18, 1995 and, together with our predecessor companies, have been continuously engaged in the retail propane business since 1928.

We conduct our business principally through Suburban Propane, L.P., a Delaware limited partnership, which operates our propane business and assets (the **Operating Partnership**), and its direct and indirect subsidiaries. Our general partner, and the general partner of our Operating Partnership, is Suburban Energy Services Group LLC (the **General Partner**), a Delaware limited liability company whose sole member is the Chief Executive Officer of Suburban. Since October 19, 2006, the General Partner has had no economic interest in either Suburban or the Operating Partnership (which means that the General Partner is not entitled to any cash distributions of either partnership, nor to any cash payment upon the liquidation of either partnership, nor any other economic rights in either partnership) other than as a holder of 784 common units of Suburban. Additionally, under the Third Amended and Restated Agreement of Limited Partnership (the **Partnership Agreement**) of Suburban, there are no incentive distribution rights for the benefit of the General Partner. Suburban owns (directly and indirectly) all of the limited partner interests in the Operating Partnership. The common units represent 100% of the limited partner interests in Suburban.

Subsidiaries of the Operating Partnership include Suburban Sales and Service, Inc. (the **Service Company**), which conducts a portion of Suburban s service work and appliance and parts businesses. The Service Company is the sole member of Gas Connection, LLC (d/b/a HomeTown Hearth & Grill), and Suburban Franchising, LLC. HomeTown Hearth & Grill sells and installs natural gas and propane gas grills, fireplaces and related accessories and supplies through two retail stores in the northwest and northeast regions as of September 24, 2011. Suburban Franchising creates and develops propane related franchising business opportunities.

Through an acquisition in fiscal 2004, we transformed our business from a marketer of a single fuel into one that provides multiple energy solutions, with expansion into the marketing and distribution of fuel oil and refined fuels, as well as the marketing of natural gas and electricity. Our fuel oil and refined fuels, natural gas and

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electricity and services businesses are structured as either limited liability companies or corporate entities (collectively referred to as **Corporate Entities**) and, as such, are subject to corporate level income tax.

Inergy Propane Acquisition and Related Transactions

Reasons for the Transaction

Our Board of Supervisors believes that the Inergy Propane Acquisition would provide the following benefits to our business operations and our Unitholders, and that such benefits would likely not be attainable if the Inergy Propane Acquisition was not consummated. Attainment of these potential benefits is the primary reason underlying our Board of Supervisors determination to pursue the Inergy Propane Acquisition.

The Inergy Propane Acquisition Will Provide Us with the Support of Additional Resources The increased size, scale and financial resources of the combined business operations is expected to reduce our overall business risk profile.

The Inergy Propane Acquisition Will Allow Us to Expand Our Reach We expect to be able to expand our customer satisfaction initiatives into a larger customer base and new geographies.

The Inergy Propane Acquisition Offers Synergy Opportunities We believe that there are opportunities for significant cost savings to be achieved in combining the operations of Suburban and Inergy Propane (as defined herein).

The Contribution Agreement

On April 25, 2012, Suburban entered into a Contribution Agreement, as amended on June 15, 2012, July 6, 2012 and July 19, 2012 (the **Contribution Agreement**), with Inergy, L.P., a Delaware limited partnership (**Inergy**), Inergy GP, LLC, a Delaware limited liability company (**NRGY GP**), and Inergy Sales & Service, Inc., a Delaware corporation (**Inergy Sales**).

The Contribution Agreement provides that Inergy and NRGY GP will contribute to Suburban 100% of the limited liability company interests (the **Inergy Propane Interests**) in Inergy Propane, LLC, a Delaware limited liability company, which at the closing of the transaction will hold only the following interests: (i) 100% of the limited partner interests in Liberty Propane, L.P., a Delaware limited partnership (**Liberty Propane**), which in turn owns 100% of the limited liability company interests in Liberty Propane Operations, LLC, a Delaware limited liability company (**Liberty Operations**); and (ii) 100% of the limited liability company interests in Liberty Propane GP, LLC, a Delaware limited liability company (**Liberty Propane GP**), which in turn owns 100% of the general partner interest in Liberty Propane (collectively with the Inergy Propane Interests, these interests are referred to herein as the **Acquired Interests**). Following the closing of the Inergy Propane Acquisition (as defined below), Inergy Propane, Liberty Propane, Liberty Operations and Liberty Propane GP will be indirect wholly-owned subsidiaries of Suburban. Inergy will also contribute certain assets of Inergy Sales to Suburban (the **Acquired Assets**). Prior to the closing date of the Inergy Propane Acquisition, certain subsidiaries of Inergy Propane, LLC, which will not be contributed pursuant to the Contribution Agreement, will be distributed by Inergy Propane, LLC to Inergy. See Inergy Propane Acquisition and Related Transactions.

Upon contribution, transfer, assignment, and delivery of the Acquired Interests and Acquired Assets to Suburban, Suburban will issue and deliver to Inergy and Inergy Sales, as consideration in connection with the Inergy Propane Acquisition, subject to certain adjustments, an aggregate of up to 14,200,422 newly issued Suburban common units (the **Equity Consideration**). The Equity Consideration consists of (i) the **Initial Equity Consideration** which is equal to 13,892,587 Suburban common units, and (ii) the **Additional Equity Consideration** which is equal to a number of Suburban common units determined by dividing (a) the Inergy Cash Consideration (as defined below) by (b) $42.50, rounded to the nearest whole Suburban common unit. As of July 26, 2012 the aggregate amount of Additional Equity Consideration shall not exceed 307,835 Suburban common units. Inergy Sales will distribute any and all Suburban common units it receives in connection with the Inergy Propane Acquisition to Inergy. Thereafter, in connection with the Inergy Propane Acquisition and pursuant to the Contribution Agreement, Inergy will distribute ninety-nine percent (99%) of any and all Equity Consideration received to its unitholders and will retain one percent (1%) of any and all Equity Consideration.

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Pursuant to the Contribution Agreement, Suburban and its wholly-owned subsidiary Suburban Energy Finance Corp. commenced a private offer to exchange (the **Exchange Offers**) any and all of the outstanding unsecured 7% Senior Notes due 2018 (the **2018 Inergy Notes**) and 6 7/8% Senior Notes due 2021 (the **2021 Inergy Notes**, and together with the 2018 Inergy Notes, the **Inergy Notes**) issued by Inergy and Inergy Finance Corp., which have an aggregate principal amount outstanding of $1.2 billion, for a combination of up to $1.0 billion in aggregate principal amount of new unsecured 7 1/2% Senior Notes due 2018 and 7 3/8% Senior Notes due 2021, respectively, issued by Suburban and Suburban Energy Finance Corp. (collectively, the **SPH Notes**) and up to $200.0 million in cash to be paid to tendering noteholders (the **Exchange Offer Cash Consideration**). Pursuant to the Contribution Agreement, we must pay Inergy the difference, if any, between $200.0 million and the Exchange Offer Cash Consideration paid in accordance with the terms of the Exchange Offers, subject to certain adjustments (such payment, the **Inergy Cash Consideration**). Suburban will satisfy the Inergy Cash Consideration solely by delivering to Inergy the Additional Equity Consideration.

The Contribution Agreement provides that Suburban will offer approximately $65.0 million in aggregate cash consent payments in connection with the Exchange Offers and that Inergy will pay $36.5 million to Suburban in cash at Acquisition Closing Date (as defined herein). For more information, see Unaudited Pro Forma Condensed Combined Financial Information.

As of July 26, 2012, at 5:00 p.m. New York City time, Suburban had received tenders from holders representing approximately 98.09% of the total outstanding principal amount of the 2018 Inergy Notes, and tenders and consents from holders representing approximately 99.73% of the total outstanding principal amount of the 2021 Inergy Notes. The minimum tender condition has been satisfied with respect to the Exchange Offers and requisite consents have been received for both series of Inergy Notes. Based on the results of the Exchange Offers as of July 26, 2012, the Inergy Cash Consideration due to Inergy was approximately $13.1 million. The Inergy Cash Consideration will be satisfied by the issuance of the Additional Equity Consideration. The Exchange Offers expire on August 1, 2012, at 12:01 a.m. New York City time (the **Expiration Date**), subject to extension. Any additional tenders received prior to the Expiration Date (as it may be extended) will increase the Exchange Offer Cash Consideration paid to tendering noteholders and decrease the Inergy Cash Consideration. Accordingly, because the Inergy Cash Consideration will be satisfied solely through issuance of Additional Equity Consideration, any decrease in the Inergy Cash Consideration will reduce the number of Suburban common units issued as Additional Equity Consideration. Assuming that no additional tenders are received pursuant to the Exchange Offers subsequent to July 26, 2012, Inergy (i) will receive 14,200,422 Suburban common units, (ii) will subsequently distribute 14,058,418 of such Suburban common units to its unitholders as of the Record Date, pro rata, and (iii) will retain 1% of such common units, or 142,004 Suburban common units.

Consummation of the Inergy Propane Acquisition is subject to customary conditions, including, without limitation, (i) the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the **HSR Act**), which condition was satisfied on June 15, 2012; and (ii) the absence of any law, order or injunction prohibiting the Inergy Propane Acquisition, Exchange Offers and the related transactions. Moreover, each party s obligation to consummate the Inergy Propane Acquisition is subject to certain other conditions, including without limitation, (x) the accuracy of the other party s representations and warranties (subject to customary materiality qualifiers), and (y) the other party s compliance with its covenants and agreements contained in the Contribution Agreement (subject to customary materiality qualifiers). The Contribution Agreement also contains termination rights for Suburban and Inergy.

The transactions described above that are contemplated by the terms of the Contribution Agreement are referred to herein as the **Inergy Propane Acquisition**. The Acquired Interests and Acquired Assets are collectively referred to herein as **Inergy Propane**.

Appraisal Rights

Under the Delaware Revised Uniform Limited Partnership Act, as amended, supplemented or restated from time to time, and any successor to such statute (the **Delaware Act**) and the third amended and restated partnership agreement of Inergy, Inergy unitholders have no appraisal or dissenters rights in connection with the Inergy Propane Acquisition.

Accounting Treatment

Suburban prepares its financial statements in conformity with accounting principles generally accepted in the United States of America (**US GAAP**). The Inergy Propane Acquisition will be accounted for by applying the acquisition method with Suburban treated as the acquirer.

Acquisition-Related Financing Arrangements

Bank Financing

On April 25, 2012, we entered into a commitment letter (the **Bank Commitment Letter**) with certain of our lenders who are party to the Credit Agreement (as defined herein) pursuant to which such lenders committed to provide (i) in the aggregate, subject to the satisfaction of certain conditions precedent, up to $250.0 million senior secured 364-day incremental term loan facility (the **364-Day Facility**) and (ii) an increase in the aggregate, subject to the satisfaction of certain conditions precedent, of our existing revolving credit facility under the Credit Agreement from $250.0 million to $400.0 million (the **Commitment Increase**). We expect to draw $225.0 million on the 364-Day Facility on the Acquisition Closing Date, which, together with available cash, will be used for the purposes of paying (i) the Exchange Offer Cash Consideration, (ii) costs and fees related to the Exchange Offers, and (iii) costs and expenses related to the Inergy Propane Acquisition. We intend to repay such borrowings with an equity financing in the future, subject to market conditions. On April 25, 2012**,** we also received consents from all of the lenders under the Credit Agreement (**Credit Agreement Consents**) to enable us on the Acquisition Closing Date to incur additional indebtedness, make amendments to the Credit Agreement to adjust certain covenants, and otherwise perform our obligations as contemplated by the Inergy Propane Acquisition.

In order to implement the Bank Commitment Letter and the Credit Agreement Consents, we intend to amend (the **Credit Agreement Amendment**) our Amended and Restated Credit Agreement, dated as of January 5, 2012, among Suburban Propane, L.P. (as the borrower), Suburban Propane Partners, L.P. (as the parent) and the lenders party thereto (the **Credit Agreement**), effective on the Acquisition Closing Date. The Credit Agreement Amendment will include the 364-Day Facility, the Commitment Increase, amendments to covenants relating thereto and the Credit Agreement Consents and provision for the reinstatement and increase from $150.0 million to $250.0 million of the existing uncommitted incremental term facility under the Credit Agreement when the 364-Day Facility is repaid or prepaid in full.

As of March 24, 2012 and without consideration of the Commitment Increase in the future, Suburban had remaining availability under the existing Credit Agreement of approximately $103.1 million.

Recent Developments

Exchange Offer Minimum Tender Condition Satisfied

As of July 26, 2012, at 5:00 p.m. New York City time, Suburban had received tenders and consents from holders representing approximately 98.09% of the total outstanding principal amount of the 2018 Inergy Notes, and tenders and consents from holders representing approximately 99.73% of the total outstanding principal amount of the 2021 Inergy Notes. The minimum tender condition has been satisfied with respect to the Exchange Offers and requisite consents have been received for both series of Inergy Notes. Based on the results of the Exchange Offers as of July 26, 2012, the Inergy Cash Consideration due to Inergy and Inergy Sales was approximately $13.1 million. The Inergy Cash Consideration will be satisfied by the issuance of the Additional Equity Consideration. Completion of the Inergy Propane Acquisition is conditioned upon, among other things, satisfaction of the minimum tender condition.

HSR Waiting Period Terminated

Completion of the Inergy Propane Acquisition is also conditioned upon the receipt of required governmental consents, approvals, orders and authorizations, including the expiration or termination of the applicable waiting period under the HSR Act. Suburban and Inergy filed the required antitrust documents relating to the Inergy Propane Acquisition under the HSR Act with the Federal Trade Commission (the **FTC**) and the Department of Justice (the **DOJ**). On June 15, 2012, Suburban and Inergy received notification of the early termination of the HSR waiting period.

Third Quarter Financial Results

The preliminary financial data included in this registration statement has been prepared by and is the responsibility of Suburban s management. PricewaterhouseCoopers LLP has not audited, reviewed, compiled or performed any procedures with respect to the accompanying preliminary financial data. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

On or about August 2, 2012, we are scheduled to announce our results for the fiscal third quarter ended June 23, 2012. Based on continued warm weather trends impacting weather-sensitive volumes, it is anticipated that our Adjusted EBITDA for the third quarter of fiscal 2012 will be in a range of $2 million to $5 million compared to Adjusted EBITDA in the prior year third quarter of $10.3 million.

Given the seasonal nature of the propane and fuel oil business, Suburban typically experiences a net loss in the fiscal third quarter. See Management s Discussion and Analysis of Financial Condition and Results of Operations Executive Overview Seasonality. We have provided a range for the preliminary results described above primarily because our financial closing procedures for the month and quarter ended June 23, 2012 are not yet complete. We currently expect that our final results will be within the ranges described above. It is possible, however, that our final results will not be within the ranges we currently estimate.

EBITDA represents net income before deducting interest expense, income taxes, depreciation and amortization. Adjusted EBITDA represents EBITDA excluding the unrealized net gain or loss on mark-to-market activity for derivative instruments and acquisition-related costs. Our management uses EBITDA and Adjusted EBITDA as measures of liquidity and we are including them because we believe that they provide our investors and industry analysts with additional information to evaluate our ability to meet our debt service obligations and to pay our quarterly distributions to holders of our Common Units.

In addition, certain of our incentive compensation plans covering executives and other employees utilize Adjusted EBITDA as the performance target. Moreover, our revolving credit agreement requires us to use Adjusted EBITDA as a component in calculating our leverage and interest coverage ratios. EBITDA and Adjusted EBITDA are not recognized terms under US GAAP and should not be considered as an alternative to net income or net cash provided by operating activities determined in accordance with US GAAP. Because EBITDA and Adjusted EBITDA as determined by us excludes some, but not all, items that affect net income, they may not be comparable to EBITDA and Adjusted EBITDA or similarly titled measures used by other companies.

The following table sets forth (i) our calculations of EBITDA and Adjusted EBITDA and (ii) a reconciliation of Adjusted EBITDA, as so calculated, to our net cash provided by operating activities (unaudited):

	Three Months Ended		
	June 23, 2012 Range		June 25, 2011
	Low	High	
		(in thousands)	
Net loss	$ (11,200)	$ (8,200)	$ (6,787)
Add:			
Provision for income taxes	100	100	273
Interest expense, net	6,500	6,500	6,867
Depreciation and amortization	8,500	8,500	9,670
EBITDA	3,900	6,900	10,023
Unrealized (non-cash) (gains) losses on changes in fair value of derivatives	(8,200)	(8,200)	313
Acquisition-related costs	6,300	6,300	
Adjusted EBITDA	2,000	5,000	10,336
Add / (subtract):			
Provision for income taxes	(100)	(100)	(273)
Interest expense, net	(6,500)	(6,500)	(6,867)
Unrealized (non-cash) gains (losses) on changes in fair value of derivatives	8,200	8,200	(313)
Acquisition-related costs	(6,300)	(6,300)	
Loss on disposal of property, plant and equipment, net			67
Compensation cost recognized under Restricted Unit Plans	900	900	737
Changes in working capital and other assets and liabilities	56,200	56,200	56,316
Net cash provided by operating activities	$ 54,400	$ 57,400	$ 60,003

Risk Factors

Investing in our common units involves a high degree of risk. You should carefully consider the risks described under Risk Factors included in this prospectus.

Our Company Information

Suburban s common units are traded on the New York Stock Exchange under the symbol SPH. Our principal executive offices are located at One Suburban Plaza, 240 Route 10 West, Whippany, NJ 07981, and our telephone number is (973) 887-5300. Our website address is www.suburbanpropane.com. **However, the information contained on or accessible through our website is not part of this prospectus or the Form S-1.**

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The Issuance of Common Units

Common units to be distributed	We are issuing an aggregate of up to 14,200,422 common units to Inergy and Inergy Sales, a wholly owned subsidiary of Inergy, as Equity Consideration in connection with the Inergy Propane Acquisition. The Equity Consideration consists of (i) the Initial Equity Consideration, which is equal to 13,892,587 Suburban common units, and (ii) the Additional Equity Consideration, which is equal to a number of Suburban common units determined by dividing (a) the Inergy Cash Consideration by (b) $42.50, rounded to the nearest whole Suburban common unit. As of July 26, 2012, the aggregate amount of Additional Equity Consideration shall not exceed 307,835 Suburban common units. Inergy Sales will distribute any and all Suburban common units it receives in connection with the Inergy Propane Acquisition to Inergy. Thereafter, in connection with the Inergy Propane Acquisition and pursuant to the Contribution Agreement, Inergy will distribute ninety-nine percent (99%) of any and all Equity Consideration received to its unitholders and will retain one percent (1%) of any and all Equity Consideration. Assuming that no additional tenders are received pursuant to the Exchange Offers subsequent to the date hereof, Inergy (i) will receive 14,200,422 Suburban common units, (ii) will subsequently distribute 14,058,418 of such Suburban common units to its unitholders as of the Record Date, pro rata, and (iii) will retain 1% of such common units, or 142,004 Suburban common units. See Inergy Propane Acquisition and Related Transactions and Plan of Distribution.
Common units to be outstanding immediately after this issuance and distribution	Up to 49,747,240 common units (based on 35,546,818 common units outstanding as of July 26, 2012), assuming that no additional tenders are received pursuant to the Exchange Offers subsequent to the date hereof. Additional tenders by Inergy noteholders will reduce the number of Suburban common units issued as Equity Consideration in connection with the Inergy Propane Acquisition and, consequently, the number of Suburban common units outstanding immediately after this issuance and distribution.
Distribution Date	Subject to the approval of the board of directors of Inergy s general partner, Inergy s management expects that the distribution would be made no later than the payment date of Inergy s first regular quarterly cash distribution declared after the closing of the Inergy Propane Acquisition. Such date, as determined by the board of directors of Inergy s general partner is referred to herein as the **Distribution Date**.
Record Date	The board of directors of Inergy s general partner will determine a corresponding record date (the **Record Date**) for the distribution, which Inergy s management expects to be no later than the record date for Inergy s first regular quarterly cash distribution declared after the closing of the Inergy Propane Acquisition.
Use of proceeds	We will not receive any cash proceeds from the issuance of common units. The common units are being issued as consideration in connection with the Inergy Propane Acquisition and pursuant to the Contribution Agreement. See Use of Proceeds and Inergy Propane Acquisition and Related Transactions.
Distribution policy	

Under our Partnership Agreement, we must distribute all of our cash on hand at the end of each quarter, less reserves established by our Board of Supervisors in its discretion. We refer to this cash as available cash, and we define its meaning in our Partnership Agreement.

On April 18, 2012, we declared a quarterly cash distribution for the quarter ended March 24, 2012 of $0.8525 per common unit, or $3.41 per common unit on an annualized basis. The distribution attributable to the quarter ended March 24, 2012 was paid May 8, 2012 to holders of record of our common units as of May 1, 2012.

On April 25, 2012, our Board of Supervisors approved an increase in our annualized distribution rate to $3.50 per common unit (conditioned on the closing of the Inergy Propane Acquisition). The distribution at this increased rate will be effective for the quarterly distribution paid in respect of our first quarter of fiscal 2013, ending December 29, 2012 (assuming closing of the Inergy Propane Acquisition by the applicable record date).

On July 17, 2012, our Board of Supervisors declared a quarterly cash distribution for the quarter ended June 23, 2012 of $0.8525 per common unit, or $3.41 per common unit on an annualized basis. The distribution is payable on August 7, 2012 to holders of record of our common units as of July 31, 2012.

The Distribution	On the Distribution Date, the Suburban common units will be distributed to Inergy unitholders. The transfer agent will distribute our common units in book-entry form. We will not issue any physical certificates. The transfer agent, or your bank, broker or other nominee, will credit your Suburban common units to your book-entry account, or your bank, brokerage or other account, on or shortly after the Distribution Date. You will not be required to make any payment, surrender or exchange your Inergy units or take any other action to receive your Suburban common units. Please note that if you sell your Inergy units on or before the Distribution Date, the buyer of those units may in some circumstances be entitled to receive the Suburban common units issuable in respect of the Inergy units that you sold.
Distribution ratio	Each recordholder of Inergy units will receive a pro rata share of the Suburban common units issued to Inergy, net of Suburban common units retained by Inergy, based on the number of Inergy units such recordholder holds on the Record Date.
Fractional units	Only whole Suburban common units will be distributed to Inergy unitholders. See Plan of Distribution for more detail. The transfer agent will not distribute any fractional Suburban common units to Inergy s unitholders. Instead, the transfer agent will aggregate fractional units into whole units and issue those units to Inergy. Each Inergy unitholder that would have been entitled to receive a fractional unit in the distribution will instead be entitled to receive from Inergy a cash payment equal to the value of such fractional unit based on the market price of the Suburban common units on the third trading day immediately preceding the Distribution Date.
Issuance of additional units	Our Partnership Agreement generally allows us to issue additional limited partner interests and other equity securities without the approval of our unitholders. See Units Eligible for Future Sale and The Partnership Agreement Issuance of Additional Interests.
Limited voting rights	A Board of Supervisors manages our operations. Our unitholders have only limited voting rights on matters affecting our business, including the right to elect members of our Board of Supervisors every three years.
New York Stock Exchange symbol	SPH
Material U.S. federal income tax considerations	For a discussion of material U.S. federal income tax considerations that may be relevant to potential holders of our common units, please see Material U.S. Federal Income Tax Considerations.
Risk factors	For a discussion of risks relating to our business and to holders of our common units, see Risk Factors.

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Organizational Structure

The following chart provides a simplified overview of our organization structure. Our General Partner holds 784 common units in us. The chart also reflects the inclusion of Inergy Propane, following the consummation of the Inergy Propane Acquisition.

RISK FACTORS

Investing in our common units involves a high degree of risk. The most significant risks include those described below; however, additional risks that we currently do not know about or that we currently believe to be immaterial may also impair our business operations. You should carefully consider the following risk factors, as well as the other information in this prospectus. If any of the following risks actually occurs, our business, results of operations and financial condition could be materially adversely affected. In this case, the trading price of our common units would likely decline and you might lose part or all of the value in our common units.

Risks Related to Our Business and Industry

Since weather conditions may adversely affect demand for propane, fuel oil and other refined fuels and natural gas, our results of operations and financial condition are vulnerable to warm winters.

Weather conditions have a significant impact on the demand for propane, fuel oil and other refined fuels and natural gas for both heating and agricultural purposes. Many of our customers rely on propane, fuel oil or natural gas primarily as a heating source. The volume of propane, fuel oil and natural gas sold is at its highest during the six-month peak heating season of October through March and is directly affected by the severity of the winter. Typically, we sell approximately two-thirds of our retail propane volume and approximately three-fourths of our retail fuel oil volume during the peak heating season.

Actual weather conditions can vary substantially from year to year, significantly affecting our financial performance. For example, average temperatures in our service territories were 1%, 5% and 1% warmer than normal for fiscal 2011, fiscal 2010 and fiscal 2009, respectively, as measured by the number of heating degree days reported by the National Oceanic and Atmospheric Administration (**NOAA**). In addition, for the six month period from October 2011 through March 2012, average temperature in our service territories was 14% warmer than normal, which period has been reported by NOAA as the warmest on record in the contiguous United States. Furthermore, variations in weather in one or more regions in which we operate can significantly affect the total volume of propane, fuel oil and other refined fuels and natural gas we sell and, consequently, our results of operations. Variations in the weather in the northeast, where we have a greater concentration of propane accounts and substantially all of our fuel oil and natural gas operations, generally have a greater impact on our operations than variations in the weather in other markets. We can give no assurance that the weather conditions in any quarter or year will not have a material adverse effect on our operations, or that our available cash will be sufficient to pay principal and interest on our indebtedness and distributions to holders of our common units.

Sudden increases in the price of propane, fuel oil and other refined fuels and natural gas due to, among other things, our inability to obtain adequate supplies from our usual suppliers, may adversely affect our operating results.

Our profitability in the retail propane, fuel oil and refined fuels and natural gas businesses is largely dependent on the difference between our product cost and retail sales price. Propane, fuel oil and other refined fuels and natural gas are commodities, and the unit price we pay is subject to volatile changes in response to changes in supply or other market conditions over which we have no control, including the severity of winter weather and the price and availability of competing alternative energy sources. In general, product supply contracts permit suppliers to charge posted prices at the time of delivery or the current prices established at major supply points, including Mont Belvieu, Texas, and Conway, Kansas. In addition, our supply from our usual sources may be interrupted due to reasons that are beyond our control. As a result, the cost of acquiring propane, fuel oil and other refined fuels and natural gas from other suppliers might be materially higher at least on a short-term basis. Since we may not be able to pass on to our customers immediately, or in full, all increases in our wholesale cost of propane, fuel oil and other refined fuels and natural gas, these increases could reduce our profitability. We engage in transactions to manage the price risk associated with certain of our product costs from time to time in an attempt to reduce cost volatility and to help ensure availability of product. We can give no assurance that future volatility in propane, fuel oil and natural gas supply costs will not have a material adverse

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effect on our profitability and cash flow, or that our available cash will be sufficient to pay principal and interest on our indebtedness and distributions to holders of our common units.

High prices for propane, fuel oil and other refined fuels and natural gas can lead to customer conservation, resulting in reduced demand for our product.

Prices for propane, fuel oil and other refined fuels and natural gas are subject to fluctuations in response to changes in wholesale prices and other market conditions beyond our control. Therefore, our average retail sales prices can vary significantly within a heating season or from year to year as wholesale prices fluctuate with propane, fuel oil and natural gas commodity market conditions. During periods of high propane, fuel oil and other refined fuels and natural gas product costs our selling prices generally increase. High prices can lead to customer conservation, resulting in reduced demand for our product.

Because of the highly competitive nature of the retail propane and fuel oil businesses, we may not be able to retain existing customers or acquire new customers, which could have an adverse impact on our operating results and financial condition.

The retail propane and fuel oil industries are mature and highly competitive. We expect overall demand for propane and fuel oil to be relatively flat to moderately declining over the next several years. Year-to-year industry volumes of propane and fuel oil are expected to be primarily affected by weather patterns and from competition intensifying during warmer than normal winters, as well as from the impact of a sustained higher commodity price environment on customer conservation and the impact of continued weakness in the economy on customer buying habits.

Propane and fuel oil compete with electricity, natural gas and other existing and future sources of energy, some of which are, or may in the future be, less costly for equivalent energy value. For example, natural gas is a significantly less expensive source of energy than propane and fuel oil on an equivalent British Thermal Unit (**BTU**) basis. As a result, except for some industrial and commercial applications, propane and fuel oil are generally not economically competitive with natural gas in areas where natural gas pipelines already exist. The gradual expansion of the nation s natural gas distribution systems has made natural gas available in many areas that previously depended upon propane or fuel oil. We expect this trend to continue. Propane and fuel oil compete to a lesser extent with each other due to the cost of converting from one to the other.

In addition to competing with other sources of energy, our propane and fuel oil businesses compete with other distributors of those respective products principally on the basis of price, service and availability. Competition in the retail propane business is highly fragmented and generally occurs on a local basis with other large full-service multi-state propane marketers, thousands of smaller local independent marketers and farm cooperatives. Our fuel oil business competes with fuel oil distributors offering a broad range of services and prices, from full service distributors to those offering delivery only. In addition, our existing fuel oil customers, unlike our existing propane customers, generally own their own tanks, which can result in intensified competition for these customers.

As a result of the highly competitive nature of the retail propane and fuel oil businesses, our growth within these industries depends on our ability to acquire other retail distributors, open new customer service centers, add new customers and retain existing customers. We can give no assurance that we will be able to acquire other retail distributors, add new customers and retain existing customers. For risks relating to customer retention, see Risks Related to the Inergy Propane Acquisition and the Related Transactions We may not be able to successfully integrate Inergy Propane s operations with our operations, which could cause our business to suffer.

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Energy efficiency, general economic conditions and technological advances have affected and may continue to affect demand for propane and fuel oil by our retail customers.

The national trend toward increased conservation and technological advances, including installation of improved insulation and the development of more efficient furnaces and other heating devices, has adversely affected the demand for propane and fuel oil by our retail customers which, in turn, has resulted in lower sales volumes to our customers. In addition, continued weakness in the economy may lead to additional conservation by retail customers seeking to further reduce their heating costs, particularly during periods of sustained higher commodity prices. Future technological advances in heating, conservation and energy generation and continued economic weakness may adversely affect our volumes sold, which, in turn, may adversely affect our financial condition and results of operations.

Current conditions in the global capital and credit markets, and general economic pressures, may adversely affect our financial position and results of operations.

Our business and operating results are materially affected by worldwide economic conditions. Current conditions in the global capital and credit markets and general economic pressures have led to declining consumer and business confidence, increased market volatility and widespread reduction of business activity generally. As a result of this turmoil, coupled with increasing energy prices, our customers may experience cash flow shortages which may lead to delayed or cancelled plans to purchase our products, and affect the ability of our customers to pay for our products. In addition, disruptions in the U.S. residential mortgage market, increases in mortgage foreclosure rates and failures of lending institutions may adversely affect retail customer demand for our products (in particular, products used for home heating and home comfort equipment) and our business and results of operations.

Our operating results and ability to generate sufficient cash flow to pay principal and interest on our indebtedness, and to pay distributions to holders of our common units, may be affected by our ability to continue to control expenses.

The propane and fuel oil industries are mature and highly fragmented with competition from other multi-state marketers and thousands of smaller local independent marketers. Demand for propane and fuel oil is expected to be affected by many factors beyond our control, including, but not limited to, the severity of weather conditions during the peak heating season, customer conservation driven by high energy costs and other economic factors, as well as technological advances impacting energy efficiency. Accordingly, our propane and fuel oil sales volumes and related gross margins may be negatively affected by these factors beyond our control. Our operating profits and ability to generate sufficient cash flow may depend on our ability to continue to control expenses in line with sales volumes. We can give no assurance that we will be able to continue to control expenses to the extent necessary to reduce the effect on our profitability and cash flow from these factors.

The risk of terrorism, political unrest and the current hostilities in the Middle East or other energy producing regions may adversely affect the economy and the price and availability of propane, fuel oil and other refined fuels and natural gas.

Terrorist attacks, political unrest and the current hostilities in the Middle East or other energy producing regions may adversely impact the price and availability of propane, fuel oil and other refined fuels and natural gas, as well as our results of operations, our ability to raise capital and our future growth. The impact that the foregoing may have on our industry in general, and on us in particular, is not known at this time. An act of terror could result in disruptions of crude oil or natural gas supplies and markets (the sources of propane and fuel oil), and our infrastructure facilities could be direct or indirect targets. Terrorist activity may also hinder our ability to transport propane, fuel oil and other refined fuels if our means of supply transportation, such as rail or pipeline, become damaged as a result of an attack. A lower level of economic activity could result in a decline in energy consumption, which could adversely affect our revenues or restrict our future growth. Instability in the financial markets as a result of terrorism could also affect our ability to raise capital. Terrorist activity, political unrest and

hostilities in the Middle East or other energy producing regions could likely lead to increased volatility in prices for propane, fuel oil and other refined fuels and natural gas. We have opted to purchase insurance coverage for terrorist acts within our property and casualty insurance programs, but we can give no assurance that our insurance coverage will be adequate to fully compensate us for any losses to our business or property resulting from terrorist acts.

Our financial condition and results of operations may be adversely affected by governmental regulation and associated environmental and health and safety costs.

Our business is subject to a wide and ever increasing range of federal, state and local laws and regulations related to environmental and health and safety matters including those concerning, among other things, the investigation and remediation of contaminated soil and groundwater and transportation of hazardous materials. These requirements are complex, changing and tend to become more stringent over time. In addition, we are required to maintain various permits that are necessary to operate our facilities, some of which are material to our operations. There can be no assurance that we have been, or will be, at all times in complete compliance with all legal, regulatory and permitting requirements or that we will not incur significant costs in the future relating to such requirements. Violations could result in penalties, or the curtailment or cessation of operations.

Moreover, currently unknown environmental issues, such as the discovery of additional contamination, may result in significant additional expenditures, and potentially significant expenditures also could be required to comply with future changes to environmental laws and regulations or the interpretation or enforcement thereof. Such expenditures, if required, could have a material adverse effect on our business, financial condition or results of operations.

We are subject to operating hazards and litigation risks that could adversely affect our operating results to the extent not covered by insurance.

Our operations are subject to all operating hazards and risks normally associated with handling, storing and delivering combustible liquids such as propane, fuel oil and other refined fuels. We have been, and are likely to continue to be, a defendant in various legal proceedings and litigation arising in the ordinary course of business, both as a result of these operating hazards and risks and as a result of other aspects of our business. We are self-insured for general and product, workers compensation and automobile liabilities up to predetermined amounts above which third-party insurance applies. We cannot guarantee that our insurance will be adequate to protect us from all material expenses related to potential future claims for personal injury and property damage or that these levels of insurance will be available at economical prices, or that all legal matters that arise will be covered by our insurance programs.

If we are unable to make acquisitions on economically acceptable terms or effectively integrate such acquisitions into our operations, our financial performance may be adversely affected.

The retail propane and fuel oil industries are mature. We expect overall demand for propane and fuel oil to be relatively flat to moderately declining over the next several years. With respect to our retail propane business, it may be difficult for us to increase our aggregate number of retail propane customers except through acquisitions. As a result, we expect the success of our financial performance to depend, in part, upon our ability to acquire other retail propane and fuel oil distributors or other energy-related businesses and to successfully integrate them into our existing operations and to make cost saving changes. The competition for acquisitions is intense and we can make no assurance that we will be able to acquire other propane and fuel oil distributors or other energy-related businesses on economically acceptable terms or, if we do, to integrate the acquired operations effectively.

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The adoption of climate change legislation could result in increased operating costs and reduced demand for the products and services we provide.

In December 2009, the EPA issued an Endangerment Finding under the Clean Air Act, determining that emissions of GHGs present an endangerment to public health and the environment because emissions of such gases may be contributing to warming of the earth s atmosphere and other climatic changes. Based on these findings, the EPA has begun adopting and implementing regulations to restrict emissions of GHGs and require reporting by certain regulated facilities on an annual basis.

Both Houses of the United States Congress also have considered adopting legislation to reduce emissions of GHGs. In June 2009, the American Clean Energy and Security Act of 2009, also known as the Waxman-Markey Bill, passed in the U.S. House of Representatives, but the U.S. Senate s version, The Clean Energy Jobs and American Power Act, or the Boxer-Kerry Bill, did not pass. Both bills sought to establish a cap and trade system for restricting GHG emissions. Under such system, certain sources of GHG emissions would be required to obtain GHG emission allowances corresponding to their annual emissions of GHGs. The number of emission allowances issued each year would decline as necessary to meet overall emission reduction goals. As the number of GHG emission allowances declines each year, the cost or value of allowances is expected to escalate significantly.

The adoption of federal or state climate change legislation or regulatory programs to reduce emissions of GHGs could require us to incur increased capital and operating costs, with resulting impact on product price and demand. We cannot predict whether or in what form cap-and-trade provisions and renewable energy standards may be enacted. In addition, a possible consequence of climate change is increased volatility in seasonal temperatures. It is difficult to predict how the market for our fuels would be affected by increased temperature volatility, although if there is an overall trend of warmer temperatures, it could adversely affect our business.

The adoption of derivatives legislation by Congress could have an adverse impact on our ability to hedge risks associated with our business.

On July 21, 2010, the Dodd-Frank Act was signed into law. The Dodd-Frank Act regulates derivative transactions, which include certain instruments used in our risk management activities.

The Dodd-Frank Act requires the Commodity Futures Trading Commission (the **CFTC**) and the Securities and Exchange Commission (the **SEC**) to promulgate rules and regulations relating to, among other things, swaps, participants in the derivatives markets, clearing of swaps and reporting of swap transactions. In general, the Dodd-Frank Act subjects swap transactions and participants to greater regulation and supervision by the CFTC and the SEC and will require many swaps to be cleared through a CFTC- or SEC-registered clearing facility and executed on a designated exchange or swap execution facility. There are some exceptions to these requirements for entities that use swaps to hedge or mitigate commercial risk. While we may ultimately be eligible for such exceptions, the scope of these exceptions currently is somewhat uncertain, pending further definition through rulemaking.

Among the other provisions of the Dodd-Frank Act that may affect derivative transactions are those relating to establishment of capital and margin requirements for certain derivative participants, establishment of business conduct standards, recordkeeping and reporting requirements; and imposition of position limits.

Although the Dodd-Frank Act imposes significant new regulatory requirements with respect to derivatives, the impact of the requirements will not be known definitively until new regulations have been adopted by the CFTC and the SEC. The new legislation and regulations promulgated thereunder could increase the operational and transactional cost of derivatives contracts and affect the number and/or creditworthiness of counterparties available to us.

Risks Related to the Inergy Propane Acquisition and the Related Transactions

We may not be able to successfully integrate Inergy Propane s operations with our operations, which could cause our business to suffer.

In order to obtain all of the anticipated benefits of the Inergy Propane Acquisition, we will need to combine and integrate the businesses and operations of Inergy Propane with ours. The combination of two large businesses is a complex and costly process. As a result, after the Inergy Propane Acquisition, we will be required to devote significant management attention and resources to integrating the business practices and operations of Suburban and Inergy Propane. The integration process may divert the attention of our executive officers and management from day-to-day operations and disrupt the business of Suburban and, if implemented ineffectively, preclude realization of the expected benefits of the transaction.

Our failure to meet the challenges involved in successfully integrating Inergy Propane s operations with our operations or otherwise to realize any of the anticipated benefits of the Inergy Propane Acquisition could adversely affect our results of operations. In addition, the overall integration of Suburban and Inergy Propane may result in unanticipated problems, expenses, liabilities and competitive responses. The loss of customer relationships may be above historical norms not only with respect to existing Suburban customers but also as to the Inergy Propane customers who will be serviced by Suburban upon completion of the Inergy Propane Acquisition. We expect the difficulties of combining our operations to include, among others:

- operating a significantly larger combined company with operations in more geographic areas;
- maintaining employee morale and retaining key employees;
- developing and implementing employment polices to facilitate workforce integration, and, where applicable, labor and union relations;
- preserving important strategic and customer relationships;
- the diversion of management s attention from ongoing business concerns;
- the integration of multiple information systems;
- regulatory, legal, taxation and other unanticipated issues in integrating operating and financial systems;
- coordinating marketing functions;
- consolidating corporate and administrative infrastructures and eliminating duplicative operations; and
- integrating the cultures of Suburban and Inergy Propane.

In addition, even if we are able to successfully integrate our businesses and operations, we may not fully realize the expected benefits of the Inergy Propane Acquisition within the intended time frame, or at all. Further, our post-acquisition results of operations may be affected by factors different from those existing prior to the Inergy Propane Acquisition and may suffer as a result of the Inergy Propane Acquisition. As a result, we cannot assure you that the combination of our business and operations with Inergy Propane will result in the realization of the full

benefits anticipated from the Inergy Propane Acquisition.

We expect to incur substantial expenses related to the Inergy Propane Acquisition.

We expect to incur substantial expenses in connection with completing the Inergy Propane Acquisition and integrating the business, operations, networks, systems, technologies, policies and procedures of Suburban and Inergy Propane. There are a large number of systems that must be integrated, including billing, management information, information systems, purchasing, accounting and finance, sales, payroll and benefits, fixed assets, lease administration and regulatory compliance. Although Suburban and Inergy Propane have assumed that a certain level of transaction and integration expenses would be incurred, there are a number of factors beyond their control that could affect the total amount or the timing of these integration expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. Due to these factors,

the transaction and integration expenses associated with the Inergy Propane Acquisition could, particularly in the near term, exceed the savings that we expect to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings related to the integration of the businesses following the completion of the acquisition. As a result of these expenses, both Suburban and Inergy Propane expect to take charges against their earnings before and after the completion of the Inergy Propane Acquisition. The charges taken in connection with the Inergy Propane Acquisition are expected to be significant, although the aggregate amount and timing of such charges are uncertain at present.

Whether or not the Inergy Propane Acquisition is completed, the pendency of the transaction could cause disruptions in the businesses of Suburban and Inergy Propane, which could have an adverse effect on both businesses and financial results.

In response to the announcement of the Inergy Propane Acquisition, Suburban s or Inergy Propane s customers may delay or defer purchasing decisions. Any delay or deferral of purchasing decisions by customers could negatively affect the business and results of operations of each of Suburban and Inergy Propane, regardless of whether the Inergy Propane Acquisition is ultimately completed. Similarly, current and prospective employees of Suburban and Inergy Propane may experience uncertainty about their future roles with the companies until after the Inergy Propane Acquisition is completed or if the Inergy Propane Acquisition is not completed. This may adversely affect the ability of Suburban and Inergy Propane to attract and retain key management, marketing and technical personnel. In addition, the diversion of the attention of the companies respective management teams away from the day-to-day operations during the pendency of the transaction could have an adverse effect on the financial condition and operating results of either or both companies.

If Suburban or Inergy fails to obtain all required consents and waivers, third parties may terminate or alter existing contracts.

Certain agreements with suppliers, customers, licensors or other business partners may require Suburban or Inergy to obtain the approval or waiver of these other parties in connection with the Inergy Propane Acquisition.

Suburban and Inergy have agreed to use commercially reasonable efforts to secure the necessary approvals and waivers. However, we cannot assure you that Suburban and/or Inergy will be able to obtain all of the necessary approvals and waivers, and failure to do so could have a material adverse effect on our business after the Inergy Propane Acquisition.

Additionally, under certain agreements, the Inergy Propane Acquisition may constitute a change in control of Inergy Propane, LLC and, therefore, the counterparty may exercise certain rights under the agreement upon the closing of the Inergy Propane Acquisition. Certain Inergy Propane, LLC servicing contracts, leases and debt obligations have agreements subject to such provisions. Any such counterparty may request modifications of their respective agreements as a condition to granting a waiver or consent under their agreement. There is no assurance that such counterparties will not exercise their rights under the agreements, including termination rights where available, that the exercise of any such rights will not result in a material adverse effect or that any modifications of such agreements will not result in a material adverse effect.

The Bank Commitment Letter is subject to a number of customary conditions precedent, including the absence of a material adverse effect on Suburban s business and profits at the time of funding.

Our Bank Commitment Letter is subject to a number of customary conditions precedent, including the absence of a material adverse effect on Suburban s business and profits at the time of funding. A material adverse effect, as set forth in the Bank Commitment Letter means, a material adverse change in, or a material adverse effect upon, the operations, business, assets, properties, liabilities (actual or contingent), or condition (financial or otherwise) of Suburban Propane, L.P. and its subsidiaries taken as a whole or Suburban and its subsidiaries taken as a whole (a **Bank Commitment MAE**). In addition, if the terms of the Contribution Agreement governing the Inergy Propane Acquisition are materially and adversely changed subsequent to the signing of the Contribution Agreement (a **Change Event**) without the consent of the lenders having been obtained (such consent not to be unreasonably withheld, delayed or conditioned), or if litigation is, to the knowledge of Suburban, threatened or pending, which restrains or restricts the closing of the Credit Agreement Amendment or the 364-Day Facility, the lenders have the right not to fund the commitment and consummate the related amendments to the Credit Agreement. Moreover, the occurrence of certain conditions precedent may be outside of our control. In the event that a Bank Commitment MAE, Change Event or a failure to satisfy other conditions precedent specified in the Bank Commitment Letter were to occur, and Suburban was unable to raise sufficient funds, then Suburban would be unable to complete the Inergy Propane Acquisition, as contemplated.

Following the Inergy Propane Acquisition, we may be unable to retain key employees.

Our success after the Inergy Propane Acquisition will depend in part upon our ability to retain key Suburban employees including employees of Inergy Propane who become Suburban employees upon completion of the Inergy Propane Acquisition. Key employees may depart either before or after the Inergy Propane Acquisition because of issues relating to the uncertainty and difficulty of integration, a desire not to remain with us following the Inergy Propane Acquisition or otherwise. Accordingly, no assurance can be given that Suburban will be able to retain key employees to the same extent as in the past.

Our future results will suffer if we do not effectively manage our expanded operations following the Inergy Propane Acquisition.

Following the Inergy Propane Acquisition, we may continue to expand our operations through additional acquisitions and other strategic acquisitions, some of which will involve complex challenges. Our future success will depend, in part, upon our ability to manage our expansion opportunities, which pose substantial challenges for us to integrate new operations into our existing business in an efficient and timely manner, and upon our ability to successfully monitor our operations, costs, regulatory compliance and service quality and to maintain other necessary internal controls. We cannot assure you that our expansion or acquisition opportunities will be successful or that we will realize our expected operating efficiencies, cost savings, revenue enhancements, synergies or other benefits.

Our historical audited and unaudited pro forma condensed combined financial information included elsewhere in this prospectus may not be representative of our results after the Inergy Propane Acquisition.

Our historical audited and unaudited pro forma condensed combined financial information included elsewhere in this prospectus has been presented for informational purposes only and is not necessarily indicative of the financial position or results of operations that actually would have occurred had the Inergy Propane Acquisition been completed as of the date indicated, nor is it indicative of our future operating results or financial position. Our unaudited pro forma condensed combined financial information reflects adjustments, which are based upon preliminary estimates, to allocate the purchase price to Suburban s assets and liabilities. The purchase price allocation reflected in our unaudited pro forma condensed combined financial information included elsewhere in this prospectus is preliminary, and the final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of Inergy Propane as of the date of the completion of the Inergy Propane Acquisition. Our unaudited pro forma condensed combined financial information does not reflect future events that may occur after the Inergy Propane Acquisition, including the costs related to the planned integration of Suburban and Inergy Propane and any future nonrecurring charges resulting from the Inergy Propane Acquisition, and does not consider potential impacts of current market conditions on revenues or expense efficiencies. Our unaudited pro forma condensed combined financial information presented elsewhere in this prospectus is based in part on certain assumptions regarding the Inergy Propane Acquisition that Suburban and Inergy believe are reasonable under the circumstances. Suburban and Inergy cannot assure you that the assumptions will prove to be accurate over time.

Risks Inherent in the Ownership of Our Common Units

Cash distributions are not guaranteed and may fluctuate with our performance and other external factors.

Cash distributions on our common units are not guaranteed, and depend primarily on our cash flow and our cash on hand. Because they are not dependent on profitability, which is affected by non-cash items, our cash distributions might be made during periods when we record losses and might not be made during periods when we record profits.

The amount of cash we generate may fluctuate based on our performance and other factors, including:

- the impact of the risks inherent in our business operations, as described above;
- required principal and interest payments on our debt and restrictions contained in our debt instruments;
- issuances of debt and equity securities;
- our ability to control expenses;
- fluctuations in working capital;
- capital expenditures; and
- financial, business and other factors, a number which will be beyond our control.

Our Partnership Agreement gives our Board of Supervisors broad discretion in establishing cash reserves for, among other things, the proper conduct of our business. These cash reserves will affect the amount of cash available for distributions.

We have substantial indebtedness. Our debt agreements may limit our ability to make distributions to holders of our common units, as well as our financial flexibility.

As of March 24, 2012, we had total outstanding borrowings of $350.0 million, consisting of $250.0 million in aggregate principal amount of 7.375% senior notes due 2020 issued by us and our wholly-owned subsidiary, Suburban Energy Finance Corporation (the **2020 Senior Notes**), and $100.0 million of borrowings outstanding under the Operating Partnership s revolving credit facility. If we consummate the Inergy Propane Acquisition, this would result in the issuance of up to $1.0 billion of new SPH Notes pursuant to the Exchange Offers, and after giving effect to a draw down of $225.0 million on the 364-Day Facility, we would have total outstanding borrowings of $1.6 billion. In addition, the Commitment Increase would increase in the aggregate, subject to the satisfaction of certain conditions precedent, our existing revolving credit facility under the Credit Agreement from $250.0 million to $400.0 million. The payment of principal and interest on our debt will reduce the cash available to make distributions on our common units. In addition, we will not be able to make any distributions to holders of our common units if there is, or after giving effect to such distribution, there would be, an event of default under the indentures governing the 2020 Senior Notes or the new SPH Notes. The amount of distributions that we may make to holders of our common units is limited by the 2020 Senior Notes and will be limited by the new SPH Notes, and the amount of distributions that the Operating Partnership may make to us is limited by our revolving credit facility.

Our revolving credit facility and the 2020 Senior Notes both contain various restrictive and affirmative covenants applicable to us and the Operating Partnership, respectively, including (i) restrictions on the incurrence of additional indebtedness, and (ii) restrictions on certain liens, investments, guarantees, loans, advances, payments, mergers, consolidations, distributions, sales of assets and other transactions. Our revolving credit facility contains certain financial covenants: (a) requiring our consolidated interest coverage ratio, as defined, to be not less than 2.5 to 1.0 as of the end of any fiscal quarter; (b) prohibiting our total consolidated leverage ratio, as defined, from being greater than 4.75 to 1.0 as of the end of any fiscal quarter; and (c) prohibiting the senior secured consolidated leverage ratio, as defined, of the Operating Partnership from being greater than 3.0 to 1.0 as of the end of any fiscal quarter. Under the senior notes indenture, we are generally permitted to make cash distributions equal to available cash, as defined, as of the end of the immediately preceding quarter, if no event of default exists or would exist upon making such distributions, and our consolidated fixed charge coverage ratio, as defined, is greater than 1.75 to 1.0. We and the Operating Partnership were in compliance with all covenants and terms of the 2020 Senior Notes and our revolving credit facility as of March 24, 2012.

The amount and terms of our debt may also adversely affect our ability to finance future operations and capital needs, limit our ability to pursue acquisitions and other business opportunities and make our results of operations more susceptible to adverse economic and industry conditions. In addition to our outstanding indebtedness, we may in the future require additional debt to finance acquisitions or for general business purposes; however, credit market conditions may impact our ability to access such financing. If we are unable to access needed financing or to generate sufficient cash from operations, we may be required to abandon certain projects or curtail capital expenditures. Additional debt, where it is available, could result in an increase in our leverage. Our ability to make principal and interest payments on debt, as well as to generate available cash for distribution on our common units, depends on our future performance, which is subject to many factors, some of which are beyond our control. As interest expense increases (whether due to an increase in interest rates and/or the size of aggregate outstanding debt), our ability to fund common unit distributions may be impacted, depending on the level of revenue generation, which is not assured.

Holders of our common units have limited voting rights.

A Board of Supervisors manages our operations. Holders of our common units have only limited voting rights on matters affecting our business, including the right to elect the members of our Board of Supervisors every three years and the right to vote on the removal of the General Partner.

It may be difficult for a third party to acquire us, even if doing so would be beneficial to our holders of our common units.

Some provisions of our Partnership Agreement may discourage, delay or prevent third parties from acquiring us, even if doing so would be beneficial to holders of our common units. For example, our Partnership Agreement contains a provision, based on Section 203 of the Delaware General Corporation Law, that generally prohibits us from engaging in a business combination with a 15% or greater holder of our common units for a period of three years following the date that person or entity acquired at least 15% of our outstanding common units, unless certain exceptions apply. Additionally, our Partnership Agreement sets forth advance notice

procedures for a holder of our common units to nominate a Supervisor to stand for election, which procedures may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer s own slate of Supervisors or otherwise attempting to obtain control of us. These nomination procedures may not be revised or repealed, and inconsistent provisions may not be adopted, without the approval of the holders of at least 66-2/3% of the outstanding common units. These provisions may have an anti-takeover effect with respect to transactions not approved in advance by our Board of Supervisors, including discouraging attempts that might result in a premium over the market price of the common units held by holders of our common units.

Holders of our common units may not have limited liability in some circumstances.

A number of states have not clearly established limitations on the liabilities of limited partners for the obligations of a limited partnership. Holders of our common units might be held liable for our obligations as if they were general partners if:

- a court or government agency determined that we were conducting business in the state but had not complied with the state s limited partnership statute; or

- Holders of our common units rights to act together to remove or replace the General Partner or take other actions under our Partnership Agreement are deemed to constitute participation in the control of our business for purposes of the state s limited partnership statute.

Unitholders may have liability to repay distributions.

Unitholders will not be liable for assessments in addition to their initial capital investment in the common units. Under specific circumstances, however, Unitholders may have to repay to us amounts wrongfully returned or distributed to them. Under Delaware law, we may not make a distribution to Unitholders if the distribution causes our liabilities to exceed the fair value of our assets. Liabilities to partners on account of their partnership interests and nonrecourse liabilities are not counted for purposes of determining whether a distribution is permitted. Delaware law provides that a limited partner who receives a distribution of this kind and knew at the time of the distribution that the distribution violated Delaware law will be liable to the limited partnership for the distribution amount for three years from the distribution date. Under Delaware law, an assignee who becomes a substituted limited partner of a limited partnership is liable for the obligations of the assignor to make contributions to the partnership. However, such an assignee is not obligated for liabilities unknown to him at the time he or she became a limited partner if the liabilities could not be determined from the partnership agreement.

If we issue additional limited partner interests or other equity securities as consideration for acquisitions or for other purposes, the relative voting strength of each Unitholder will be diminished over time due to the dilution of each Unitholder s interests and additional taxable income may be allocated to each Unitholder.

Our Partnership Agreement generally allows us to issue additional limited partner interests and other equity securities without the approval of our Unitholders. Therefore, when we issue additional common units or securities ranking on a parity with our common units, each Unitholder s proportionate partnership interest will decrease, and the amount of cash distributed on each common unit and the market price of our common units could decrease. The issuance of additional common units will also diminish the relative voting strength of each previously outstanding common unit. In addition, the issuance of additional common units will, over time, result in the allocation of additional taxable income, representing built-in gains at the time of the new issuance, to those Unitholders that existed prior to the new issuance.

We are issuing additional limited partner interests in connection with the Inergy Propane Acquisition. In connection with this distribution, we are issuing up to 14,200,422 new common units, which would constitute approximately 29% of our outstanding common units following this distribution (based on 35,546,818 common units outstanding as of July 26, 2012). This issuance of additional limited partner interests relating to this distribution will have the effects described in the paragraph above.

The issuance of additional limited partner interests relating to this distribution may make it more difficult to pay distributions.

Cash distributions are made out of our available cash, pro rata, to Unitholders. See The Partnership Agreement Cash Distributions. Although our Board of Supervisors has increased our annualized distribution rate per common unit following the closing of the Inergy Propane Acquisition, the increase in the number of our common units outstanding, as a result of the issuance of new common units representing limited partner interests relating to this distribution, may make it more difficult to pay such distributions. Also see Cash distributions are not guaranteed and may fluctuate with our performance and other external factors.

Tax Risks to Holders of Our Common Units

Our tax treatment depends on our status as a partnership for U.S. federal income tax purposes. The Internal Revenue Service (IRS) could treat us as a corporation, which would substantially reduce the cash available for distribution to holders of our common units.

The anticipated after-tax economic benefit of an investment in our common units depends largely on our being treated as a partnership for U.S. federal income tax purposes. If less than 90% of the gross income of a publicly traded partnership, such as Suburban Propane Partners, L.P., for any taxable year is qualifying income within the meaning of Section 7704 of the Internal Revenue Code, that partnership will be taxable as a corporation for U.S. federal income tax purposes for that taxable year and all subsequent years.

If we were treated as a corporation for U.S. federal income tax purposes, then we would pay U.S. federal income tax on our income at the corporate tax rate, which is currently a maximum of 35%, and would likely pay additional state income tax at varying rates. Because a tax would be imposed upon us as a corporation, our cash available for distribution to holders of our common units would be substantially reduced. Treatment of us as a corporation would result in a material reduction in the anticipated cash flow and after-tax return to unitholders and thus would likely result in a substantial reduction in the value of our units.

The tax treatment of publicly traded partnerships or an investment in our units could be subject to potential legislative, judicial or administrative changes and differing interpretations thereof, possibly on a retroactive basis.

The present U.S. federal income tax treatment of publicly traded partnerships, including Suburban Propane Partners, L.P., or an investment in our units may be modified by legislative, judicial or administrative changes and differing interpretations thereof at any time. Any modification to the U.S. federal income tax laws or interpretations thereof may or may not be applied retroactively. Moreover, any such modification could make it more difficult or impossible for us to meet the exception which allows publicly traded partnerships that generate qualifying income to be treated as partnerships (rather than as corporations) for U.S. federal income tax purposes, affect or cause us to change our business activities, or affect the tax consequences of an investment in our common units. For example, legislation proposed by members of Congress and the President has considered substantive changes to the definition of qualifying income. We are unable to predict whether any of these changes, or other proposals, will ultimately be enacted. Any such changes could negatively impact the value of an investment in our units.

In addition, because of widespread state budget deficits and other reasons, several states are evaluating ways to subject partnerships to entity-level taxation through the imposition of state income, franchise and other forms of taxation.

A successful IRS contest of the U.S. federal income tax positions we take may adversely affect the market for our common units, and the cost of any IRS contest will reduce our cash available for distribution to our holders of our common units.

We have not requested a ruling from the IRS with respect to our treatment as a partnership for U.S. federal income tax purposes or any other matter affecting us. The IRS may adopt positions that differ from the positions we take. It may be necessary to resort to administrative or court proceedings to sustain some or all of the positions we take. A court may not agree with the positions we take. Any contest with the IRS may materially and adversely impact the market for our common units and the price at which they trade. In addition, our costs of any contest with the IRS will be borne indirectly by holders of our common units because the costs will reduce our cash available for distribution.

A holder of our common units tax liability could exceed cash distributions on its common units.

Because holders of our common units are treated as partners, a holder of our common units is required to pay U.S. federal income taxes and state and local income taxes on its allocable share of our income, without regard to whether we make cash distributions to such holder. We cannot guarantee that a holder of our common units will receive cash distributions equal to its allocable share of our taxable income or even the tax liability to it resulting from that income.

Ownership of common units may have adverse tax consequences for tax-exempt organizations and foreign investors.

Investment in common units by certain tax-exempt organizations and foreign persons raises issues specific to them. For example, virtually all of our taxable income allocated to organizations exempt from U.S. federal income tax, including individual retirement accounts and other retirement plans, will be unrelated business taxable income and thus will be taxable to the holder of our common units. Distributions to foreign persons will be reduced by withholding taxes at the highest applicable effective tax rate, and foreign persons will be required to file U.S. federal income tax returns and pay tax on their share of our taxable income. See Material U.S. Federal Income Tax Considerations Tax-Exempt Organizations and Certain Other Investors. Tax-exempt organizations and foreign persons should consult, and should depend on, their own tax advisors in analyzing the U.S. federal, state, local and foreign income tax and other tax consequences of the acquisition, ownership or disposition of common units.

The ability of a holder of our common units to deduct its share of our losses may be limited.

Various limitations may apply to the ability of a holder of our common units to deduct its share of our losses. For example, in the case of taxpayers subject to the passive activity loss rules (generally, individuals and closely held corporations), any losses generated by us will only be available to offset our future income and cannot be used to offset income from other activities, including other passive activities or investments. Such unused losses may be deducted when the holder of our common units disposes of its entire investment in us in a fully taxable transaction with an unrelated party. A holder of our common units share of our net passive income may be offset by unused losses from us carried over from prior years, but not by losses from other passive activities, including losses from other publicly-traded partnerships. See Material U.S. Federal Income Tax Considerations Tax Treatment of Unitholders Limitations on Deductibility of Suburban s Losses.

The tax gain or loss on the disposition of common units could be different than expected.

A holder of our common units who sells common units will recognize a gain or loss equal to the difference between the amount realized and its adjusted tax basis in the common units. Prior distributions in excess of cumulative net taxable income allocated to a common unit which decreased a holder of our common units tax basis in that common unit will, in effect, become taxable income if the common unit is sold at a price greater than the holder of our common units tax basis in that common unit, even if the price is less than the original cost of the common unit. A portion of the amount realized, if the amount realized exceeds the holder of our common units adjusted basis in that common unit, will likely be characterized as ordinary income. Furthermore, should the IRS successfully contest some conventions used by us, a holder of our common units could recognize more gain on the sale of common units than would be the case under those conventions, without the benefit of decreased income in prior years. In addition, because the amount realized will include a holder s share of our nonrecourse liabilities, if a holder sells its units, such holder may incur a tax liability in excess of the amount of cash it receives from the sale.

Reporting of partnership tax information is complicated and subject to audits.

We furnish each holder of our common units with a Schedule K-1 that sets forth its allocable share of income, gains, losses and deductions. In preparing these schedules, we use various accounting and reporting conventions and adopt various depreciation and amortization methods. We cannot guarantee that these conventions will yield a result that conforms to statutory or regulatory requirements or to administrative pronouncements of the IRS. Further, our income tax return may be audited, which could result in an audit of a holder of our common units income tax return and increased liabilities for taxes because of adjustments resulting from the audit.

We treat each purchaser of our common units as having the same tax benefits without regard to the actual common units purchased. The IRS may challenge this treatment, which could adversely affect the value of the common units.

Because we cannot match transferors and transferees of common units and because of other reasons, uniformity of the economic and tax characteristics of the common units to a purchaser of common units of the same class must be maintained. To maintain uniformity and for other reasons, we have adopted certain depreciation and amortization conventions which may be inconsistent with existing Treasury Regulations. A successful IRS challenge to those positions could adversely affect the amount of tax benefits available to a holder of our common units. It also could affect the timing of these tax benefits or the amount of gain from the sale of common units, and could have a negative impact on the value of our common units or result in audit adjustments to a holder of our common units income tax return.

We prorate our items of income, gain, loss and deduction between transferors and transferees of our common units each month based upon the ownership of our common units on the first day of each month, instead of on the basis of the date a particular common unit is transferred. The IRS may challenge this treatment, which could change the allocation of items of income, gain, loss and deduction among our holders of our common units.

We prorate our items of income, gain, loss and deduction between transferors and transferees of our common units each month based upon the ownership of our common units on the first day of each month, instead

of on the basis of the date a particular common unit is transferred. The U.S. Treasury Department has issued proposed Treasury Regulations that provide a safe harbor pursuant to which publicly traded partnerships may use a similar monthly simplifying convention to allocate tax items among transferors and transferees of our common units. However, if the IRS were to challenge our proration method, we may be required to change the allocation of items of income, gain, loss and deduction among holders of our common units.

Holders of our common units may have negative tax consequences if we default on our debt or sell assets.

If we default on any of our debt obligations, our lenders will have the right to sue us for non-payment. This could cause an investment loss and negative tax consequences for holders of our common units through the realization of taxable income by holders of our common units without a corresponding cash distribution. Likewise, if we were to dispose of assets and realize a taxable gain while there is substantial debt outstanding and proceeds of the sale were applied to the debt, holders of our common units could have increased taxable income without a corresponding cash distribution.

The sale or exchange of 50% or more of our capital and profits interests during any twelve-month period will result in the termination of our partnership for federal income tax purposes.

We will be considered to have terminated as a partnership for U.S. federal income tax purposes if there is a sale or exchange of 50% or more of the total interests in our capital and profits within a twelve-month period. Our termination would, among other things, result in the closing of our taxable year for all Unitholders and could result in a deferral of depreciation deductions allowable in computing our taxable income. In the case of a Unitholder reporting on a taxable year other than the calendar year, the closing of our taxable year may also result in more than twelve months of our taxable income or loss being includable in his taxable income for the year of termination. Our termination currently would not affect our treatment as a partnership for U.S. federal income tax purposes, but instead, after our termination we would be treated as a new partnership for U.S. federal income tax purposes. If treated as a new partnership, we must make new tax elections and could be subject to penalties if we are unable to determine that a termination occurred. Please read Material U.S. Federal Income Tax Considerations Disposition of Common Units Constructive Termination for a discussion of the consequences of our termination for U.S. federal income tax purposes.

There are state, local and other tax considerations for our holders of our common units.

In addition to U.S. federal income taxes, holders of our common units will likely be subject to other taxes, such as state and local taxes, unincorporated business taxes and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which we do business or own property, even if the holder of our common units does not reside in any of those jurisdictions. A holder of our common units will likely be required to file state and local income tax returns and pay state and local income taxes in some or all of the various jurisdictions in which we do business or own property and may be subject to penalties for failure to comply with those requirements. It is the responsibility of each holder of our common units to file all U.S. federal, state and local income tax returns that may be required of such holder.

A holder of our common units whose common units are loaned to a short seller to cover a short sale of common units may be considered as having disposed of those common units. If so, it would no longer be treated for tax purposes as a partner with respect to those common units during the period of the loan and may recognize gain or loss from the disposition.

Because there is no tax concept of loaning a partnership interest, a Unitholder whose common units are loaned to a short seller to cover a short sale of common units may be considered as having disposed of the loaned units. In that case, a holder of our common units may no longer be treated for tax purposes as a partner with respect to those common units during the period of the loan to the short seller and the Unitholder may recognize gain or loss from such disposition. Moreover, during the period of the loan to the short seller, any of our income, gain, loss or deduction with respect to those common units may not be reportable by the Unitholder and any cash distributions received by the Unitholder as to those common units could be fully taxable as ordinary income. Holders of our common units desiring to assure their status as partners and avoid the risk of gain recognition from a loan to a short seller should consult their tax advisors to discuss whether it is advisable to modify any applicable brokerage account agreements to prohibit their brokers from borrowing their common units.

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USE OF PROCEEDS

Suburban will not receive any cash proceeds from the issuance to Inergy and Inergy Sales and the distribution by Inergy to its unitholders of common units covered by this prospectus.

We are issuing an aggregate of up to 14,200,422 common units to Inergy and Inergy Sales, a wholly owned subsidiary of Inergy, as Equity Consideration in connection with the Inergy Propane Acquisition and pursuant to the Contribution Agreement. The Equity Consideration consists of (i) the Initial Equity Consideration, which is equal to 13,892,587 Suburban common units, and (ii) the Additional Equity Consideration, which is equal to a number of Suburban common units determined by dividing (a) the Inergy Cash Consideration by (b) $42.50, rounded to the nearest whole Suburban common units. As of July 26, 2012, the aggregate amount of Additional Equity Consideration shall not exceed 307,835 Suburban common units. Inergy Sales will distribute any and all Suburban common units it receives in connection with the Inergy Propane Acquisition to Inergy. Thereafter, in connection with the Inergy Propane Acquisition and pursuant to the Contribution Agreement, Inergy will distribute ninety-nine percent (99%) of any and all Equity Consideration received to its unitholders and will retain one percent (1%) of any and all Equity Consideration.

See Plan of Distribution and Inergy Propane Acquisition and Related Transactions.

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CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of March 24, 2012:

on an actual basis; and

on an adjusted basis to give effect to the consummation of the Inergy Propane Acquisition (including the exchange of all the Inergy Notes in the Exchange Offers) and a draw of $225.0 million on the 364-Day Facility (the **Transactions**).

You should read this table together with Selected Consolidated Historical Financial and Other Data of Suburban, Unaudited Pro Forma Condensed Combined Financial Information and Management s Discussion and Analysis of Financial Condition and Results of Operations, and our financial statements included elsewhere in this prospectus.

	As of March 24, 2012	
	Actual	**As Adjusted for the Transactions** [(1)]
	(in thousands)	
Cash and cash equivalents	$ 96,202	$ 84,362
Debt, including current maturities:		
Revolving credit facility [(2)]	100,000	100,000
364-Day Facility		225,000
2020 Senior Notes [(2)]	248,277	248,277
New SPH Notes offered pursuant to the Exchange Offers [(1)]		1,000,000
Total debt	348,277	1,573,277
Partners capital:		
Common unitholders	432,799	1,036,329
Total capitalization	$ 781,076	$ 2,609,606

(1) Assumes that (i) we issue $1.0 billion of new SPH Notes and pay approximately $184.7 million in cash consideration in connection with the Exchange Offers (based on the tenders received from the Inergy noteholders pursuant to the Exchange Offers as of the date hereof); (ii) cash consent payments are paid to participating holders for 100% of the outstanding Inergy Notes; (iii) 14,200,422 of new Suburban common units are issued as Equity Consideration; and (iv) we draw $225.0 million on the 364-Day Facility.

(2) As of March 24, 2012, we had drawn $100.0 million and issued standby letters of credit in the aggregate amount of $46.9 million under the revolving credit facility of our Credit Agreement. As of March 24, 2012, we had $250.0 million in aggregate principal amount outstanding of the 2020 Senior Notes. See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources.

PRICE RANGE OF COMMON UNITS AND DISTRIBUTIONS

Our common units are listed on the New York Stock Exchange under the symbol SPH. On July 26, 2012, the last sales price of our common units as reported by the NYSE was $43.61 per common unit. As of July 26, 2012, we had issued and outstanding 35,546,818 common units, which were held by approximately 616 unitholders of record (based on the number of record holders and nominees for those common units held in street name). The following table sets forth the range of high and low closing sales prices of the common units by quarter as reported by the New York Stock Exchange, as well as the amount of cash distributions paid per common unit for the periods indicated.

We make quarterly distributions to our partners in an aggregate amount equal to our Available Cash (as defined in our Partnership Agreement) with respect to such quarter. Available Cash generally means all cash on hand at the end of the fiscal quarter plus all additional cash on hand as a result of borrowings subsequent to the end of such quarter less cash reserves established by the Board of Supervisors in its reasonable discretion for future cash requirements. Please see Management s Discussion and Analysis Liquidity and Capital Resources Partnership Distributions.

On April 25, 2012, our Board of Supervisors approved an increase in our annualized distribution rate to $3.50 per common unit (conditioned on the closing of the Inergy Propane Acquisition). The distribution at this increased rate will be effective for the quarterly distribution paid in respect of our first quarter of fiscal 2013, ending December 29, 2012 (assuming closing by the applicable record date).

	Price Ranges		Cash Distributions
	High	Low	per Unit
Fiscal Year Ended September 25, 2010			
First Quarter	$ 47.12	$ 41.10	$ 0.8350
Second Quarter	50.00	42.53	0.8400
Third Quarter	49.46	39.16	0.8450
Fourth Quarter	55.01	45.85	0.8500
Fiscal Year Ended September 24, 2011			
First Quarter	$ 57.24	$ 51.50	$ 0.8525
Second Quarter	58.99	49.30	0.8525
Third Quarter	57.89	49.90	0.8525
Fourth Quarter	53.23	40.25	0.8525
Fiscal Year Ended September 29, 2012			
First Quarter	$ 49.19	$ 44.50	$ 0.8525
Second Quarter	48.25	40.25	0.8525
Third Quarter	44.52	34.58	(1)
Fourth Quarter (through July 26, 2012)	45.61	39.90	(2)

(1) On July 17, 2012, our Board of Supervisors declared a quarterly cash distribution for the quarter ended June 23, 2012 of $0.8525 per common unit, or $3.41 per common unit on an annualized basis. The distribution attributable to the quarter ended June 23, 2012 is payable on August 7, 2012 to holders of record of our common units as of July 31, 2012.

(2) The distribution attributable to the quarter ending September 29, 2012 has not yet been declared or paid. We expect to declare and pay a cash distribution within 45 days following the end of the quarter.

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SELECTED CONSOLIDATED HISTORICAL FINANCIAL AND OTHER DATA OF SUBURBAN

The following tables set forth, for the periods and at the dates indicated, selected consolidated historical financial and other information for Suburban. The selected consolidated historical financial and other information as of and for each of the years ended September 24, 2011, September 25, 2010, September 26, 2009, September 27, 2008 and September 29, 2007 is derived from and should be read in conjunction with the audited financial statements and accompanying footnotes for such periods included and not included in this prospectus. The selected consolidated historical financial and other information as of and for the six-month periods ended March 24, 2012 and March 26, 2011 is unaudited and is derived from, and should read in conjunction with, the unaudited financial statements and accompanying footnotes for such periods included in this prospectus. Such financial information has been prepared on a basis consistent with our audited annual financial information and includes all adjustments, consisting only of normal and recurring adjustments, that Suburban considers necessary for a fair statement of the results for those periods. Historical results are not necessarily indicative of future performance or results of operations, and results for any interim period are not necessarily indicative of the results that may be expected for a full year.

	For the Six Months Ended		For the Year Ended				
	March 24, 2012	March 26, 2011	September 24, 2011	September 25, 2010	September 26, 2009	September 27, 2008	September 29, 2007
	(unaudited)		(audited)				
	(in thousands, except per unit data)						
Statement of Operations Data							
Revenues	$ 657,512	$ 792,409	$ 1,190,552	$ 1,136,694	$ 1,143,154	$ 1,574,163	$ 1,439,563
Costs and Expenses	571,097	634,835	1,045,324	980,508	932,539	1,424,035	1,270,213
Restructuring charges and severance costs[a]			2,000				1,485
Pension settlement charge[b]				2,818			3,269
Operating income	86,415	157,574	143,228	153,368	210,615	150,128	164,596
Interest expense, net	13,263	13,665	27,378	27,397	38,267	37,052	35,596
Loss on debt extinguishment[c]	507			9,473	4,624		
(Benefit from) provision for income taxes	(160)	464	884	1,182	2,486	1,903	5,653
Income from continuing operations	72,805	143,445	114,966	115,316	165,238	111,173	123,347
Discontinued operations:							
Gain on disposal of discontinued operations[d]						43,707	1,887
Income from discontinued operations							2,053
Net income	72,805	143,445	114,966	115,316	165,238	154,880	127,287
Net income per Common Unit basic[e]	2.05	4.04	3.24	3.26	4.99	4.72	3.91
Cash distributions declared per unit	$ 1.71	$ 1.71	$ 3.41	$ 3.35	$ 3.26	$ 3.09	$ 2.76
Balance Sheet Data (end of period)[f]							
Cash and cash equivalents	$ 96,202	$ 136,923	$ 149,553	$ 156,908	$ 163,173	$ 137,698	$ 96,586
Total assets	931,478	1,023,186	956,459	970,914	978,168	1,036,367	988,947
Total debt	348,277	348,061	348,169	347,953	349,415	531,772	548,538
Partners capital Common Unitholders	$ 432,799	$ 505,487	$ 418,134	$ 419,882	$ 418,824	$ 262,250	$ 208,230
Statement of Cash Flows Data							
Cash provided by (used in)							
Operating activities	$ 17,048	$ 49,838	$ 132,786	$ 155,797	$ 246,551	$ 120,517	$ 145,957
Investing activities	(7,489)	(9,584)	(19,505)	(30,111)	(16,852)	36,630	(19,689)
Financing activities	$ (62,910)	$ (60,239)	$ (120,636)	$ (131,951)	$ (204,224)	$ (116,035)	$ (90,253)
Other Data (unaudited)							
EBITDA[g]	$ 101,342	$ 174,208	$ 178,856	$ 174,729	$ 236,334	$ 222,229	$ 197,778
Adjusted EBITDA[g]	104,975	173,658	179,425	192,420	239,245	220,465	210,087
Capital expenditures(h)	$ 9,367	$ 11,417	$ 22,284	$ 19,131	$ 21,837	$ 21,819	$ 26,756
Retail gallons sold							
Propane	164,220	200,320	298,902	317,906	343,894	386,222	432,526
Fuel oil and refined fuels	18,260	27,642	37,241	43,196	57,381	76,515	104,506

(a) During fiscal 2011, we recorded severance charges of $2.0 million related to the realignment of our regional operating footprint in response to the persistent and foreseeable challenges affecting the industry as a whole. During fiscal 2007, we incurred $1.5 million in charges associated with severance for positions

eliminated unrelated to any specific plan of restructuring.

(b) We incurred a non-cash pension settlement charge of $2.8 million and $3.3 million during fiscal 2010 and 2007, respectively, to accelerate the recognition of actuarial losses in our defined benefit pension plan as a result of the level of lump sum retirement benefit payments made.

(c) During the six months ended March 24, 2012, we recognized a non-cash charge of $0.5 million to write-off a portion of unamortized debt origination costs in connection with the execution of the amendment of our existing Credit Agreement. During fiscal 2010 we completed the issuance of $250.0 million of 7.375% senior notes maturing in March 2020 to replace the previously existing 6.875% senior notes that were set to mature in December 2013. In connection with the refinancing, we recognized a loss on debt extinguishment of $9.5 million in the second quarter of fiscal 2010, consisting of $7.2 million for the repurchase premium and related fees, as well as the write-off of $2.2 million in unamortized debt origination costs and unamortized discount. During fiscal 2009, we purchased $175.0 million aggregate principal amount of the 6.875% senior notes through a cash tender offer. In connection with the tender offer, we recognized a loss on the extinguishment of debt of $4.6 million in the fourth quarter of fiscal 2009, consisting of $2.8 million for the tender premium and related fees, as well as the write-off of $1.8 million in unamortized debt origination costs and unamortized discount.

(d) Gain on disposal of discontinued operations for fiscal 2008 of $43.7 million reflects the October 2, 2007 sale of our Tirzah, South Carolina underground granite propane storage cavern, and associated 62-mile pipeline, for $53.7 million in net proceeds. Gain on disposal of discontinued operations for fiscal 2007 of $1.9 million reflects the exchange, in a non-cash transaction, of nine non-strategic customer service centers for three customer service centers of another company in Alaska, as well as the sale of three additional customer service centers for net cash proceeds of $1.3 million. The gains on disposal have been accounted for within discontinued operations. The prior period results of operations attributable to the sale of our Tirzah, South Carolina storage cavern and associated pipeline have been reclassified to remove their financial results from continuing operations.

(e) Computations of basic earnings per common unit were performed by dividing net income by the weighted average number of outstanding common units, and restricted units granted under our restricted unit plans to retirement-eligible grantees.

(f) Other assets and other liabilities on the consolidated balance sheet were increased $654 and $2,835, respectively, with a corresponding decrease of $2,181 to common unitholders as of September 27, 2008 to record an asset and a liability that were not captured in prior years.

(g) EBITDA represents net income before deducting interest expense, income taxes, depreciation and amortization. Adjusted EBITDA represents EBITDA excluding the unrealized net gain or loss from mark-to-market activity for derivative instruments, loss on debt extinguishment, loss on asset disposal, pension settlement charges and severance charges. Our management uses EBITDA and Adjusted EBITDA as measures of liquidity and we are including them because we believe that they provide our investors and industry analysts with additional information to evaluate our ability to meet our debt service obligations and to pay our quarterly distributions to holders of our common units. In addition, certain of our incentive compensation plans covering executives and other employees utilize Adjusted EBITDA as the performance target. Moreover, our Credit Agreement requires us to use Adjusted EBITDA, with certain additional adjustments, in calculating our leverage and interest coverage ratios. EBITDA and Adjusted EBITDA are not recognized terms under US GAAP and should not be considered as an alternative to net income or net cash provided by operating activities determined in accordance with US GAAP. Because EBITDA and Adjusted EBITDA as determined by us excludes some, but not all, items that affect net income, they may not be comparable to EBITDA and Adjusted EBITDA or similarly titled measures used by other companies.

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The following table sets forth (i) our calculations of EBITDA and Adjusted EBITDA and (ii) a reconciliation of EBITDA and Adjusted EBITDA, as so calculated, to our net cash provided by operating activities:

	For the Six Months Ended		For the Year Ended				
	March 24, 2012	March 26, 2011	September 24, 2011	September 25, 2010	September 26, 2009	September 27, 2008	September 29, 2007
	(unaudited)				(audited)		
				(in thousands)			
Net income	$ 72,805	$ 143,445	$ 114,966	$ 115,316	$ 165,238	$ 154,880	$ 127,287
Add:							
Provision for income taxes	(160)	464	884	1,182	2,486	1,903	5,653
Interest expense, net	13,263	13,665	27,378	27,397	38,267	37,052	35,596
Depreciation and amortization	15,434	16,634	35,628	30,834	30,343	28,394	28,790
Discontinued operations							452
EBITDA	101,342	174,208	178,856	174,729	236,334	222,229	197,778
Unrealized (non-cash) losses (gains) on changes in fair value of derivatives	1,048	(2,550)	(1,431)	5,400	(1,713)	(1,764)	7,555
Severance charges		2,000	2,000				1,485
Loss on debt extinguishment	507			9,473	4,624		
Loss on asset disposal	2,078						
Pension settlement charge				2,818			3,269
Adjusted EBITDA	104,975	173,658	179,425	192,420	239,245	220,465	210,087
Add (subtract):							
Provision for income taxes current	160	(464)	(884)	(1,182)	(1,101)	(626)	(1,853)
Interest expense, net	(13,263)	(13,665)	(27,378)	(27,397)	(38,267)	(37,052)	(35,596)
Unrealized (non-cash) (losses) gains on changes in fair values of derivatives	(1,048)	2,550	1,431	(5,400)	1,713	1,764	(7,555)
Severance charges		(2,000)	(2,000)				(1,485)
Compensation cost recognized under Restricted Unit Plans	2,350	2,399	3,922	4,005	2,396	2,156	3,014
(Gain) loss on disposal of property, plant and equipment, net	(211)	(2,911)	(2,772)	38	(650)	(2,252)	(2,782)
(Gain) on disposal of discontinued operations						(43,707)	(1,887)
Changes in working capital and other assets and liabilities	(75,915)	(109,729)	(18,958)	(6,687)	43,215	(20,231)	(15,986)
Net cash provided by operating activities	$ 17,048	$ 49,838	$ 132,786	$ 155,797	$ 246,551	$ 120,517	$ 145,957

(h) Our capital expenditures fall generally into two categories: (i) maintenance expenditures, which include expenditures for repair and replacement of property, plant and equipment; and (ii) growth capital expenditures which include new propane tanks and other equipment to facilitate expansion of our customer base and operating capacity.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION OF SUBURBAN

On April 25, 2012, Suburban entered into a Contribution Agreement, as amended on June 15, 2012, July 6, 2012 and July 19, 2012 (the **Contribution Agreement**), with Inergy, L.P., a Delaware limited partnership (**Inergy**), Inergy GP, LLC, a Delaware limited liability company (**NRGY GP**), and Inergy Sales & Service, Inc., a Delaware corporation (**Inergy Sales**).

The Contribution Agreement provides that Inergy and NRGY GP will contribute to Suburban 100% of the limited liability company interests (the **Inergy Propane Interests**) in Inergy Propane, LLC, a Delaware limited liability company, which at the closing of the transaction will hold only the following interests: (i) 100% of the limited partner interests in Liberty Propane, L.P., a Delaware limited partnership (**Liberty Propane**), which in turn owns 100% of the limited liability company interests in Liberty Propane Operations, LLC, a Delaware limited liability company (**Liberty Operations**); and (ii) 100% of the limited liability company interests in Liberty Propane GP, LLC, a Delaware limited liability company (**Liberty Propane GP**), which in turn owns 100% of the general partner interest in Liberty Propane (collectively with the Inergy Propane Interests, these interests are referred to herein as the **Acquired Interests**). Inergy will also contribute certain assets of Inergy Sales to Suburban (the **Acquired Assets**). Prior to the closing date of the Inergy Propane Acquisition, certain subsidiaries of Inergy Propane, LLC, which will not be contributed pursuant to the Contribution Agreement, will be distributed by Inergy Propane, LLC to Inergy. Following the closing of the Inergy Propane Acquisition (as defined below), Inergy Propane, Liberty Propane, Liberty Operations and Liberty Propane GP will be indirect wholly-owned subsidiaries of Suburban.

Upon contribution, transfer, assignment, and delivery of the Acquired Interests and Acquired Assets to Suburban, Suburban will issue and deliver to Inergy and Inergy Sales, as consideration in connection with the Inergy Propane Acquisition, subject to certain adjustments, an aggregate of up to 14,200,422 newly issued Suburban common units (the **Equity Consideration**). The Equity Consideration consists of (i) the **Initial Equity Consideration** which is equal to 13,892,587 Suburban common units, and (ii) the **Additional Equity Consideration** which is equal to a number of Suburban common units determined by dividing (a) the Inergy Cash Consideration (as defined below) by (b) $42.50, rounded to the nearest whole Suburban common unit. As of July 26, 2012, the aggregate amount of Additional Equity Consideration shall not exceed 307,835 Suburban common units. Inergy Sales will distribute any and all Suburban common units it receives in connection with the Inergy Propane Acquisition to Inergy. Thereafter, in connection with the Inergy Propane Acquisition and pursuant to the Contribution Agreement, Inergy will distribute ninety-nine percent (99%) of any and all Equity Consideration received to its unitholders and will retain one percent (1%) of any and all Equity Consideration.

Pursuant to the Contribution Agreement, Suburban and its wholly-owned subsidiary Suburban Energy Finance Corp. commenced a private offer to exchange (the **Exchange Offers**) any and all of the outstanding unsecured 7% Senior Notes due 2018 (the **2018 Inergy Notes**) and 6 $^{7}/_{8}$% Senior Notes due 2021 (the **2021 Inergy Notes** , and together with the 2018 Inergy Notes, the **Inergy Notes**) issued by Inergy and Inergy Finance Corp., which have an aggregate principal amount outstanding of $1.2 billion, for a combination of up to $1.0 billion in aggregate principal amount of new unsecured 7 $^{1}/_{2}$% Senior Notes due 2018 and 7 $^{3}/_{8}$% Senior Notes due 2021, respectively, issued by Suburban and Suburban Energy Finance Corp. (collectively, the **SPH Notes**) and up to $200.0 million in cash to be paid to tendering noteholders (the **Exchange Offer Cash Consideration**). Pursuant to the Contribution Agreement, we must pay Inergy the difference, if any, between $200.0 million and the Exchange Offer Cash Consideration paid in accordance with the terms of the Exchange Offers (such payment, the **Inergy Cash Consideration**). Suburban will satisfy the Inergy Cash Consideration solely by delivering to Inergy the Additional Equity Consideration.

The Contribution Agreement provides that Suburban will offer $65.0 million in aggregate cash consent payments in connection with the Exchange Offers and that Inergy will pay $36.5 million to Suburban in cash at the acquisition closing date.

As of July 26, 2012, at 5:00 p.m. New York City time, Suburban had received tenders from holders representing approximately 98.09% of the total outstanding principal amount of the 2018 Inergy Notes, and tenders and consents from holders representing approximately 99.73% of the total outstanding principal amount of the 2021 Inergy Notes. The minimum tender condition has been satisfied with respect to the Exchange Offers and requisite consents have been received for both series of Inergy Notes. Based on the results of the Exchange Offers as of July 26, 2012, the Inergy Cash Consideration due to Inergy was approximately $13.1 million. The Inergy Cash Consideration will be satisfied by the issuance of the Additional Equity Consideration. The Exchange Offers expire on August 1, 2012, at 12:01 a.m. New York City time (the **Expiration Date**), subject to extension. Any additional tenders received prior to the Expiration Date (as it may be extended) will increase the Exchange Offer Cash Consideration paid to tendering noteholders and decrease the Inergy Cash Consideration. Accordingly, because the Inergy Cash Consideration will be satisfied solely through issuance of Additional Equity Consideration, any decrease in the Inergy Cash Consideration will reduce the number of Suburban common units issued as Additional Equity Consideration. Assuming that no additional tenders are received pursuant to the Exchange Offers subsequent to the date hereof, Inergy (i) will receive 14,200,422 Suburban common units, (ii) will subsequently distribute 14,058,418 of such Suburban common units to its unitholders as of the Record Date, pro rata, and (iii) will retain 1% of such common units, or 142,004 Suburban common units.

The transactions described above that are contemplated by the terms of the Contribution Agreement are referred to herein as the **Inergy Propane Acquisition**. The Acquired Interests and Acquired Assets are collectively referred to herein as **Inergy Propane**.

As of July 26, 2012, the preliminary fair value of the purchase price for Inergy Propane was $1,832.5 million, consisting of: (i) $1.0 billion of newly issued SPH Notes and $184.7 million in cash to Inergy noteholders pursuant to the Exchange Offers; (ii) $65.0 million in cash to the Inergy noteholders for the consent payments pursuant to the Consent Solicitations; and (iii) $619.3 million of new Suburban common units, which will be distributed to Inergy and Inergy Sales, all but $6.2 million of which will subsequently be distributed by Inergy to its unitholders. The preliminary fair value of the purchase price is net of the $36.5 million of cash to be received from Inergy upon closing of the Inergy Propane Acquisition pursuant to the Contribution Agreement Amendment.

On April 25, 2012, we entered into a commitment letter (the **Bank Commitment Letter**) with certain of our lenders who are party to the Credit Agreement (as defined herein) pursuant to which such lenders committed to provide (i) in the aggregate, subject to the satisfaction of certain conditions precedent, up to $250.0 million senior secured 364-day incremental term loan facility (the **364-Day Facility**) and (ii) an increase in the aggregate, subject to the satisfaction of certain conditions precedent, of our existing revolving credit facility under the Credit Agreement from $250.0 million to $400.0 million (the **Commitment Increase**). We expect to draw $225.0 million on the 364-Day Facility on the Acquisition Closing Date, which, together with available cash, will be used for the purposes of paying (i) the Exchange Offer Cash Consideration, (ii) costs and fees related to the Exchange Offers, and (iii) costs and expenses related to the Inergy Propane Acquisition. We intend to repay such borrowings with an equity financing in the future, subject to market conditions. The following pro form financial information reflects borrowings of $225.0 million under the 364-Day Facility.

The following unaudited pro forma condensed combined financial information of Suburban has been prepared to illustrate the effect of the Inergy Propane Acquisition on us and has been prepared for informational purposes only. The unaudited pro forma condensed combined financial information is based upon the historical consolidated financial statements and notes thereto of Suburban and Inergy Propane and should be read in conjunction with the:

- audited annual financial statements and the accompanying notes of Suburban Propane Partners, L.P. for the fiscal year ended September 24, 2011, and the unaudited condensed consolidated financial statements and accompanying notes for the quarterly period ended March 24, 2012, both of which are included in this prospectus; and

- audited historical financial statements and accompanying notes of Inergy Propane, LLC as of September 30, 2011 and 2010, and for each of the three years in the period ended September 30, 2011, and the unaudited interim historical financial statements and accompanying notes for the six months ended March 31, 2012 and 2011, both of which are included in this prospectus.

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The historical consolidated financial information has been adjusted in the following unaudited pro forma condensed combined financial statements to give pro forma effect to events that are (1) directly attributable to the Inergy Propane Acquisition and related financing, (2) factually supportable, and (3) with respect to the statements of operations, are expected to have a continuing impact on the combined results of Suburban. Although Suburban has entered into the Contribution Agreement with Inergy, there is no guarantee that the Inergy Propane Acquisition will be completed in the manner contemplated or at all. The unaudited pro forma condensed combined statements of operations have been prepared assuming the Inergy Propane Acquisition had been completed on September 26, 2010, the first day of Suburban s 2011 fiscal year. The unaudited pro forma condensed combined balance sheet has been prepared assuming the Inergy Propane Acquisition had been completed on March 24, 2012, the last day of Suburban s 2012 second fiscal quarter. The unaudited pro forma condensed combined financial information has been adjusted with respect to certain aspects of the Inergy Propane Acquisition to reflect:

- the consummation of the Inergy Propane Acquisition (including completion of the Exchange Offers assuming that no Inergy Notes are tendered subsequent to the consent date and $225.0 million of borrowings under the 364-Day Facility as described above);
- exclusion of historical assets and liabilities of Inergy Propane, LLC not acquired or assumed as part of the Inergy Propane Acquisition and changes in certain revenues and expenses resulting from the exclusion of these assets and liabilities;
- re-measurement of the assets and liabilities of Inergy Propane (as disclosed in more detail below) to record their preliminary estimated fair values at the date of the closing of the Inergy Propane Acquisition and adjustment of certain expenses resulting therefrom;
- additional indebtedness, including, but not limited to, debt issuance costs and interest expense, incurred in connection with the exchange of Inergy Notes for the SPH Notes;
- additional indebtedness, including, but not limited to, debt issuance costs and interest expense incurred in connection with borrowing under the 364-Day Facility;
- no tax adjustments were made as Suburban is a publicly traded master limited partnership and has no substantial federal or state income tax liability.

The unaudited pro forma condensed combined financial information was prepared in accordance with the acquisition method of accounting. The pro forma information presented, including allocation of the purchase price, is based on preliminary estimates of fair values of assets acquired and liabilities assumed in connection with the Inergy Propane Acquisition. These preliminary estimates are based on available information and certain assumptions that may be revised as additional information becomes available.

The final purchase price allocation for the Inergy Propane Acquisition will be dependent upon the finalization of asset and liability valuations, which may depend in part on prevailing market rates and conditions, as well as the final form of financing that Suburban will utilize to effect the Inergy Propane Acquisition. Any final adjustments may be materially different from the preliminary estimates, and may result in a change to the unaudited pro forma condensed combined financial information presented in this prospectus.

We believe that the assumptions used to derive the unaudited pro forma condensed combined financial information are reasonable given the information available; however, such assumptions are subject to change and the effect of any such change could be material. The unaudited pro forma condensed combined financial information is presented for informational purposes only and is not intended to represent or be indicative of the consolidated results of operations that would have been reported had the Inergy Propane Acquisition been completed as of or for the periods presented, nor are they necessarily indicative of future results.

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SUBURBAN PROPANE PARTNERS, L.P. AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET

AS OF MARCH 24, 2012 (*)

(in thousands)

	Historical Suburban Propane Partners, L.P. (2)	Historical Inergy Propane, LLC (3)	Elimination of Assets Not Acquired and Liabilities Not Assumed (4)	Reclassifications (5)	Financing Activities	Other Pro Forma Adjustments	Pro Forma Combined
ASSETS							
Current assets:							
Cash and cash equivalents	$ 96,202	$ 11,800	$ (1,248)	$	$ (22,392)	$ (6)	$ 84,362
Accounts receivable, less allowance for doubtful accounts	106,843	161,200	(80,138)				187,905
Inventories	67,287	88,300	(46,896)				108,691
Assets from price risk management activities		14,100	(14,100)				
Other current assets	12,199	10,000	(8,050)		3,594	(7)	17,743
Total current assets	282,531	285,400	(150,432)		(18,798)		398,701
Property, plant and equipment, net	330,452	658,200	(185,817)			141,715(8)	944,550
Other intangible assets, net	14,582	306,600	(4,646)			78,595(9)	395,131
Receivable from Inergy Midstream, L.P.		300	(300)				
Goodwill	277,651	336,500	(379)			418,647(10)	1,032,419
Other assets	26,262	2,000	(1,463)		14,850	(11)	41,649
Total assets	$ 931,478	$ 1,589,000	$ (343,037)	$	$ (3,948)	$ 638,957	$ 2,812,450
LIABILITIES AND PARTNERS CAPITAL/ MEMBER S EQUITY							
Current liabilities:							
Accounts payable	$ 34,208	$ 114,100	$ (113,509)	$ (566)	$	$	$ 34,233
Accrued employment and benefit costs	14,832			2,607			17,439
Customer deposits and advances	34,968	26,800		4,046			65,814
Short term borrowings and current portion of long-term borrowings		4,200	(97)	(4,103)	225,000	(12)	225,000
Liabilities from price risk management activities		5,100	(5,100)				
Other current liabilities	27,241	28,800	(18,473)	(1,984)			35,584
Total current liabilities	111,249	179,000	(137,179)		225,000		378,070
Long-term borrowings	348,277	12,500	(1,879)	(10,621)	1,000,000	(13)	1,348,277
Accrued insurance	41,218						41,218
Other liabilities	54,501	14,100	(14,100)	10,621			65,122
Total liabilities	555,245	205,600	(153,158)		1,225,000		1,832,687
Partners capital/member s equity	376,233	1,383,400			603,530	(1,383,400)(14)	979,763

Total liabilities and partners capital/member s equity	$ 931,478	$ 1,589,000	$ (153,158)	$	$ 1,828,530	$ (1,383,400)	$ 2,812,450

(*) Suburban Propane Partners, L.P. uses a 52/53 week fiscal year which ends on the last Saturday in September and its fiscal quarters are generally 13 weeks in duration. Inergy Propane, LLC uses a fiscal year end which ends on September 30. Accordingly, the second fiscal quarter ended on March 24, 2012 for Suburban and March 31, 2012 for Inergy Propane.

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SUBURBAN PROPANE PARTNERS, L.P. AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

FOR THE SIX MONTHS ENDED MARCH 24, 2012 (*)

(in thousands, except per unit amounts)

	Historical Suburban Propane Partners, L.P. (2)	Historical Inergy Propane, LLC (3)	Elimination of Assets Not Acquired and Liabilities Not Assumed (4)	Reclassifications (5)	Financing Activities	Other Pro Forma Adjustments	Pro Forma Combined
Revenues							
Propane	$ 524,115	$ 928,600	$ (423,046)	$	$	$	$ 1,029,669
Fuel oil and other refined fuels	74,729			77,372			152,101
Other	58,668	291,700	(179,614)	(77,372)			93,382
	657,512	1,220,300	(602,660)				1,275,152
Costs and expenses							
Cost of products sold	391,975	930,100	(562,228)				759,847
Operating and administrative expenses	163,688	146,400	(20,028)				290,060
Loss on disposal of assets		3,600	2				3,602
Depreciation and amortization	15,434	57,400	(21,872)			9,983(15)	60,945
	571,097	1,137,500	(604,126)			9,983	1,114,454
Operating income	86,415	82,800	1,466			(9,983)	160,698
Loss on debt extinguishment	(507)						(507)
Interest expense, net	(13,263)	(600)	34		(43,915)	(16)	(57,744)
Other income		1,400	(1,293)				107
Income before (benefit from) provision for income taxes	72,645	83,600	207		(43,915)	(9,983)	102,554
(Benefit from) provision for income taxes	(160)		(43)				(203)
Net income (loss)	$ 72,805	$ 83,600	$ 250	$	$ (43,915)	$ (9,983)	$ 102,757
Income per Common Unit basic	$ 2.05						$ 2.06
Weighted average number of units outstanding basic	35,588					14,201(14)	49,789
Income per Common Unit diluted	$ 2.03						$ 2.05
Weighted average number of units outstanding diluted	35,808					14,201(14)	50,009

(*)

Suburban Propane Partners, L.P. uses a 52/53 week fiscal year which ends on the last Saturday in September and its fiscal quarters are generally 13 weeks in duration. Inergy Propane, LLC uses a fiscal year end which ends on September 30. Accordingly, the second fiscal quarter ended on March 24, 2012 for Suburban and March 31, 2012 for Inergy Propane.

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SUBURBAN PROPANE PARTNERS, L.P. AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED SEPTEMBER 24, 2011 (*)

(in thousands, except per unit amounts)

	Historical Suburban Propane Partners, L.P. (2)	Historical Inergy Propane, LLC (3)	Elimination of Assets Not Acquired and Liabilities Not Assumed (4)	Reclassifications (5)	Financing Activities	Other Pro Forma Adjustments	Pro Forma Combined
Revenues							
Propane	$ 929,492	$ 1,461,900	$ (602,294)	$	$	$	$ 1,789,098
Fuel oil and other refined fuels	139,572			128,300			267,872
Other	121,488	486,800	(294,082)	(128,300)			185,906
	1,190,552	1,948,700	(896,376)				2,242,876
Costs and expenses							
Cost of products sold	678,719	1,424,100	(822,250)				1,280,569
Operating and administrative expenses	330,977	285,800	(28,713)				588,064
Severance charge	2,000						2,000
Loss on disposal of assets		10,800	113				10,913
Depreciation and amortization	35,628	117,200	(42,700)			18,809(15)	128,937
	1,047,324	1,837,900	(893,550)			18,809	2,010,483
Operating income	143,228	110,800	(2,826)			(18,809)	232,393
Interest expense, net	(27,378)	(1,500)	100		(87,830)	(16)	(116,608)
Other income		200					200
Income before provision for income taxes	115,850	109,500	(2,726)		(87,830)	(18,809)	115,985
Provision for income taxes	884	500	(100)				1,284
Net income (loss)	$ 114,966	$ 109,000	$ (2,626)	$	$ (87,830)	$ (18,809)	$ 114,701
Income per Common Unit basic	$ 3.24						$ 2.31
Weighted average number of units outstanding basic	35,525					14,201(14)	49,726
Income per Common Unit diluted	$ 3.22						$ 2.30
Weighted average number of units outstanding diluted	35,723					14,201(14)	49,924

(*) Suburban Propane Partners, L.P. uses a 52/53 week fiscal year which ends on the last Saturday in September and its fiscal quarters are generally 13 weeks in duration. Inergy Propane, LLC uses a fiscal year end which ends on September 30.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

(in thousands of dollars, except per unit data)

Note 1. The unaudited pro forma condensed combined financial information was prepared based on the preliminary valuation of the purchase price of $1,832,478 and allocation to the identifiable assets acquired and liabilities assumed. The purchase price was determined and allocated for accounting purposes as follows:

Consideration:	
Cash consideration to Inergy noteholders pursuant to the Exchange Offers	$ 184,698
Cash consideration to Inergy noteholders for consent payment pursuant to the Consent Solicitations	65,000
SPH Notes issued to Inergy noteholders	1,000,000
Initial Equity Consideration (see Note 14)	605,856
Additional Equity Consideration (see Note 14)	13,425
Cash consideration from Inergy pursuant to the Contribution Agreement	(36,500)
	$ 1,832,478

Preliminary purchase price allocation:	
Current assets	$ 134,968
Property, plant and equipment	614,098
Other intangible assets	380,549
Goodwill	754,768
Other assets	537
Current liabilities	(41,821)
Non-current liabilities	(10,621)
	$ 1,832,478

Pursuant to the Contribution Agreement, the purchase price is subject to adjustment for working capital and certain liabilities of Inergy Propane that are being assumed by Suburban in the Inergy Propane Acquisition. These liabilities consist primarily of non-interest bearing obligations due under non-competition agreements between Inergy Propane and the sellers of retail propane companies acquired by Inergy Propane in the past, as well as certain other accrued liabilities. The actual amounts of these adjustments will depend on the fair value of the working capital and the fair value of the assumed liabilities on the closing date of the Inergy Propane Acquisition.

In addition, on the closing date of the Inergy Propane Acquisition, Inergy will provide Suburban with cash in an amount equal to the amount of accrued and unpaid interest on the Inergy Notes through the closing date of the Inergy Propane Acquisition, which Suburban will distribute to the Inergy noteholders participating in the Exchange Offers on the Acquisition Closing Date.

Note 2. Represents the historical consolidated results of operations and financial position of Suburban.

Note 3. Represents the historical consolidated results of operations and financial position of Inergy Propane, LLC.

Note 4. Reflects the elimination of the historical consolidated results of operations, assets and liabilities of Inergy Propane not to be acquired by Suburban.

Note 5. Reflects reclassifications of amounts included on Inergy Propane s financial statements to conform to Suburban s presentation.

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NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

(in thousands of dollars, except per unit data)

Note 6. Reflects pro forma adjustments to cash and cash equivalents as follows:

Gross proceeds from borrowings under 364-Day Facility	$ 225,000
Cash consideration from Inergy pursuant to the Contribution Agreement	36,500
Cash payments to Inergy noteholders pursuant to the Exchange Offers	(184,698)
Cash payments to Inergy noteholders for consent payment pursuant to the consent solicitations	(65,000)
Payment of debt origination costs	(18,444)
Payment of acquisition-related costs	(15,750)
	$ (22,392)

Note 7. Reflects pro forma adjustments to record estimated debt issuance costs in conjunction with the 364-Day Facility.

Note 8. Reflects pro forma adjustments to record property, plant and equipment at estimated fair value as follows:

To record estimated fair value of Inergy Propane property, plant and equipment	$ 614,098
Eliminate historical net book value of Inergy Propane property, plant and equipment	(472,383)
	$ 141,715

Note 9. Reflects pro forma adjustments to record other intangible assets at estimated fair value as follows:

Allocation of purchase price to customer relationships	$ 363,000
Allocation of purchase price to tradenames	2,200
Allocation of purchase price to non-competes	15,349
Eliminate historical cost of Inergy Propane s other intangible assets	(301,954)
	$ 78,595

Note 10. Reflects pro forma adjustments to remove Inergy Propane s historical goodwill of $336,121 and to record goodwill of $754,768 representing the excess of the net purchase price over the preliminary fair values of the net assets acquired and liabilities assumed. Such goodwill principally comprises buyer-specific synergies and assembled workforce.

Note 11. Reflects pro forma adjustments to record estimated debt issuance costs in conjunction with the issuance of $1,000,000 in aggregate principal amount of SPH Notes.

Note 12. Reflects borrowings under the 364-Day Facility.

Note 13. Reflects the issuance of $1,000,000 in aggregate principal amount of SPH Notes. The fair value of the SPH Notes to be issued to Inergy noteholders on the closing date of the Inergy Propane Acquisition will be used for the final purchase price allocation for the Inergy Propane Acquisition, which may be different than the $1,000,000 reflected in the preliminary purchase price allocation and pro forma adjustment above.

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NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

(in thousands of dollars, except per unit data)

Note 14. Reflects total pro forma adjustments to partners capital accounts as follows:

	Suburban Common Units (in thousands)	Suburban Common Unitholders / Member s Equity
Elimination of historical Inergy Propane member s capital		$ (1,383,400)
Issuance of Suburban common units (Initial Equity Consideration)	13,893	605,856
Additional issuance of Suburban common units (Additional Equity Consideration)	308	13,425
Acquisition-related costs		(15,750)
	14,201	$ (779,869)

In accordance with the Contribution Agreement, the number of Suburban common units to be issued to Inergy and Inergy Sales as Initial Equity Consideration in the aggregate is determined by dividing $600,000 by the average of the high and low sales prices of Suburban s common units for the twenty consecutive trading days ending on the day prior to the execution of the Contribution Agreement, which was determined to be $43.1885, resulting in 13,893 common units. The number of additional units to be issued to Inergy as Additional Equity Consideration is determined by dividing the Inergy Cash Consideration by $42.50. On July 26, 2012, the Inergy Cash Consideration was estimated to be $13,083, which results in the issuance of 308 additional common units. A decrease in the Inergy Cash Consideration will result in a decrease in cash and cash equivalents and a corresponding decrease in partners capital.

The pro forma adjustment regarding the 14,201 Suburban common units to be issued to Inergy and Inergy Sales was determined based on the reported closing price of a Suburban common unit on the New York Stock Exchange on July 26, 2012. The fair value of the Suburban common units on the closing date of the Inergy Propane Acquisition will be used for the final purchase price allocation for the Inergy Propane Acquisition, which may be different than the amounts reflected in the preliminary purchase price allocation and pro forma adjustment above. If the fair value of Suburban s common units on the closing date of the Inergy Propane Acquisition are 10% higher or lower than the preliminary fair value used for the preliminary valuation of the total purchase price of the Inergy Propane Acquisition, goodwill will increase (if higher) or decrease (if lower) by $61,928 in the final purchase price allocation.

Note 15. Reflects pro forma adjustments to depreciation and amortization expense as follows:

	For the Six Months Ended March 24, 2012	For the Year Ended September 24, 2011
Eliminate historical depreciation and amortization expense of Inergy Propane	$ (35,528)	$ (74,500)
Depreciation and amortization expense reflecting preliminary allocation of the purchase price:		
Depreciation expense on property, plant and equipment (5 to 40 years)	25,551	53,389
Amortization expense of customer list intangibles (10 years)	18,150	36,300
Amortization expense of non-compete agreement intangibles (5 years)	1,535	550
Amortization expense of tradename intangibles (4 years)	275	3,070
	$ 9,983	$ 18,809

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NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

(in thousands of dollars, except per unit data)

Note 16. Reflects pro forma adjustments to interest expense as follows:

	For the Six Months Ended March 24, 2012	For the Year Ended September 24, 2011
Interest on SPH Notes	$ 37,187	$ 74,375
Interest on borrowings under the 364-Day Facility	3,938	7,875
Amortization of debt issuance costs	2,790	5,580
	$ 43,915	$ 87,830

Borrowing under the 364-Day Facility bears interest at prevailing interest rates based upon 3-month LIBOR, which was approximately 0.5% as of July 26, 2012, plus 300 basis points. Accordingly, interest expense on borrowing of $225,000 for the full term of the 364-Day Facility would approximate $7,875 using an interest rate of 3.5%. If the 3-month LIBOR increased or decreased by 12.5 basis points from the rate as of July 26, 2012, annual interest expense would increase or decrease by $281.

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MANAGEMENT S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including those set forth in Risk Factors and Special Note Regarding Forward-Looking Statements. The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and notes thereto included elsewhere in this prospectus, as well as the information presented under Selected Consolidated Historical Financial and Other Data of Suburban.

Executive Overview

The following are factors that regularly affect our operating results and financial condition. In addition, our business is subject to the risks and uncertainties set forth in Risk Factors.

Product Costs and Supply

The level of profitability in our retail propane, fuel oil, natural gas and electricity businesses is largely dependent on the difference between retail sales price and product cost. The unit cost of our products, particularly propane, fuel oil and natural gas, is subject to volatility as a result of supply and demand dynamics or other market conditions, including, but not limited to, economic and political factors impacting crude oil and natural gas supply or pricing. We enter into product supply contracts that are generally one-year agreements subject to annual renewal, and also purchase product on the open market. We attempt to reduce price risk by pricing product on a short-term basis. Our propane supply contracts typically provide for pricing based upon index formulas using the posted prices established at major supply points such as Mont Belvieu, Texas, or Conway, Kansas (plus transportation costs) at the time of delivery.

To supplement our annual purchase requirements, we may utilize forward fixed price purchase contracts to acquire a portion of the propane that we resell to our customers, which allows us to manage our exposure to unfavorable changes in commodity prices and to assure adequate physical supply. The percentage of contract purchases, and the amount of supply contracted for under forward contracts at fixed prices, will vary from year to year based on market conditions.

Product cost changes can occur rapidly over a short period of time and can impact profitability. There is no assurance that we will be able to pass on product cost increases fully or immediately, particularly when product costs increase rapidly. Therefore, average retail sales prices can vary significantly from year to year as product costs fluctuate with propane, fuel oil, crude oil and natural gas commodity market conditions. In addition, in periods of sustained higher commodity prices, retail sales volumes can be negatively impacted by customer conservation efforts.

Seasonality

The retail propane and fuel oil distribution businesses, as well as the natural gas marketing business, are seasonal because these fuels are primarily used for heating in residential and commercial buildings. Historically, approximately two-thirds of our retail propane volume is sold during the six-month peak heating season from October through March. The fuel oil business tends to experience greater seasonality given its more limited use for space heating and approximately three-fourths of our fuel oil volumes are sold between October and March. Consequently, sales and operating profits are concentrated in our first and second fiscal quarters. Cash flows from operations, therefore, are greatest during the second and third fiscal quarters when customers pay for product purchased during the winter heating season. We expect lower operating profits and either net losses or lower net income during the period from April through September (our third and fourth fiscal quarters). To the extent necessary, we will reserve cash from the second and third quarters for distribution to holders of our common units in the fourth quarter and following fiscal year first quarter.

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Weather

Weather conditions have a significant impact on the demand for our products, in particular propane, fuel oil and natural gas, for both heating and agricultural purposes. Many of our customers rely heavily on propane, fuel oil or natural gas as a heating source. Accordingly, the volume sold is directly affected by the severity of the winter weather in our service areas, which can vary substantially from year to year. In any given area, sustained warmer than normal temperatures will tend to result in reduced propane, fuel oil and natural gas consumption, while sustained colder than normal temperatures will tend to result in greater consumption. We experienced unseasonably warmer than normal temperatures throughout most of our service territories during the fiscal 2012 heating season, including some of the warmest temperatures on record, which resulted in significantly reduced customer consumption and therefore, lower volumes sold compared to the fiscal 2011 heating season.

Hedging and Risk Management Activities

We engage in hedging and risk management activities to reduce the effect of price volatility on our product costs and to ensure the availability of product during periods of short supply. We enter into propane forward and option agreements with third parties, and use fuel oil and crude oil futures and option contracts traded on the New York Mercantile Exchange (**NYMEX**) to purchase and sell propane, fuel oil and crude oil at fixed prices in the future. The majority of the futures, forward and option agreements are used to hedge price risk associated with our propane and fuel oil physical inventory, as well as, in certain instances, forecasted purchases of propane or fuel oil. Forward contracts are generally settled physically at the expiration of the contract whereas futures and option contracts are generally settled in cash at the expiration of the contract. Although we use derivative instruments to reduce the effect of price volatility associated with priced physical inventory and forecasted transactions, we do not use derivative instruments for speculative trading purposes. Risk management activities are monitored by an internal Commodity Risk Management Committee, made up of five members of management and reporting to our Audit Committee, through enforcement of our Hedging and Risk Management Policy.

Critical Accounting Policies and Estimates

Our significant accounting policies are summarized in Note 2, Summary of Significant Accounting Policies, included within the Notes to Consolidated Financial Statements section elsewhere in this prospectus.

Certain amounts included in or affecting our consolidated financial statements and related disclosures must be estimated, requiring management to make certain assumptions with respect to values or conditions that cannot be known with certainty at the time the financial statements are prepared. The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We are also subject to risks and uncertainties that may cause actual results to differ from estimated results. Estimates are used when accounting for self-insurance and litigation reserves, pension and other post-retirement benefit liabilities and costs, valuation of derivative instruments, asset valuation assessments, depreciation and amortization of long-lived assets, asset impairment assessments, tax valuation allowances, and allowances for doubtful accounts. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Any effects on our financial position or results of operations resulting from revisions to these estimates are recorded in the period in which the facts that give rise to the revision become known to us. Management has reviewed these critical accounting estimates and related disclosures with the audit committee of our Board of Supervisors (the **Audit Committee**). We believe that the following are our critical accounting estimates:

Allowances for Doubtful Accounts. We maintain allowances for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. We estimate our allowances for

doubtful accounts using a specific reserve for known or anticipated uncollectible accounts, as well as an estimated reserve for potential future uncollectible accounts taking into consideration our historical write-offs. If the financial condition of one or more of our customers were to deteriorate resulting in an impairment in their ability to make payments, additional allowances could be required. As a result of our large customer base, which is comprised of approximately 750,000 customers, no individual customer account is material. Therefore, while some variation to actual results occurs, historically such variability has not been material. Schedule II, Valuation and Qualifying Accounts, provides a summary of the changes in our allowances for doubtful accounts during the period.

Pension and Other Postretirement Benefits. We estimate the rate of return on plan assets, the discount rate used to estimate the present value of future benefit obligations and the expected cost of future health care benefits in determining our annual pension and other postretirement benefit costs. While we believe that our assumptions are appropriate, significant differences in our actual experience or significant changes in market conditions may materially affect our pension and other postretirement benefit obligations and our future expense. See Liquidity and Capital Resources Pension Plan Assets and Obligations below for additional disclosure regarding pension benefits.

With other assumptions held constant, an increase or decrease of 100 basis points in the discount rate would have an immaterial impact on net pension and postretirement benefit costs.

Self-Insurance Reserves. Our accrued self-insurance reserves represent the estimated costs of known and anticipated or unasserted claims under our general and product, workers compensation and automobile insurance policies. Accrued insurance provisions for unasserted claims arising from unreported incidents are based on an analysis of historical claims data. For each unasserted claim, we record a self-insurance provision up to the estimated amount of the probable claim utilizing actuarially determined loss development factors applied to actual claims data. Our self-insurance provisions are susceptible to change to the extent that actual claims development differs from historical claims development. We maintain insurance coverage wherein our net exposure for insured claims is limited to the insurance deductible, claims above which are paid by our insurance carriers. For the portion of our estimated self-insurance liability that exceeds our deductibles, we record an asset related to the amount of the liability expected to be paid by the insurance companies. Historically, we have not experienced significant variability in our actuarial estimates for claims incurred but not reported. Accrued insurance provisions for reported claims are reviewed at least quarterly, and our assessment of whether a loss is probable and/or reasonably estimable is updated as necessary. Due to the inherently uncertain nature of, in particular, product liability claims, the ultimate loss may differ materially from our estimates. However, because of the nature of our insurance arrangements, those material variations historically have not, nor are they expected in the future to have, a material impact on our results of operations or financial position.

Loss Contingencies. In the normal course of business, we are involved in various claims and legal proceedings. We record a liability for such matters when it is probable that a loss has been incurred and the amounts can be reasonably estimated. The liability includes probable and estimable legal costs to the point in the legal matter where we believe a conclusion to the matter will be reached. When only a range of possible loss can be established, the most probable amount in the range is accrued. If no amount within this range is a better estimate than any other amount within the range, the minimum amount in the range is accrued.

Results of Operations

The following information presented as of and for the six months ended March 24, 2012 and March 26, 2011 was prepared by management and is unaudited and was derived from our unaudited consolidated financial statements and accompanying notes which are included in this prospectus. In the opinion of management, all adjustments necessary for a fair statement of our financial position and operating results for such periods and as of such dates have been included.

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The following information presented as of and for the years ended September 24, 2011, September 25, 2010 and September 26, 2009 was derived from our audited consolidated financial statements and accompanying notes which are included in this prospectus.

Six Months Ended March 24, 2012 Compared to Six Months Ended March 26, 2011

Revenues

	Six Months Ended			
(Dollars in thousands)	March 24, 2012	March 26, 2011	(Decrease)	Percent (Decrease)
Revenues				
Propane	$ 524,115	$ 617,710	$ (93,595)	(15.2%)
Fuel oil and refined fuels	74,729	101,920	(27,191)	(26.7%)
Natural gas and electricity	39,759	51,657	(11,898)	(23.0%)
All other	18,909	21,122	(2,213)	(10.5%)
Total revenues	$ 657,512	$ 792,409	$ (134,897)	(17.0%)

Total revenues decreased $134.9 million, or 17.0%, to $657.5 million for the first six months of fiscal 2012 compared to $792.4 million for the first six months of the prior year due to lower volumes sold, partially offset by higher average selling prices associated with higher product costs. The decline in sales volumes was primarily due to the unfavorable impact of significantly warmer average temperatures during the first six months of fiscal 2012 compared to the first six months of the prior year, coupled with the negative impact of customer conservation efforts attributable to the high commodity price environment and ongoing sluggish economic conditions. Average temperatures across our service territories for the first six months of fiscal 2012 were 14% warmer than normal and the first six months of the prior year. Record warm temperatures were experienced throughout much of the northeast and significantly warmer than normal temperatures were reported throughout the east coast. Average temperatures in the northeast and southeast regions for the six months of fiscal 2012 were 20% and 27%, respectively, warmer than the first six months of the prior year.

Revenues from the distribution of propane and related activities of $524.1 million for the first six months of fiscal 2012 decreased $93.6 million, or 15.2%, compared to $617.7 million for the first six months of the prior year, primarily due to lower volumes sold, partially offset by higher average selling prices associated with higher wholesale product costs. Retail propane gallons sold in the first six months of fiscal 2012 decreased 36.1 million gallons, or 18.0%, to 164.2 million gallons from 200.3 million gallons in the first six months of the prior year. The volume decline was more pronounced within our residential customer base as the impact of weather has a greater effect on our residential customer s propane consumption since the primary use of propane during the winter is for space heating. Average propane selling prices for the first six months of fiscal 2012 increased 3.0% compared to the first six months of the prior year due to higher product costs. Included within the propane segment are revenues from other propane activities of $41.2 million for the first six months of fiscal 2012, which decreased $4.7 million compared to the first six months of the prior year.

Revenues from the distribution of fuel oil and refined fuels of $74.7 million for the first six months of fiscal 2012 decreased $27.2 million, or 26.7%, from $101.9 million in the first six months of the prior year, primarily due to lower volumes sold, partially offset by higher average selling prices associated with higher wholesale product costs. Fuel oil and refined fuels gallons sold in the first six months of fiscal 2012 decreased 9.3 million gallons, or 33.7%, to 18.3 million gallons from 27.6 million gallons in the first six months of the prior year. Average selling prices in our fuel oil and refined fuels segment in the first six months of fiscal 2012 increased 10.7% compared to the first six months of the prior year due to higher product costs.

Revenues in our natural gas and electricity segment decreased $11.9 million, or 23.0%, to $39.8 million in the first six months of fiscal 2012 compared to $51.7 million in the first six months of the prior year as a result of lower natural gas and electricity volumes sold, which was primarily attributable to the unseasonably warm weather in the northeast, discussed above.

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Cost of Products Sold

(Dollars in thousands)	Six Months Ended March 24, 2012	Six Months Ended March 26, 2011	Increase/ (Decrease)	Percent Increase/ (Decrease)
Cost of products sold				
Propane	$ 300,507	$ 331,887	$ (31,380)	(9.5%)
Fuel oil and refined fuels	58,152	71,477	(13,325)	(18.6%)
Natural gas and electricity	27,508	37,634	(10,126)	(26.9%)
All other	5,808	5,338	470	8.8%
Total cost of products sold	$ 391,975	$ 446,336	$ (54,361)	(12.2%)
As a percent of total revenues	59.6%	56.3%		

The cost of products sold reported in the condensed consolidated statements of operations represents the weighted average unit cost of propane and fuel oil and refined fuels sold, including transportation costs to deliver product from our supply points to storage or to our customer service centers. Cost of products sold also includes the cost of natural gas and electricity, as well as the cost of appliances and related parts sold or installed by our customer service centers computed on a basis that approximates the average cost of the products. Unrealized (non-cash) gains or losses from changes in the fair value of derivative instruments that are not designated as cash flow hedges are recorded in each quarterly reporting period within cost of products sold. Cost of products sold is reported exclusive of any depreciation and amortization; these amounts are reported separately within the condensed consolidated statements of operations.

Given the retail nature of our operations, we maintain a certain level of priced physical inventory to ensure our field operations have adequate supply commensurate with the time of year. Our strategy has been, and will continue to be, to keep our physical inventory priced relatively close to market for our field operations. Consistent with past practices, we principally utilize futures and/or options contracts traded on the NYMEX to mitigate the price risk associated with our priced physical inventory. Under this risk management strategy, realized gains or losses on futures or options contracts, which are reported in cost of products sold, will typically offset losses or gains on the physical inventory once the product is sold (which may or may not occur in the same accounting period). We do not use futures or options contracts, or other derivative instruments, for speculative trading purposes.

Average posted prices for propane and fuel oil for the first six months of fiscal 2012 were 1.7% and 18.6%, respectively, higher than the first six months of the prior year. Total cost of products sold decreased $54.4 million, or 12.2%, to $392.0 million in the first six months of fiscal 2012 compared to $446.4 million in the first six months of the prior year due to lower volumes sold, partially offset by higher average product costs. The net change in the fair value of derivative instruments during the period resulted in a $1.0 million unrealized (non-cash) loss reported in cost of products sold in the first six months of fiscal 2012, and an unrealized (non-cash) gain of $2.6 million in the first six months of fiscal 2011, resulting in an increase of $3.6 million in cost of products sold in the first six months of fiscal 2012 compared to the first six months of the prior year ($2.0 million and $1.6 million increase in cost of products sold reported in the propane segment and fuel oil and refined fuels segment, respectively).

Cost of products sold associated with the distribution of propane and related activities of $300.5 million for the first six months of fiscal 2012 decreased $31.4 million, or 9.5%, compared to the first six months of the prior year. Lower propane volumes sold resulted in a decrease of $55.4 million in cost of products sold during the first six months of fiscal 2012 compared to the first six months of the prior year. The impact of the decrease in volumes sold was partially offset by higher average propane costs, which resulted in a $23.0 million increase in cost of products sold during the first six months of fiscal 2012 compared to the first six months of the prior year. Cost of products sold from other propane activities decreased $1.0 million in the first six months of fiscal 2012 compared to the first six months of the prior year.

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Cost of products sold associated with our fuel oil and refined fuels segment of $58.2 million for the first six months of fiscal 2012 decreased $13.3 million, or 18.6%, compared to the first six months of the prior year. Lower fuel oil and refined fuels volumes sold resulted in a decrease of $22.7 million in cost of products sold during the first six months of fiscal 2012 compared to the first six months of the prior year. The impact of the decrease in volumes sold was partially offset by higher average fuel oil and refined fuels costs, which resulted in a $7.8 million increase in cost of products sold during the first six months of fiscal 2012 compared to the first six months of the prior year.

Cost of products sold in our natural gas and electricity segment of $27.5 million for the first six months of fiscal 2012 decreased $10.1 million, or 26.9%, compared to the first six months of the prior year, primarily due to lower natural gas and electricity volumes sold.

For the first six months of fiscal 2012, total cost of products sold as a percent of total revenues increased 3.3 percentage points to 59.6% from 56.3% in the first six months of the prior year. The increase in cost of products sold as a percentage of revenues was primarily attributable to sales volume mix as the more weather-sensitive higher margin residential customer base was the primary contributor to lower volumes sold. In addition, wholesale product costs increased at a faster rate than average selling prices in the first six months of fiscal 2012 compared to the first six months of the prior year. Given the competitive nature of the propane and fuel oil businesses and the poor economic conditions, we were limited in our ability to pass along the rise in wholesale product costs to the end user.

Operating Expenses

	Six Months Ended			
(Dollars in thousands)	March 24, 2012	March 26, 2011	(Decrease)	Percent (Decrease)
Operating expenses	$ 137,235	$ 145,084	$ (7,849)	(5.4%)
As a percent of total revenues	20.9%	18.3%		

All costs of operating our retail distribution and appliance sales and service operations are reported within operating expenses in the condensed consolidated statements of operations. These operating expenses include the compensation and benefits of field and direct operating support personnel, costs of operating and maintaining our vehicle fleet, overhead and other costs of our purchasing, training and safety departments and other direct and indirect costs of operating our customer service centers.

Operating expenses of $137.2 million for the first six months of fiscal 2012 decreased approximately $7.8 million, or 5.4%, compared to $145.1 million in the first six months of the prior year as a result of lower payroll and benefit related expenses resulting from a lower headcount and operating efficiencies, as well as lower insurance costs and bad debt expense. These savings were partially offset by an increase in fuel costs for operating our fleet.

General and Administrative Expenses

	Six Months Ended			
(Dollars in thousands)	March 24, 2012	March 26, 2011	Increase	Percent Increase
General and administrative expenses	$ 26,453	$ 24,781	$ 1,672	6.7%
As a percent of total revenues	4.0%	3.1%		

All costs of our back office support functions, including compensation and benefits for executives and other support functions, as well as other costs and expenses to maintain finance and accounting, treasury, legal, human resources, corporate development and the information systems functions are reported within general and administrative expenses in the condensed consolidated statements of operations.

General and administrative expenses of $26.5 million for the first six months of fiscal 2012 increased approximately $1.7 million compared to $24.8 million in the first six months of the prior year. General and administrative expenses for the first six months of fiscal 2012 included a $2.1 million non-cash charge from a loss on disposal of an asset used in our natural gas and electricity business. This $2.1 million non-cash charge was excluded from our calculation of Adjusted EBITDA for the six months ended March 24, 2012, below. General and administrative expenses for the first six months of fiscal 2011 included a $2.5 million gain on sale of assets. Excluding the impact of these items, general and administrative expenses decreased $2.9 million primarily due to lower variable compensation associated with lower earnings.

Severance Charges

During the first six months of fiscal 2011 we recorded severance charges of $2.0 million related to the realignment of our regional operating footprint in response to the persistent and foreseeable challenges affecting the industry as a whole. The steps taken were made possible as a result of our technology infrastructure and the talent within the organization.

Depreciation and Amortization

	Six Months Ended			
(Dollars in thousands)	March 24, 2012	March 26, 2011	(Decrease)	Percent (Decrease)
Depreciation and amortization	$ 15,434	$ 16,634	$ (1,200)	(7.2%)
As a percent of total revenues	2.3%	2.1%		

Depreciation and amortization expense of $15.4 million for the first six months of fiscal 2012 decreased $1.2 million compared to $16.6 million in the first six months of the prior year, primarily as a result of accelerated depreciation expense recorded in the prior year period for vehicles taken out of service.

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Interest Expense, net

(Dollars in thousands)	Six Months Ended March 24, 2012	Six Months Ended March 26, 2011	(Decrease)	Percent (Decrease)
Interest expense, net	$ 13,263	$ 13,665	$ (402)	(2.9%)
As a percent of total revenues	2.0%	1.7%		

Net interest expense of $13.3 million for the first six months of fiscal 2012 decreased $0.4 million compared to $13.7 million in the first six months of the prior year, primarily due to a decrease in the interest rate on borrowings under our revolving credit facility as a result of the amendment to the credit agreement that was executed on January 5, 2012. See Liquidity and Capital Resources below for additional discussion on the amendment to the credit agreement.

Loss on Debt Extinguishment

In connection with the execution of the amendment of our credit agreement, we recognized a non-cash charge of $0.5 million to write-off a portion of unamortized debt origination costs during the first six months of fiscal 2012. See Liquidity and Capital Resources below for additional discussion on the amendment to the credit agreement.

Net Income and EBITDA

Net income for the first six months of fiscal 2012 amounted to $72.8 million, or $2.05 per common unit, compared to net income of $143.4 million, or $4.04 per common unit, in the first six months of the prior year. EBITDA for the first six months of fiscal 2012 and 2011 amounted to $101.3 million and $174.2 million, respectively. Adjusted EBITDA for the first six months of fiscal 2012 and 2011 amounted to $105.0 million and $173.7 million, respectively.

EBITDA represents income before deducting interest expense, income taxes, depreciation and amortization. Adjusted EBITDA represents EBITDA excluding the unrealized net gain or loss on mark-to-market activity for derivative instruments, loss on debt extinguishment, loss on asset disposal and severance charges. Our management uses EBITDA as a measure of liquidity and we disclose it because we believe that it provides our investors and industry analysts with additional information to evaluate our ability to meet our debt service obligations and to pay our quarterly distributions to holders of our common units. In addition, certain of our incentive compensation plans covering executives and other employees utilize Adjusted EBITDA as the performance target. Moreover, our revolving credit agreement requires us to use Adjusted EBITDA as a component in calculating our leverage and interest coverage ratios. EBITDA and Adjusted EBITDA are not recognized terms under US GAAP and should not be considered as an alternative to net income or net cash provided by operating activities determined in accordance with US GAAP. Because EBITDA and Adjusted EBITDA as determined by us excludes some, but not all, items that affect net income, they may not be comparable to EBITDA and Adjusted EBITDA or similarly titled measures used by other companies.

The following table sets forth (i) our calculations of EBITDA and Adjusted EBITDA and (ii) a reconciliation of Adjusted EBITDA, as so calculated, to our net cash provided by operating activities:

(Dollars in thousands)	Six Months Ended March 24, 2012	Six Months Ended March 26, 2011
Net income	$ 72,805	$ 143,445
Add:		
Provision for income taxes	(160)	464
Interest expense, net	13,263	13,665
Depreciation and amortization	15,434	16,634
EBITDA	101,342	174,208
Unrealized (non-cash) (gains) losses on changes in fair value of derivatives	1,048	(2,550)
Loss on debt extinguishment	507	
Loss on asset disposal	2,078	

Severance charges		2,000
Adjusted EBITDA	104,975	173,658
Add (subtract):		
Provision for income taxes	160	(464)
Interest expense, net	(13,263)	(13,665)
Unrealized (non-cash) gains (losses) on changes in fair value of derivatives	(1,048)	2,550
Severance charges		(2,000)
Compensation cost recognized under Restricted Unit Plans	2,350	2,399
(Gain) on disposal of property, plant and equipment, net	(211)	(2,911)
Changes in working capital and other assets and liabilities	(75,915)	(109,729)
Net cash provided by operating activities	$ 17,048	$ 49,838

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Comparison of the Three Years Ended September 24, 2011, September 25, 2010 and September 26, 2009.

Fiscal Year 2011 Compared to Fiscal Year 2010

Revenues

(Dollars in thousands)	Fiscal 2011	Fiscal 2010	Increase/ (Decrease)	Percent Increase/ (Decrease)
Revenues				
Propane	$ 929,492	$ 885,459	$ 44,033	5.0%
Fuel oil and refined fuels	139,572	135,059	4,513	3.3%
Natural gas and electricity	84,721	77,587	7,134	9.2%
All other	36,767	38,589	(1,822)	(4.7%)
Total revenues	$ 1,190,552	$ 1,136,694	$ 53,858	4.7%

Total revenues increased $53.9 million, or 4.7%, to $1,190.6 million in fiscal 2011 compared to $1,136.7 million for fiscal 2010, due to higher average selling prices associated with higher product costs, partially offset by lower volumes sold. From a weather perspective, average temperatures as measured in heating degree days, as reported by NOAA, in our service territories during fiscal 2011 were 1% warmer than normal and 4% colder than the prior year.

Revenues from the distribution of propane and related activities of $929.5 million for fiscal 2011 increased $44.0 million, or 5.0%, compared to $885.5 million for fiscal 2010, primarily as a result of higher average selling prices associated with higher product costs, partially offset by lower volumes sold. Average propane selling prices in fiscal 2011 increased 8.9% compared to the prior year due to higher product costs, thereby having a positive impact on revenues. This increase was partially offset by lower retail propane gallons sold in fiscal 2011 which decreased 19.0 million gallons, or 6.0%, to 298.9 million gallons from 317.9 million gallons in the prior year. The volume decline was primarily due to customer conservation efforts attributable to the high commodity price environment and ongoing sluggish economic conditions. Additionally, included within the propane segment are revenues from other propane activities of $76.4 million in fiscal 2011, which increased $23.8 million compared to the prior year as a result of the settlement of certain contracts used for risk management purposes (see similar increase in cost of products sold).

Revenues from the distribution of fuel oil and refined fuels of $139.6 million for fiscal 2011 increased $4.5 million, or 3.3%, from $135.1 million in the prior year primarily as a result of higher average selling prices associated with higher product costs, partially offset by lower volumes sold. Average selling prices in our fuel oil and refined fuels segment in fiscal 2011 increased 20.1% compared to the prior year due to higher product costs, thereby having a positive impact on revenues. Fuel oil and refined fuels gallons sold in fiscal 2011 decreased 6.0 million gallons, or 13.8%, to 37.2 million gallons from 43.2 million gallons in the prior year. Lower volumes sold in our fuel oil and refined fuels segment were primarily attributable to our gasoline and diesel businesses and, to a lesser extent, our heating oil business.

Revenues in our natural gas and electricity segment increased $7.1 million, or 9.2%, to $84.7 million in fiscal 2011 compared to $77.6 million in the prior year as a result of higher natural gas and, to a lesser extent, electricity volumes sold, coupled with higher average selling prices associated with higher product costs.

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Cost of Products Sold

(Dollars in thousands)	Fiscal 2011	Fiscal 2010	Increase/ (Decrease)	Percent Increase/ (Decrease)
Cost of products sold				
Propane	$ 506,481	$ 436,825	$ 69,656	15.9%
Fuel oil and refined fuels	100,908	92,037	8,871	9.6%
Natural gas and electricity	61,495	57,892	3,603	6.2%
All other	9,835	11,697	(1,862)	(15.9%)
Total cost of products sold	$ 678,719	$ 598,451	$ 80,268	13.4%
As a percent of total revenues	57.0%	52.6%		

Cost of products sold increased $80.3 million, or 13.4%, to $678.7 million in fiscal 2011 compared to $598.4 million in the prior year due to higher average product costs resulting from the increase in commodity prices, partially offset by lower volumes sold. Average posted prices for propane and fuel oil in fiscal 2011 were 26.7% and 36.6% higher, respectively, compared to the prior year. Cost of products sold in fiscal 2011 included a $1.4 million unrealized (non-cash) gain representing the net change in the fair value of derivative instruments during the period, compared to a $5.4 million unrealized (non-cash) loss in the prior year resulting in a decrease of $6.8 million in cost of products sold in fiscal 2011 compared to the prior year ($0.3 million decrease reported within the propane segment and $6.5 million decrease reported within the fuel oil and refined fuels segment).

Cost of products sold associated with the distribution of propane and related activities of $506.5 million for fiscal 2011 increased $69.7 million, or 15.9%, compared to the prior year. Higher average propane product costs resulted in an increase of $70.9 million in cost of products sold during fiscal 2011 compared to the prior year. The impact of the increase in average propane product costs was partially offset by lower propane volumes sold, which resulted in a $25.5 million decrease in cost of products sold during fiscal 2011 compared to the prior year. Cost of products sold from other propane activities increased $24.6 million in fiscal 2011 compared to the prior year.

Cost of products sold associated with our fuel oil and refined fuels segment of $100.9 million for fiscal 2011 increased $8.9 million, or 9.6%, compared to the prior year. Higher average fuel oil and refined fuel product costs resulted in an increase of $27.3 million in cost of products sold during fiscal 2011 compared to the prior year. The impact of the increase in product costs was partially offset by lower fuel oil and refined fuels volumes sold, which resulted in an $11.9 million decrease in cost of products sold in fiscal 2011 compared to the prior year.

Cost of products sold in our natural gas and electricity segment of $61.5 million for fiscal 2011 increased $3.6 million, or 6.2%, compared to the prior year primarily due to higher natural gas and, to a lesser extent, electricity volumes sold, coupled with an increase in average product costs.

Cost of products sold as a percent of total revenues for fiscal 2011 increased 4.4 percentage points to 57.0% from 52.6% in the prior year. The increase in cost of products sold as a percentage of revenues was primarily attributable to wholesale product costs rising at a faster rate than average selling prices in fiscal 2011 compared to the prior year.

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Operating Expenses

(Dollars in thousands)	Fiscal 2011	Fiscal 2010	(Decrease)	Percent (Decrease)
Operating expenses	$ 279,329	$ 289,567	$ (10,238)	(3.5%)
As a percent of total revenues	23.5%	25.5%		

Operating expenses of $279.3 million for fiscal 2011 decreased $10.2 million, or 3.5%, compared to $289.6 million in the prior year as a result of lower variable compensation associated with lower earnings, lower payroll and benefit related expenses resulting from operating efficiencies, and lower insurance costs. These savings were partially offset by an increase in fuel costs to operate our fleet.

General and Administrative Expenses

(Dollars in thousands)	Fiscal 2011	Fiscal 2010	(Decrease)	Percent (Decrease)
General and administrative expenses	$ 51,648	$ 61,656	$ (10,008)	(16.2%)
As a percent of total revenues	4.3%	5.4%		

General and administrative expenses of $51.6 million for fiscal 2011 decreased $10.0 million, or 16.2%, compared to $61.6 million in the prior year primarily as a result of lower variable compensation associated with lower earnings and the impact of a $2.5 million gain on sale of assets during the second quarter of fiscal 2011, partially offset by an increase in litigation costs for uninsured legal matters.

Depreciation and Amortization

(Dollars in thousands)	Fiscal 2011	Fiscal 2010	Increase	Percent Increase
Depreciation and amortization	$ 35,628	$ 30,834	$ 4,794	15.5%
As a percent of total revenues	3.0%	2.7%		

Depreciation and amortization expense of $35.6 million in fiscal 2011 increased $4.8 million, or 15.5%, compared to $30.8 million in the prior year primarily as a result of tangible and intangible long-lived assets acquired in business combinations in fiscal 2011 and 2010, coupled with accelerated depreciation expense of $2.9 million and $1.8 million in fiscal 2011 and fiscal 2010, respectively, for assets taken out of service.

Interest Expense, net

(Dollars in thousands)	Fiscal 2011	Fiscal 2010	(Decrease)	Percent (Decrease)
Interest expense, net	$ 27,378	$ 27,397	$ (19)	(0.1%)
As a percent of total revenues	2.3%	2.4%		

Net interest expense of $27.4 million in fiscal 2011 was flat compared to the prior year. See Liquidity and Capital Resources below for additional discussion on long-term borrowings.

Loss on Debt Extinguishment

On March 23, 2010, we repurchased $250.0 million aggregate principal amount of the 2013 Senior Notes through a cash tender offer. In connection with the repurchase, we recognized a loss on the extinguishment of debt of $9.5 million in the second quarter of fiscal 2010, consisting of $7.2 million for the repurchase premium and related fees, as well as the write-off of $2.3 million in unamortized debt origination costs and unamortized discount.

Net Income and Adjusted EBITDA

We reported net income of $115.0 million, or $3.24 per common unit in fiscal 2011 compared to net income of $115.3 million, or $3.26 per common unit in the prior year. Adjusted EBITDA amounted to $179.4 million in fiscal 2011, compared to $192.4 million in fiscal 2010.

Net income and EBITDA for fiscal 2011 were negatively impacted by a $2.0 million charge for severance costs associated with a realignment of our field operations, as well as a non-cash charge of $2.9 to accelerate depreciation expense on assets taken out of service. By comparison, net income and EBITDA for fiscal 2010 were negatively impacted by certain items, including: (i) a loss on debt extinguishment of $9.5 million associated with the refinancing of senior notes; (ii) a non-cash pension settlement charge of $2.8 million; and (iii) a non-cash charge of $1.8 million to accelerate depreciation expense on assets taken out of service.

Adjusted EBITDA represents EBITDA excluding the unrealized net gain or loss from mark-to-market activity for derivative instruments, loss on debt extinguishment, pension settlement charge and severance charges. Our management uses EBITDA and Adjusted EBITDA as measures of liquidity and we are including them because we believe that they provide our investors and industry analysts with additional information to evaluate our ability to meet our debt service obligations and to pay our quarterly distributions to holders of our common units. In addition, certain of our incentive compensation plans covering executives and other employees utilize Adjusted EBITDA as the performance target. Moreover, our revolving credit facility requires us to use Adjusted EBITDA as a component in calculating our leverage and interest coverage ratios. EBITDA and Adjusted EBITDA are not recognized terms under US GAAP and should not be considered as an alternative to net income or net cash provided by operating activities determined in accordance with US GAAP. Because EBITDA and Adjusted EBITDA as determined by us excludes some, but not all, items that affect net income, they may not be comparable to EBITDA and Adjusted EBITDA or similarly titled measures used by other companies.

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The following table sets forth (i) our calculations of EBITDA and (ii) a reconciliation of EBITDA, as so calculated, to our net cash provided by operating activities:

	Year Ended	
(Dollars in thousands)	**September 24, 2011**	**September 25, 2010**
Net income	$ 114,966	$ 115,316
Add:		
Provision for income taxes	884	1,182
Interest expense, net	27,378	27,397
Depreciation and amortization	35,628	30,834
EBITDA	178,856	174,729
Unrealized (non-cash) (gains) losses on changes in fair value of derivatives	(1,431)	5,400
Severance charges	2,000	
Loss on debt extinguishment		9,473
Pension settlement charge		2,818
Adjusted EBITDA	179,425	192,420
Add (subtract):		
Provision for income taxes current	(884)	(1,182)
Interest expense, net	(27,378)	(27,397)
Unrealized (non-cash) gains (losses) on changes in fair value of derivatives	1,431	(5,400)
Severance charges	(2,000)	
Compensation cost recognized under Restricted Unit Plans	3,922	4,005
(Gain) loss on disposal of property, plant and equipment, net	(2,772)	38
Changes in working capital and other assets and liabilities	(18,958)	(6,687)
Net cash provided by operating activities	$ 132,786	$ 155,797

Fiscal Year 2010 Compared to Fiscal Year 2009

Revenues

(Dollars in thousands)	**Fiscal 2010**	**Fiscal 2009**	**Increase/ (Decrease)**	**Percent Increase/ (Decrease)**
Revenues				
Propane	$ 885,459	$ 864,012	$ 21,447	2.5%
Fuel oil and refined fuels	135,059	159,596	(24,537)	(15.4)%
Natural gas and electricity	77,587	76,832	755	1.0%
All other	38,589	42,714	(4,125)	(9.7)%
Total revenues	$ 1,136,694	$ 1,143,154	$ (6,460)	(0.6)%

Total revenues decreased $6.5 million, or 0.6%, to $1,136.7 million for the year ended September 25, 2010 compared to $1,143.2 million for the year ended September 26, 2009, due to lower volumes, partially offset by higher average selling prices associated with higher product costs. Volumes for the fiscal 2010 were lower than the prior year due to the negative impact of adverse economic conditions, particularly on our commercial and industrial accounts, as well as the unfavorable impact of warmer average temperatures, particularly in our northeastern and western service territories, and ongoing residential customer conservation. From a weather perspective, average temperatures as measured in heating degree days, as reported by NOAA, in our service territories during fiscal 2010 were 5% warmer than normal and 4% warmer than the prior year. In our

northeastern territories, which is where we have a higher concentration of residential propane customers and all of our fuel oil customers, average temperatures during fiscal 2010 were 9% warmer than both normal and the prior year. The unfavorable weather pattern occurred primarily during the peak heating months (from October through March) and therefore, contributed to the lower volumes sold.

Revenues from the distribution of propane and related activities of $885.5 million for the year ended September 25, 2010 increased $21.4 million, or 2.5%, compared to $864.0 million for the year ended September 26, 2009, primarily as a result of higher average selling prices associated with higher product costs, partially offset by lower volumes, particularly in our commercial and industrial accounts. Average propane selling prices in fiscal 2010 increased 9.8% compared to the prior year due to higher product costs, thereby having a positive impact on revenues. This increase was partially offset by lower retail propane gallons sold in fiscal 2010 which decreased 26.0 million gallons, or 7.6%, to 317.9 million gallons from 343.9 million gallons in the prior year. The volume decline was primarily attributable to lower commercial and industrial volumes resulting from adverse economic conditions, an unfavorable weather pattern and, to a lesser extent, continued residential customer conservation. Lower volumes sold in the non-residential customer base accounted for approximately 60% of the decline in propane sales volume. Additionally, included within the propane segment are revenues from wholesale and other propane activities of $52.7 million in fiscal 2010, which increased $9.3 million compared to the prior year.

Revenues from the distribution of fuel oil and refined fuels of $135.1 million for the year ended September 25, 2010 decreased $24.5 million, or 15.4%, from $159.6 million in the prior year primarily due to lower volumes, partially offset by higher average selling prices. Fuel oil and refined fuels gallons sold in fiscal 2010 decreased 14.2 million gallons, or 24.7%, to 43.2 million gallons from 57.4 million gallons in the prior year. Lower volumes in our fuel oil and refined fuels segment were attributable to the aforementioned warmer average temperatures in the northeast region, as well as the impact of ongoing residential customer conservation driven by adverse economic conditions. Average selling prices in our fuel oil and refined fuels segment in fiscal 2010 increased 12.2% compared to the prior year due to higher product costs, thereby having a positive impact on revenues.

Revenues in our natural gas and electricity segment increased $0.8 million, or 1.0%, to $77.6 million for the year ended September 25, 2010 compared to $76.8 million in the prior year as a result of higher electricity volumes, partially offset by lower natural gas volumes. Revenues in our all other businesses decreased 9.7% to $38.6 million in fiscal 2010 from $42.7 million in the prior year, primarily due to reduced installation service activities as a result of the general market decline in residential and commercial construction and other adverse economic conditions.

Cost of Products Sold

(Dollars in thousands)	Fiscal 2010	Fiscal 2009	Increase/ (Decrease)	Percent Increase/ (Decrease)
Cost of products sold				
Propane	$ 436,825	$ 367,016	$ 69,809	19.0%
Fuel oil and refined fuels	92,037	104,634	(12,597)	(12.0)%
Natural gas and electricity	57,892	57,216	676	1.8%
All other	11,697	11,519	178	1.5%
Total cost of products sold	$ 598,451	$ 540,385	$ 58,066	10.7%
As a percent of total revenues	52.6%	47.3%		

Cost of products sold increased $58.1 million, or 10.7%, to $598.5 million for the year ended September 25, 2010 compared to $540.4 million in the prior year due to higher average product costs and, to a lesser extent, the unfavorable impact of non-cash mark-to-market adjustments from our risk management activities in fiscal 2010

compared to the prior year, partially offset by lower volumes sold. Average posted prices for propane and fuel oil in fiscal 2010 were 46.3% and 26.1% higher, respectively, compared to the prior year. Cost of products sold in fiscal 2010 included a $5.4 million unrealized (non-cash) loss representing the net change in the fair value of derivative instruments during the period, compared to a $1.7 million unrealized (non-cash) gain in the prior year resulting in an increase of $7.1 million in cost of products sold in fiscal 2010 compared to the prior year ($1.3 million decrease reported within the propane segment and $8.4 million increase reported within the fuel oil and refined fuels segment).

Cost of products sold associated with the distribution of propane and related activities of $436.8 million for the year ended September 25, 2010 increased $69.8 million, or 19.0%, compared to the prior year. Higher propane product costs resulted in an increase of $89.2 million in cost of products sold in fiscal 2010 compared to the prior year. This increase was partially offset by lower propane volumes, which resulted in a decrease of $27.5 million in cost of products sold in fiscal 2010 compared to the prior year. Cost of products sold from wholesale and other propane activities increased $9.4 million compared to the prior year.

Cost of products sold associated with our fuel oil and refined fuels segment of $92.0 million for the year ended September 25, 2010 decreased $12.6 million, or 12.0%, compared to the prior year primarily due to lower volumes, offset to an extent by higher product costs and the unfavorable impact of non-cash mark-to-market adjustments from our risk management activities. Lower fuel oil volumes resulted in a decrease of $26.2 million in cost of products sold, and higher product costs resulted in an increase of $5.2 million in cost of products sold during fiscal 2010 compared to the prior year.

Cost of products sold in our natural gas and electricity segment of $57.9 million for the year ended September 25, 2010 increased $0.6 million, or 1.2%, compared to the prior year primarily due to higher electricity volumes, partially offset by lower natural gas volumes. Cost of products sold in our all other businesses of $11.7 million was relatively flat compared to the prior year.

For fiscal 2010, total cost of products sold as a percent of total revenues increased 5.3 percentage points to 52.6% from 47.3% in the prior year. The year-over-year increase in cost of products sold as a percentage of revenues was primarily attributable to the favorable margins reported in the prior year that were attributable to the declining commodity price environment during that period, which situation was not repeated in the current year due to the rising commodity price environment in the current year. The declining commodity price environment in the prior year favorably impacted our risk management activities in fiscal 2009, and contributed to a reduction in product costs that outpaced the decline in average selling prices. Conversely, the volatile and rising commodity price environment in the current fiscal year presented challenges in managing pricing and, as a result, average product costs increased at a faster pace than average selling prices in fiscal 2010.

Operating Expenses

(Dollars in thousands)	Fiscal 2010	Fiscal 2009	(Decrease)	Percent (Decrease)
Operating expenses	$ 289,567	$ 304,767	$ (15,200)	(5.0%)
As a percent of total revenues	25.5%	26.7%		

Operating expenses of $289.6 million for the year ended September 25, 2010 decreased $15.2 million, or 5.0%, compared to $304.8 million in the prior year as a result of lower variable compensation associated with lower earnings, lower payroll and benefit related expenses resulting from operating efficiencies, and lower insurance costs.

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General and Administrative Expenses

(Dollars in thousands)	Fiscal 2010	Fiscal 2009	Increase	Percent Increase
General and administrative expenses	$ 61,656	$ 57,044	$ 4,612	8.1%
As a percent of total revenues	5.4%	5.0%		

General and administrative expenses of $61.6 million for the year ended September 25, 2010 increased $4.6 million, or 8.1%, compared to $57.0 million during the prior year as savings from lower variable compensation associated with lower earnings were more than offset by an unfavorable judgment in a legal matter and an increase in accruals for uninsured legal matters, as well as higher advertising costs.

Depreciation and Amortization

(Dollars in thousands)	Fiscal 2010	Fiscal 2009	Increase	Percent Increase
Depreciation and amortization	$ 30,834	$ 30,343	$ 491	1.6%
As a percent of total revenues	2.7%	2.7%		

Depreciation and amortization expense of $30.8 million for the year ended September 25, 2010 increased $0.5 million, or 1.6%, compared to $30.3 million in the prior year primarily as a result of accelerating depreciation expense in the third quarter of fiscal 2010 for certain assets retired.

Interest Expense, net

(Dollars in thousands)	Fiscal 2010	Fiscal 2009	(Decrease)	Percent (Decrease)
Interest expense, net	$ 27,397	$ 38,267	$ (10,870)	(28.4%)
As a percent of total revenues	2.4%	3.3%		

Net interest expense decreased $10.9 million, or 28.4%, to $27.4 million for the year ended September 25, 2010, compared to $38.3 million in the prior year primarily due to the reduction of $183.0 million in long-term borrowings during the second half of fiscal 2009, coupled with a lower effective interest rate for borrowings under our revolving credit facility. See Liquidity and Capital Resources below for additional discussion on the reduction and changes in long-term borrowings.

Loss on Debt Extinguishment

On March 23, 2010, we repurchased $250.0 million aggregate principal amount of the 2013 Senior Notes through a cash tender offer. In connection with the repurchase, we recognized a loss on the extinguishment of debt of $9.5 million in the second quarter of fiscal 2010, consisting of $7.2 million for the repurchase premium and related fees, as well as the write-off of $2.3 million in unamortized debt origination costs and unamortized discount.

On September 9, 2009, we purchased $175.0 million aggregate principal amount of the 2013 Senior Notes through a cash tender offer. In connection with the repurchase, we recognized a loss on the extinguishment of debt of $4.6 million in the fourth quarter of fiscal 2009, consisting of $2.8 million for the tender premium and related fees, as well as the write-off of $1.8 million in unamortized debt origination costs and unamortized discount.

Net Income and Adjusted EBITDA

We reported net income of $115.3 million, or $3.26 per common unit, for the year ended September 25, 2010 compared to net income of $165.2 million, or $4.99 per common unit, in the prior year. Adjusted EBITDA amounted to $192.4 million, compared to $239.2 million for fiscal 2009.

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Net income and EBITDA for fiscal 2010 were negatively impacted by certain items, including: (i) a loss on debt extinguishment of $9.5 million associated with the refinancing of senior notes completed during the second quarter; (ii) a non-cash pension settlement charge of $2.8 million during the fourth quarter; and (iii) a non-cash charge of $1.8 million during the third quarter to accelerate depreciation expense on certain assets taken out of service. Net income and EBITDA for fiscal 2009 included a loss on debt extinguishment of $4.6 million associated with the debt tender offer completed during the fourth quarter of fiscal 2009.

The following table sets forth (i) our calculations of EBITDA and (ii) a reconciliation of EBITDA, as so calculated, to our net cash provided by operating activities:

	Year Ended	
(Dollars in thousands)	September 25, 2010	September 26, 2009
Net income	$ 115,316	$ 165,238
Add:		
Provision for income taxes	1,182	2,486
Interest expense, net	27,397	38,267
Depreciation and amortization	30,834	30,343
EBITDA	174,729	236,334
Unrealized (non-cash) losses (gains) on changes in fair value of derivatives	5,400	(1,713)
Loss on debt extinguishment	9,473	4,624
Pension settlement charge	2,818	
Adjusted EBITDA	192,420	239,245
Add (subtract):		
Provision for income taxes current	(1,182)	(1,101)
Interest expense, net	(27,397)	(38,267)
Unrealized (non-cash) (losses) gains on changes in fair value of derivatives	(5,400)	1,713
Compensation cost recognized under Restricted Unit Plans	4,005	2,396
Loss (gain) on disposal of property, plant and equipment, net	38	(650)
Changes in working capital and other assets and liabilities	(6,687)	43,215
Net cash provided by operating activities	$ 155,797	$ 246,551

Liquidity and Capital Resources

Analysis of Cash Flows

Operating Activities. Net cash provided by operating activities for the first six months of fiscal 2012 was $17.0 million, compared to net cash provided by operating activities of $49.8 million for the first six months of the prior year. The decrease in net cash provided by operating activities was primarily attributable to a decrease in earnings in the first six months of fiscal 2012 compared to the first six months of the prior year, partially offset by a reduction in working capital requirements as a result of the decline in sales volumes.

Net cash provided by operating activities for fiscal 2011 amounted to $132.8 million, a decrease of $23.0 million compared to the prior year. The decrease was attributable to a $10.6 million decrease in earnings, after adjusting for non-cash items in both periods, coupled with a $12.4 million increase in our investment in working capital as a result of the increase in propane and fuel oil product costs. Despite the year-over-year increase in working capital requirements, we continued to fund working capital through cash on hand without the need to access our revolving credit facility.

Net cash provided by operating activities for fiscal 2010 amounted to $155.8 million, a decrease of $90.8 million compared to the prior year. The decrease was attributable to a $40.9 million decrease in earnings, after adjusting for non-cash items in both periods, coupled with a $49.9 million increase in our investment in working capital as a result of the increase in propane and fuel oil product costs as a result in the increase in commodity prices. Despite the year-over-year increase in working capital requirements, we continued to fund working capital through cash on hand without the need to access our revolving credit facility.

Investing Activities. Net cash used in investing activities of $7.5 million for the first six months of fiscal 2012 consisted of capital expenditures of $9.4 million (including $5.2 million for maintenance expenditures and $4.2 million to support the growth of operations), partially offset by $1.9 million in net proceeds from the sale of property, plant and equipment. Net cash used in investing activities of $9.6 million for the first six months of fiscal 2011 consisted of capital expenditures of $11.4 million (including $5.2 million for maintenance expenditures and $6.2 million to support the growth of operations), and a business acquisition of $3.2 million, partially offset by $5.0 million in net proceeds from the sale of property, plant and equipment.

Net cash used in investing activities of $19.5 million for fiscal 2011 consisted of capital expenditures of $22.3 million (including $10.2 million for maintenance expenditures and $12.1 million to support the growth of operations) and business acquisitions of $3.2 million, partially offset by the net proceeds from the sale of property, plant and equipment of $6.0 million. Net cash used in investing activities of $30.1 million for fiscal 2010 consisted of capital expenditures of $19.1 million (including $9.7 million for maintenance expenditures and $9.4 million to support the growth of operations), partially offset by the net proceeds from the sale of property, plant and equipment of $3.5 million.

Net cash used in investing activities of $30.1 million for the year ended September 25, 2010 consisted of capital expenditures of $19.1 million (including $9.7 million for maintenance expenditures and $9.4 million to support the growth of operations) and business acquisitions of $14.5 million, partially offset by the net proceeds from the sale of property, plant and equipment of $3.5 million. Net cash used in investing activities of $16.9 million for the year ended September 26, 2009 consisted of capital expenditures of $21.8 million (including $12.2 million for maintenance expenditures and $9.6 million to support the growth of operations), partially offset by the net proceeds from the sale of property, plant and equipment of $4.9 million.

Financing Activities. Net cash used in financing activities for the first six months of fiscal 2012 of $62.9 million reflects the quarterly distribution to Unitholders at a rate of $0.8525 per common unit paid in respect of the fourth quarter of fiscal 2011 and first quarter of fiscal 2012. With the execution of the amendment of our credit agreement on January 5, 2012, we rolled the $100.0 million then-outstanding under the revolving credit facility of the previous credit agreement into the revolving credit facility of the amended Credit Agreement. This resulted in the repayment of the $100.0 million then-outstanding under the revolving credit facility of the previous credit agreement with proceeds from borrowings under the revolving credit facility of the amended credit agreement. In addition, financing activities for the first six months of fiscal 2012 also reflects the payment of $2.4 million in debt origination costs associated with the aforementioned credit agreement amendment. See Summary of Long-Term Debt Obligations and Revolving Credit Lines below for additional discussion.

Net cash used in financing activities for the first six months of fiscal 2011 of $60.2 million reflects the quarterly distribution to Unitholders at a rate of $0.850 per common unit paid in respect of the fourth quarter of fiscal 2010 and $0.8525 per common unit paid in respect of the first quarter of fiscal 2011.

Net cash used in financing activities for fiscal 2011 of $120.6 million reflects quarterly distributions to holders of our common units at a rate of $0.85 per common unit paid in respect of the fourth quarter of fiscal 2010 and $0.8525 per common unit paid in respect of the first, second and third quarters of fiscal 2011.

Net cash used in financing activities for fiscal 2010 of $132.0 million reflects $118.3 million in quarterly distributions to holders of our common units at a rate of $0.83 per common unit paid in respect of the fourth quarter of fiscal 2009, $0.835 per common unit paid in respect of the first quarter of fiscal 2010, $0.84 per

common unit paid in respect of the second quarter of fiscal 2010, and $0.845 per common unit paid in respect of the third quarter of fiscal 2010. In addition, financing activities for fiscal 2010 also reflects the repurchase of $250.0 million aggregate principal amount of our 6.875% senior notes due 2013 for $256.5 million (including repurchase premiums and fees), which was substantially funded by the net proceeds of $247.8 million from the issuance of 7.375% senior notes due 2020, as well as the $5.0 million payment of debt issuance costs associated with the issuance of the 2020 Senior Notes (as defined herein).

Net cash used in financing activities for fiscal 2009 of $204.2 million reflects $106.7 million in quarterly distributions to holders of our common units at a rate of $0.805 per common unit in respect of the fourth quarter of fiscal 2008, at a rate of $0.81 per common unit in respect of the first quarter of fiscal 2009, at a rate of $0.815 per common unit in respect of the second quarter of fiscal 2009 and at a rate of $0.825 per common unit in respect of the third quarter of fiscal 2009. In addition, financing activities for fiscal 2009 also reflects $110.0 million of repayments on our term loan, which was partially funded by borrowings of $100.0 million under our revolving credit facility executed on June 26, 2009; the $5.5 million payment of debt issuance costs associated with the execution of the new revolving credit facility; and the repurchase of $175.0 million aggregate principal amount of our 6.875% senior notes due 2013 for $177.8 million, which was partially funded by the proceeds of $95.9 million from the issuance of 2,430,934 of our common units.

Equity Offering

On August 10, 2009, we sold 2,200,000 common units in a public offering (the **2009 Equity Offering**) at a price of $41.50 per common unit, realizing proceeds of $86.7 million, net of underwriting commissions and other offering expenses. On August 24, 2009, we announced that the underwriters had given notice of their exercise of their over-allotment option, in part, to acquire 230,934 common units at the 2009 Equity Offering price of $41.50 per common unit. Net proceeds from the over-allotment exercise amounted to $9.2 million. The aggregate net proceeds from the 2009 Equity Offering of $95.9 million were used, along with cash on hand, to fund the purchase of $175.0 million aggregate principal amount of our 6.875% senior notes due 2013.

Summary of Long-Term Debt Obligations and Revolving Credit Lines

As of March 24, 2012, our debt obligations consisted of $250.0 million in aggregate principal amount of the 2020 Senior Notes, and at our Operating Partnership level, the Credit Agreement that provides for a four-year $250.0 million revolving credit facility (the **Revolving Credit Facility**) of which, $100.0 million was outstanding as of March 24, 2012. On January 5, 2012, our Operating Partnership executed an amendment to the previously outstanding credit agreement. The Credit Agreement amended the previously outstanding credit agreement to, among other things, extend the maturity date from June 25, 2013 to January 5, 2017, reduce the borrowing rate and commitment fees, and amend certain affirmative and negative covenants. At the time the amendment was entered into, our Operating Partnership rolled the $100.0 million then outstanding under the revolving credit facility of the previous credit agreement into the revolving credit facility of the Credit Agreement.

The 2020 Senior Notes mature on March 15, 2020 and require semi-annual interest payments in March and September. We are permitted to redeem some or all of the 2020 Senior Notes any time at redemption prices specified in the indenture governing the notes. In addition, the 2020 Senior Notes have a change of control provision that would require us to offer to repurchase the notes at 101% of the principal amount repurchased, if the change of control is followed by a rating decline (a decrease in the rating of the notes by either Moody s Investors Service or Standard and Poor s Rating group by one or more gradations) within 90 days of the consummation of the change of control.

Borrowings under the Revolving Credit Facility may be used for general corporate purposes, including working capital, capital expenditures and acquisitions. Our Operating Partnership has the right to prepay loans under the Revolving Credit Facility, in whole or in part, without penalty at any time prior to maturity. We have standby letters of credit issued under the Revolving Credit Facility in the aggregate amount of $46.9 million

primarily in support of retention levels under our self-insurance programs, which expire periodically through April 15, 2013. Therefore, as of March 24, 2012 we had available borrowing capacity of $103.1 million under the Revolving Credit Facility.

Borrowings under the Revolving Credit Facility bear interest at prevailing interest rates based upon, at our Operating Partnership s option, LIBOR plus the applicable margin or the base rate, defined as the higher of the Federal Funds Rate plus $^{1}/_{2}$ of 1%, the agent bank s prime rate, or LIBOR plus 1%, plus in each case the applicable margin. The applicable margin is dependent upon our ratio of total debt to EBITDA on a consolidated basis, as defined in the Revolving Credit Facility. As of March 24, 2012, the interest rate for the Revolving Credit Facility was approximately 2.3%. The interest rate and the applicable margin will be reset at the end of each calendar quarter.

The Operating Partnership has an interest rate swap agreement with a notional amount of $100.0 million and a termination date of June 25, 2013. Under the interest rate swap agreement, the Operating Partnership will pay a fixed interest rate of 3.12% to the issuing lender on the notional principal amount outstanding, effectively fixing the LIBOR portion of the interest rate at 3.12%. In return, the issuing lender will pay to the Operating Partnership a floating rate, namely LIBOR, on the same notional principal amount.

In connection with the Credit Agreement, our Operating Partnership entered into a forward starting interest rate swap agreement with a June 25, 2013 effective date, which is commensurate with the maturity of the existing interest rate swap agreement, and termination date of January 5, 2017. Under the forward starting interest rate swap agreement, our Operating Partnership will pay a fixed interest rate of 1.63% to the issuing lender on the notional principal amount outstanding, effectively fixing the LIBOR portion of the interest rate at 1.63%. In return, the issuing lender will pay to our Operating Partnership a floating rate, namely LIBOR, on the same notional principal amount. The forward starting interest rate swap has been designated as a cash flow hedge.

The Credit Agreement and the 2020 Senior Notes both contain various restrictive and affirmative covenants applicable to the Operating Partnership and the Partnership, respectively, including (i) restrictions on the incurrence of additional indebtedness, and (ii) restrictions on certain liens, investments, guarantees, loans, advances, payments, mergers, consolidations, distributions, sales of assets and other transactions. The Credit Agreement contains certain financial covenants (a) requiring the consolidated interest coverage ratio, as defined, at the Partnership level to be not less than 2.5 to 1.0 as of the end of any fiscal quarter; (b) prohibiting the total consolidated leverage ratio, as defined, at the Partnership level from being greater than 4.75 to 1.0 as of the end of any fiscal quarter; and (c) prohibiting the senior secured consolidated leverage ratio, as defined, of the Operating Partnership from being greater than 3.0 to 1.0 as of the end of any fiscal quarter. Under the 2020 Senior Note indenture, we are generally permitted to make cash distributions equal to available cash, as defined, as of the end of the immediately preceding quarter, if no event of default exists or would exist upon making such distributions, and the Partnership s consolidated fixed charge coverage ratio, as defined, is greater than 1.75 to 1. We were in compliance with all covenants and terms of the 2020 Senior Notes and the Credit Agreement as of March 24, 2012.

Pursuant to the Contribution Agreement, we and our wholly owned subsidiary Suburban Energy Finance Corp. commenced a private offer to exchange any and all of the outstanding 7% Senior Notes due 2018 and 6 $^{7}/_{8}$% Senior Notes due 2021 issued by Inergy and Inergy Finance Corp., which have an aggregate principal amount outstanding of $1.2 billion, for a combination of (i) up to $1.0 billion in aggregate principal amount of new unsecured 7 $^{1}/_{2}$% Senior Notes due 2018 and 7 $^{3}/_{8}$% Senior Notes due 2021, respectively, issued by us and Suburban Energy Finance Corp. and (ii) up to $200 million in Exchange Offer Cash Consideration. We are required to pay Inergy the Inergy Cash Consideration equal to the difference, if any, between $200.0 million and the actual Exchange Offer Cash Consideration paid in accordance with the terms of the Exchange Offers. Suburban will satisfy the Inergy Cash Consideration solely by delivering to Inergy the Additional Equity Consideration.

On April 25, 2012, we also entered into the Bank Commitment Letter with certain lenders who are party to our Credit Agreement pursuant to which the such lenders committed to provide Suburban with (i) a $250.0 million 364-Day Facility and (ii) an increase in our Revolving Credit Facility under the Credit Agreement from $250.0 million to $400.0 million. We expect to draw $225.0 million on the 364-Day Facility on the Acquisition Closing Date which, together with available cash, will be used for the purposes of paying (i) the Exchange Offer Cash Consideration, (ii) costs and fees related to the Exchange Offers, and (iii) costs and expenses related to the Inergy Propane Acquisition. See Inergy Propane Acquisition and Related Transactions.

On April 25, 2012, we also received consents from all of the lenders under the Amended Credit Agreement to enable us to incur additional indebtedness, make amendments to the Amended Credit Agreement to adjust certain covenants, and otherwise perform our obligations as contemplated by the Inergy Propane Acquisition.

In order to implement the Bank Commitment Letter and the Credit Agreement Consents, we intend to enter into the Credit Agreement Amendment. The Credit Agreement Amendment will include the 364-Day Facility, the Commitment Increase, amendments to covenants relating thereto and the Credit Agreement Consents and provision for the reinstatement and increase from $150.0 million to $250.0 million of the existing uncommitted incremental term facility under the Credit Agreement when the 364-Day Facility is repaid or prepaid in full.

Partnership Distributions

We are required to make distributions in an amount equal to all of our Available Cash, as defined in the Partnership Agreement, no more than 45 days after the end of each fiscal quarter to holders of record on the applicable record dates. Available Cash, as defined in the Partnership Agreement, generally means all cash on hand at the end of the respective fiscal quarter less the amount of cash reserves established by the Board of Supervisors in its reasonable discretion for future cash requirements. These reserves are retained for the proper conduct of our business, the payment of debt principal and interest and for distributions during the next four quarters. The Board of Supervisors reviews the level of Available Cash on a quarterly basis based upon information provided by management.

On April 19, 2012, we declared a quarterly cash distribution for the quarter ended March 24, 2012 of $0.8525 per common unit, or $3.41 per common unit on an annualized basis. The distribution attributable to the quarter ended March 24, 2012 was paid on May 8, 2012 to holders of record of our common units as of May 1, 2012.

On April 25, 2012, our Board of Supervisors approved an increase in our annualized distribution rate to $3.50 per common unit (conditioned on the closing of the Inergy Propane Acquisition). The distribution at this increased rate will be effective for the quarterly distribution paid in respect of our first quarter of fiscal 2013 ending December 29, 2012 (assuming closing by the applicable record date).

On July 17, 2012, our Board of Supervisors declared a quarterly cash distribution for the quarter ended June 23, 2012 of $0.8525 per common unit, or $3.41 per common unit on an annualized basis. The distribution is payable on August 7, 2012 to holders of record of our common units as of July 31, 2012.

Pension Plan Assets and Obligations

Our defined benefit pension plan was frozen to new participants effective January 1, 2000 and, in furtherance of our effort to minimize future increases in our benefit obligations, effective January 1, 2003, all future service credits were eliminated. Therefore, eligible participants will receive interest credits only toward their ultimate defined benefit under the defined benefit pension plan. There were no minimum funding requirements for the defined benefit pension plan during fiscal 2011, 2010 or 2009. As of September 24, 2011 and September 25, 2010 the plan s projected benefit obligation exceeded the fair value of plan assets by $26.2 million and $17.7 million, respectively. As a result, the funded status of the defined benefit pension plan declined $8.5 million during fiscal 2011, which was primarily attributable to an increase in the present value of the benefit obligation due to a general decrease in market interest rates, partially offset by a positive return on plan assets during fiscal 2011. The funded status of pension and other postretirement benefit plans are recognized as an asset or liability on our balance sheets and the changes in the funded status are recognized in comprehensive income (loss) in the year the changes occur. At December 24, 2011, we had a liability for the defined benefit pension plan and accrued retiree health and life benefits of $26.4 million and $20.8 million, respectively.

Our investment policies and strategies, as set forth in the Investment Management Policy and Guidelines, are monitored by a Benefits Committee comprised of five members of management. The Benefits Committee employs a liability driven investment strategy, which seeks to increase the correlation of the plan s assets and

liabilities to reduce the volatility of the plan s funded status. The execution of this strategy has resulted in an asset allocation that is largely comprised of fixed income securities. A liability driven investment strategy is intended to reduce investment risk and, over the long-term, generate returns on plan assets that largely fund the annual interest on the accumulated benefit obligation. However, as we experienced in fiscal 2011 and fiscal 2010, significant declines in interest rates relevant to our benefit obligations, or poor performance in the broader capital markets in which our plan assets are invested, could have an adverse impact on the funded status of the defined benefit pension plan. For purposes of measuring the projected benefit obligation as of September 24, 2011 and September 25, 2010, we used a discount rate of 4.375% and 4.75%, respectively, reflecting current market rates for debt obligations of a similar duration to our pension obligations.

During fiscal 2010, lump sum settlement payments of $7.9 million exceeded the interest cost component of the net periodic pension cost. As a result, we recorded a non-cash settlement charge of $2.8 million during the fourth quarter of fiscal 2010 in order to accelerate recognition of a portion of cumulative unrecognized losses in the defined benefit pension plan. These unrecognized losses were previously accumulated as a reduction to partners capital and were being amortized to expense as part of our net periodic pension cost. During fiscal 2011 and fiscal 2009, the amount of the pension benefit obligation settled through lump sum payments did not exceed the settlement threshold; therefore, a settlement charge was not required to be recognized for fiscal 2011 or fiscal 2009. Additional pension settlement charges may be required in future periods depending on the level of lump sum benefit payments made in future periods.

We also provide postretirement health care and life insurance benefits for certain retired employees. Partnership employees who were hired prior to July 1993 and retired prior to March 1998 are eligible for health care benefits if they reached a specified retirement age while working for Suburban. Partnership employees hired prior to July 1993 are eligible for postretirement life insurance benefits if they reach a specified retirement age while working for Suburban. Effective January 1, 2000, we terminated our postretirement health care benefit plan for all eligible employees retiring after March 1, 1998. All active and eligible employees who were to receive health care benefits under the postretirement plan subsequent to March 1, 1998 were provided an increase to their accumulated benefits under the defined benefit pension plan. Our postretirement health care and life insurance benefit plans are unfunded. Effective January 1, 2006, we changed our postretirement health care plan from a self-insured program to one that is fully insured under which we pay a portion of the insurance premium on behalf of the eligible participants.

Other Commitments

We have a noncontributory, cash balance format, defined benefit pension plan which was frozen to new participants effective January 1, 2000. Effective January 1, 2003, the defined benefit pension plan was amended such that future service credits ceased and eligible employees would receive interest credits only toward their ultimate retirement benefit. We also provide postretirement health care and life insurance benefits for certain retired employees under a plan that was also frozen to new participants effective January 1, 2000. At March 24, 2012, we had a liability for the defined benefit pension plan and accrued retiree health and life benefits of $26.5 million and $20.5 million, respectively.

We are self-insured for general and product, workers compensation and automobile liabilities up to predetermined thresholds above which third party insurance applies. At March 24, 2012, we had accrued insurance liabilities of $49.9 million, and an insurance recovery asset of $16.5 million related to the amount of the liability expected to be covered by insurance carriers.

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Long-Term Debt Obligations and Operating Lease Obligations

Contractual Obligations

The following table summarizes payments due under our known contractual obligations as of September 24, 2011.

(Dollars in thousands)	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017 and thereafter
Long-term debt obligations(a)	$	$ 100,000	$	$	$	$ 250,000
Interest payments	25,033	25,033	18,438	18,438	18,438	64,531
Operating lease obligations(b)	15,836	13,346	11,540	8,480	4,993	4,709
Self-insurance obligations(c)	13,188	10,706	8,212	4,900	3,110	12,724
Other contractual obligations(d)	7,870	4,949	2,431	1,777	2,255	18,783
Total	$ 61,927	$ 154,034	$ 40,621	$ 33,595	$ 28,796	$ 350,747

(a) On January 5, 2012, the Operating Partnership executed an amendment to its previously existing credit agreement to, among other things, extend the maturity date from June 25, 2013 to January 5, 2017.

(b) Payments exclude costs associated with insurance, taxes and maintenance, which are not material to the operating lease obligations.

(c) The timing of when payments are due for our self-insurance obligations is based on estimates that may differ from when actual payments are made. In addition, the payments do not reflect amounts to be recovered from our insurance providers, which amount to $4.2 million, $3.5 million, $2.7 million, $1.3 million, $0.9 million and $4.9 million for each of the next five fiscal years and thereafter, respectively, and are included in other assets on the consolidated balance sheet.

(d) These amounts are included in our consolidated balance sheet and primarily include payments for postretirement and long-term incentive benefits as well as periodic settlements of our interest rate swap agreement.

Additionally, as of March 24, 2012, we had standby letters of credit in the aggregate amount of $46.9 million, in support of retention levels under our casualty insurance programs and certain lease obligations, which expire periodically through April 15, 2013.

Operating Leases

We lease certain property, plant and equipment for various periods under noncancelable operating leases, including 63% of our vehicle fleet, approximately 34% of our customer service centers and portions of our information systems equipment. Rental expense under operating leases was $18.9 million, $17.6 million and $17.3 million for fiscal 2011, 2010 and 2009, respectively. Future minimum rental commitments under noncancelable operating lease agreements as of September 24, 2011 are presented in the table above.

Off-Balance Sheet Arrangements

Guarantees

We have residual value guarantees associated with certain of our operating leases, related primarily to transportation equipment, with remaining lease periods scheduled to expire periodically through fiscal 2019. Upon completion of the lease period, we guarantee that the fair value of the equipment will equal or exceed the guaranteed amount, or we will pay the lessor the difference. Although the fair value of equipment at the end of its lease term has historically exceeded the guaranteed amounts, the maximum potential amount of aggregate future payments we could be required to make under these leasing arrangements, assuming the equipment is deemed worthless at the end of the lease term, was approximately $10.5 million as of March 24, 2012. The fair value of residual value guarantees for outstanding operating leases was de minimis as of March 24, 2012.

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Quantitative and Qualitative Disclosure about Market Risk

Commodity Price Risk

We enter into product supply contracts that are generally one-year agreements subject to annual renewal, and also purchase product on the open market. Our propane supply contracts typically provide for pricing based upon index formulas using the posted prices established at major supply points such as Mont Belvieu, Texas, or Conway, Kansas (plus transportation costs) at the time of delivery. In addition, to supplement our annual purchase requirements, we may utilize forward fixed price purchase contracts to acquire a portion of the propane that we resell to our customers, which allows us to manage our exposure to unfavorable changes in commodity prices and to ensure adequate physical supply. The percentage of contract purchases, and the amount of supply contracted for under forward contracts at fixed prices, will vary from year to year based on market conditions. In certain instances, and when market conditions are favorable, we are able to purchase product under our supply arrangements at a discount to the market.

Product cost changes can occur rapidly over a short period of time and can impact profitability. We attempt to reduce commodity price risk by pricing product on a short-term basis. The level of priced, physical product maintained in storage facilities and at our customer service centers for immediate sale to our customers will vary depending on several factors, including, but not limited to, price, supply and demand dynamics, and demand for a given time of the year. Typically, our on hand priced position does not exceed more than four to eight weeks of our supply needs, depending on the time of the year. In the course of normal operations, we routinely enter into contracts such as forward priced physical contracts for the purchase or sale of propane and fuel oil that, under accounting rules for derivative instruments and hedging activities, qualify for and are designated as normal purchase or normal sale contracts. Such contracts are exempted from fair value accounting and are accounted for at the time product is purchased or sold under the related contract.

Under our hedging and risk management strategies, we enter into a combination of exchange-traded futures and option contracts and, in certain instances, over-the-counter option contracts (collectively, derivative instruments) to manage the price risk associated with priced, physical product and with future purchases of the commodities used in our operations, principally propane and fuel oil, as well as to ensure the availability of product during periods of high demand. We do not use derivative instruments for speculative or trading purposes. Futures contracts require that we sell or acquire propane or fuel oil at a fixed price for delivery at fixed future dates. An option contract allows, but does not require, its holder to buy or sell propane or fuel oil at a specified price during a specified time period. However, the writer of an option contract must fulfill the obligation of the option contract, should the holder choose to exercise the option. At expiration, the contracts are settled by the delivery of the product to the respective party or are settled by the payment of a net amount equal to the difference between the then current price and the fixed contract price or option exercise price. To the extent that we utilize derivative instruments to manage exposure to commodity price risk and commodity prices move adversely in relation to the contracts, we could suffer losses on those derivative instruments when settled. Conversely, if prices move favorably, we could realize gains. Under our hedging and risk management strategy, realized gains or losses on derivative instruments will typically offset losses or gains on the physical inventory once the product is sold to customers at market prices.

Futures are traded with brokers of the NYMEX and require daily cash settlements in margin accounts. Forward and option contracts are generally settled at the expiration of the contract term either by physical delivery or through a net settlement mechanism. Market risks associated with futures, options and forward contracts are monitored daily for compliance with our Hedging and Risk Management Policy which includes volume limits for open positions. Open inventory positions are reviewed and managed daily as to exposures to changing market prices.

Credit Risk

Exchange traded futures and option contracts are guaranteed by the NYMEX and, as a result, have minimal credit risk. We are subject to credit risk with over-the-counter forward and propane option contracts to the extent

the counterparties do not perform. We evaluate the financial condition of each counterparty with which we conduct business and establish credit limits to reduce exposure to the risk of non-performance by our counterparties.

Interest Rate Risk

A portion of our borrowings bear interest at prevailing interest rates based upon, at the Operating Partnership s option, LIBOR, plus an applicable margin or the base rate, defined as the higher of the Federal Funds Rate plus $^{1}/_{2}$ of 1% or the agent bank s prime rate, or LIBOR plus 1%, plus the applicable margin. The applicable margin is dependent on the level of the Partnership s total leverage (the total ratio of debt to EBITDA). Therefore, we are subject to interest rate risk on the variable component of the interest rate. We manage our interest rate risk by entering into interest rate swap agreements. The interest rate swaps have been designated as a cash flow hedge. Changes in the fair value of the interest rate swaps are recognized in other comprehensive income (OCI) until the hedged item is recognized in earnings. At March 24, 2012, the fair value of the interest rate swaps was $3.6 million representing an unrealized loss and is included within other current liabilities and other liabilities, as applicable, with a corresponding debit in OCI.

Derivative Instruments and Hedging Activities

All of our derivative instruments are reported on the balance sheet at their fair values. On the date that futures, forward and option contracts are entered into, we make a determination as to whether the derivative instrument qualifies for designation as a hedge. Changes in the fair value of derivative instruments are recorded each period in current period earnings or OCI, depending on whether a derivative instrument is designated as a hedge and, if so, the type of hedge. For derivative instruments designated as cash flow hedges, we formally assess, both at the hedge contract s inception and on an ongoing basis, whether the hedge contract is highly effective in offsetting changes in cash flows of hedged items. Changes in the fair value of derivative instruments designated as cash flow hedges are reported in OCI to the extent effective and reclassified into cost of products sold during the same period in which the hedged item affects earnings. The mark-to-market gains or losses on ineffective portions of cash flow hedges are immediately recognized in cost of products sold. Changes in the fair value of derivative instruments that are not designated as cash flow hedges, and that do not meet the normal purchase and normal sale exemption, are recorded within cost of products sold as they occur. Cash flows associated with derivative instruments are reported as operating activities within the condensed consolidated statement of cash flows.

Sensitivity Analysis

In an effort to estimate our exposure to unfavorable market price changes in commodities related to our open positions under derivative instruments, we developed a model that incorporates the following data and assumptions:

A. The fair value of open positions as of March 24, 2012.

B. The market prices for the underlying commodities used to determine A. above were adjusted adversely by a hypothetical 10% change and compared to the fair value amounts in A. above to project the potential negative impact on earnings that would be recognized for the respective scenario.

Based on the sensitivity analysis described above, a hypothetical 10% adverse change in market prices for which futures and option contracts exists indicates potential future losses in future earnings of $1.8 million as of March 24, 2012. The above hypothetical change does not reflect the worst case scenario. Actual results may be significantly different depending on market conditions and the composition of the open position portfolio.

INERGY PROPANE ACQUISITION AND RELATED TRANSACTIONS

The following summary describes certain provisions of the Contribution Agreement. While the discussion below summarizes the material provisions of the Contribution Agreement, it may not contain all of the information about the Contribution Agreement that is important to you. We encourage you to read the Contribution Agreement in its entirety for a more complete description of the terms and conditions of the Inergy Propane Acquisition.

The Contribution Agreement

On April 25, 2012, we entered into the Contribution Agreement with Inergy, NRGY GP and Inergy Sales. We entered into amendments to the Contribution Agreement on June 15, 2012, July 6, 2012 and July 19, 2012. All references to the Contribution Agreement are to the Contribution Agreement as amended by such amendments.

The Contribution Agreement provides that Inergy and NRGY GP will contribute to Suburban 100% of the limited liability company interests (the **Inergy Propane Interests**) in Inergy Propane, LLC, a Delaware limited liability company, which at the closing of the transaction will hold only the following interests: (i) 100% of the limited partner interests in Liberty Propane, L.P., a Delaware limited partnership (**Liberty Propane**), which in turn owns 100% of the limited liability company interests in Liberty Propane Operations, LLC, a Delaware limited liability company (**Liberty Operations**); and (ii) 100% of the limited liability company interests in Liberty Propane GP, LLC, a Delaware limited liability company (**Liberty Propane GP**), which in turn owns 100% of the general partner interest in Liberty Propane (collectively with the Inergy Propane interests, these interests are referred to herein as the **Acquired Interests**). Prior to the Acquisition Closing Date, certain subsidiaries of Inergy Propane, LLC, which will not be contributed pursuant to the Contribution Agreement, will be distributed by Inergy Propane, LLC to Inergy. Following the closing of the Inergy Propane Acquisition (as defined below), Inergy Propane, Liberty Propane, Liberty Operations and Liberty Propane GP will become indirect wholly-owned subsidiaries of Suburban. Inergy will also contribute certain assets of Inergy Sales to Suburban (the **Acquired Assets**).

The Contribution Agreement further provides that upon contribution of the Inergy Propane Interests and Acquired Assets to Suburban, Suburban will issue and deliver to Inergy and Inergy Sales, as consideration in connection with the Inergy Propane Acquisition, subject to certain adjustments, up to 14,200,422 of newly issued Suburban common units (the **Equity Consideration**). The Equity Consideration consists of (i) the Initial Equity Consideration, which is equal to 13,892,587 Suburban common units, and (ii) the Additional Equity Consideration, which is equal to a number of Suburban common units determined by dividing (a) the Inergy Cash Consideration by (b) $42.50, rounded to the nearest whole Suburban common unit. As of July 26, 2012, the aggregate amount of Additional Equity Consideration shall not exceed 307,835 Suburban common units. Inergy Sales will distribute any and all Suburban common units it receives in connection with the Inergy Propane Acquisition to Inergy. Thereafter, in connection with the Inergy Propane Acquisition and pursuant to the Contribution Agreement, Inergy will distribute ninety-nine percent (99%) of any and all Equity Consideration received to its unitholders and will retain one percent (1%) of any and all Equity Consideration.

Inergy will declare a record date for its distribution of our common units as promptly as practicable after the effective date (the **Effective Date**) of the Form S-1. For the period from the Acquisition Closing Date until 180 days after the Acquisition Closing Date (the **Holding Period**), Inergy and Inergy Sales have agreed to vote or cause to be voted the common units comprising the Equity Consideration in accordance with the recommendations of our Board of Supervisors, unless such recommendation would adversely affect the rights, preferences and privileges of Inergy or Inergy Sales, as holders of such common units, as compared to all other holders of our common units, as a class. Inergy and Inergy Sales have also agreed not to transfer any of the Equity Consideration during the Holding Period, except pursuant to the transactions described in this prospectus.

Pursuant to the Contribution Agreement, Suburban and its wholly-owned subsidiary Suburban Energy Finance Corp. commenced a private offer to exchange (the **Exchange Offers**) any and all of the outstanding unsecured 7% Senior Notes due 2018 (the **2018 Inergy Notes**) and 6 $^7/_8$% Senior Notes due 2021 (the **2021 Inergy Notes**, and together with the 2018 Inergy Notes, the **Inergy Notes**) issued by Inergy and Inergy Finance Corp., which have an aggregate principal amount outstanding of $1.2 billion, for a combination of (i) up to $1.0 billion in aggregate principal amount of new unsecured 7 $^1/_2$% Senior Notes due 2018 and 7 $^3/_8$% Senior Notes due 2021, respectively, issued by Suburban and Suburban Energy Finance Corp. (collectively, the **SPH Notes**) and (ii) up to $200.0 million in cash (the **Exchange Offer Cash Consideration**). Pursuant to the Contribution Agreement, we must pay Inergy the difference, if any, between $200.0 million and the Exchange Offer Cash Consideration paid in accordance with the terms of the Exchange Offers, subject to certain adjustments (such payment, the **Inergy Cash Consideration**). Suburban will satisfy the Inergy Cash Consideration solely by delivering to Inergy the Additional Equity Consideration.

We have agreed to use commercially reasonable efforts to cause the Equity Consideration to be approved for listing on the New York Stock Exchange, subject to official notice of issuance, prior to the Effective Date.

The Contribution Agreement provides that Suburban will offer $65.0 million in aggregate cash consent payments in connection with the Exchange Offers and that Inergy will pay $36.5 million to Suburban in cash at the Acquisition Closing Date. For more information, see Unaudited Pro Forma Condensed Combined Financial Information.

As of July 26, 2012, at 5:00 p.m. New York City time, Suburban had received tenders from holders representing approximately 98.09% of the total outstanding principal amount of the 2018 Inergy Notes, and tenders and consents from holders representing approximately 99.73% of the total outstanding principal amount of the 2021 Inergy Notes. As a result, the minimum tender condition has been satisfied with respect to the Exchange Offers and requisite consents have been received for both series of Inergy Notes. Based on the results of the Exchange Offers as of July 26, 2012, the Inergy Cash Consideration due to Inergy was approximately $13.1 million. The Inergy Cash Consideration will be satisfied solely by the issuance of the Additional Equity Consideration. The Exchange Offers expire on August 1, 2012, at 12:01 a.m. New York City time (the Expiration Date), subject to extension. Any additional tenders received prior to the Expiration Date (as it may be extended) will increase the Exchange Offer Cash Consideration paid to tendering noteholders and decrease the Inergy Cash Consideration. Accordingly, because the Inergy Cash Consideration will be satisfied solely through issuance of Additional Equity Consideration, any decrease in the Inergy Cash Consideration will reduce the number of Suburban common units issued as Additional Equity Consideration. Assuming that no additional tenders are received pursuant to the Exchange Offers subsequent to July 26, 2012, Inergy (i) will receive 14,200,422 Suburban common units, (ii) will subsequently distribute 14,058,418 of such Suburban common units to its unitholders as of the Record Date, pro rata, and (iii) will retain 1% of such common units, or 142,004 Suburban common units.

The transactions described above that are contemplated by the terms of the Contribution Agreement are referred to herein as the **Inergy Propane Acquisition**.

The Inergy Propane Acquisition is subject to a number of conditions (which may be waived or otherwise satisfied), including the following:

- No order, decree, judgment, injunction or other legal restraint or prohibition of any governmental authority shall be in effect, and no law shall have been enacted or adopted that enjoins, prohibits or makes illegal the consummation of the transactions contemplated by the Contribution Agreement and other agreements relating thereto and no proceeding by any governmental authority with respect to the transaction contemplated by the Contribution Agreement and other agreements relating thereto shall be pending that seeks to restrain, enjoin, prohibit or delay the transactions contemplated thereby;

- this Form S-1 has been declared effective by the SEC;

- any applicable waiting period (and any extension thereof) under the HSR Act applicable to the transactions contemplated by the Contribution Agreement and other agreements relating thereto shall have expired or shall have been terminated (which condition was satisfied on June 15, 2012);

- all liens on the Acquired Assets or the Acquired Interests created, arising under or securing Inergy s existing credit agreement, shall have been released by the lenders thereunder; and

- certain other customary closing conditions.

The Inergy Propane Acquisition is also contingent on the conditions to the consummation of the Exchange Offers having been satisfied and not waived.

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Moreover, each party s obligation to consummate the Inergy Propane Acquisition is subject to certain other conditions, including without limitation, (x) the accuracy of the other party s representations and warranties (subject to customary materiality qualifiers), and (y) the other party s compliance with its covenants and agreements contained in the Contribution Agreement (subject to customary materiality qualifiers).

The Contribution Agreement also contains termination rights for Suburban and Inergy. The Contribution Agreement can be terminated at any time prior to the Acquisition Closing Date (i) by mutual written consent of Suburban and Inergy, (ii) by either Suburban or Inergy if any governmental authority prohibits the consummation of the transactions contemplated by the Contribution Agreement, (iii) by either Suburban or Inergy, if the Acquisition Closing Date does not occur on or prior to August 17, 2012, subject to certain enumerated extensions and exceptions, or (iv) by either Suburban or Inergy if the other party has (a) breached a representation or warranty or failed to perform its covenants, (b) such breach or failure is occurring or continuing on the Acquisition Closing Date and results in a failure of a closing condition, (c) such breach or failure is not cured in fifteen (15) days, and (d) such party seeking termination is not then in material breach of any provision of the Contribution Agreement. If the Contribution Agreement is terminated, subject to certain exceptions, all rights and obligations of the parties to the Contribution Agreement will terminate. In addition, Suburban and Inergy have agreed to a two-year non-solicitation period for certain employees. Suburban and Inergy also have agreed that money damages, including consequential or indirect or punitive damages, relating to breaches of representations, warranties or covenants occurring prior to termination shall not exceed $150.0 million.

The parties have made customary representations and warranties and covenants in the Contribution Agreement, including, without limitation, covenants regarding the conduct of their businesses prior to the consummation of the Inergy Propane Acquisition, notice of certain events, access to information, cooperation to obtain governmental and other approvals and consents, confidential information, non-solicitation, non-competition, tax matters, cooperation relating to the Exchange Offers and the registration of the Equity Consideration, intellectual property and employment matters. The representations, warranties and covenants of Inergy, NRGY GP, Inergy Sales and Suburban have been made solely for the benefit of the other parties to the Contribution Agreement. In addition, such representations, warranties and covenants (i) have been made only for purposes of the Contribution Agreement; (ii) have been qualified by confidential disclosures made to Inergy, NRGY GP, Inergy Sales and Suburban in connection with the Contribution Agreement; (iii) are subject to materiality qualifications contained in the Contribution Agreement which may differ from what may be viewed as material by investors; (iv) were made only as of the date of the Contribution Agreement or such other date as is specified in the Contribution Agreement; and (v) have been included in the Contribution Agreement for the purpose of allocating risk between the contracting parties rather than establishing matters as facts. Accordingly, the foregoing summary is included only to provide investors with information regarding the terms of the Contribution Agreement, and not to provide investors with any other factual information regarding Inergy, NRGY GP, Inergy Sales, Suburban or their respective businesses. Investors should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of Inergy, NRGY GP, Inergy Sales or Suburban or their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Contribution Agreement, which subsequent information may or may not be fully reflected in public disclosures regarding Inergy, NRGY GP, Inergy Sales or Suburban.

The Contribution Agreement includes indemnification provisions. Inergy, NRGY GP and Inergy Sales have jointly and severally agreed to indemnify Suburban and its affiliates and their partners, members, managers, directors, officers, employees, consultants and permitted assigns (**Suburban Indemnified Parties**) in the event of certain losses sustained by the Suburban Indemnified Parties that relate to breaches of representations, warranties or covenants by Inergy, NRGY GP or Inergy Sales, certain taxes, and certain retained liabilities (the **Acquirer Indemnity**). Suburban has agreed to indemnify Inergy, NRGY GP and Inergy Sales and their affiliates and their respective partners, members, managers, directors, officers, employees, consultants and permitted assigns (**Inergy Indemnified Parties**) in the event of certain losses sustained by the Inergy Indemnified Parties that relate to breaches of representations, warranties or covenants by Suburban, certain litigation, and claims and damages resulting from the operation of the acquired propane operations after the Acquisition Closing Date (the **Contributor Indemnity**). Subject to certain exceptions, liability for losses with respect to each of the Acquirer Indemnity and Contributor Indemnity is limited to a maximum cap of $150.0 million, respectively, and losses may not be recovered by the Suburban Indemnified Parties or the Inergy Indemnified Parties until the amount of indemnifiable losses relating to the Acquirer Indemnity and Contributor Indemnity, as applicable, exceeds $15.0 million.

Subject to certain exceptions, the representations, warranties, covenants and agreements of the parties under the Contribution Agreement survive the execution and delivery of the Contribution Agreement and will continue in full force and effect until 24 months after the Acquisition Closing Date.

The Contribution Agreement is governed by the laws of the State of Delaware. Inergy, NRGY GP, Inergy Sales and Suburban have agreed to the exclusive jurisdiction of the Delaware Court of Chancery or any state appellate court therefrom within the State of Delaware with respect to proceedings arising out of or the transactions contemplated by the Contribution Agreement.

There are no material contracts, arrangements, understandings, negotiations or transactions during the periods for which the financial statements are presented herein between Suburban or its affiliates and Inergy or its affiliates, other than those described herein.

Appraisal Rights

Under the Delaware Revised Uniform Limited Partnership Act, as amended, supplemented or restated from time to time, and any successor to such statute (the **Delaware Act**) and the third amended and restated partnership agreement of Inergy, Inergy unitholders have no appraisal or dissenters rights in connection with the Inergy Propane Acquisition.

Accounting Treatment

Suburban prepares its financial statements in conformity with US GAAP. The Inergy Propane Acquisition will be accounted for by applying the acquisition method with Suburban treated as the acquirer.

Acquisition-Related Financings

Bank Financing

On April 25, 2012, we entered into a commitment letter (the **Bank Commitment Letter**) with certain of our lenders who are party to the Credit Agreement pursuant to which such lenders committed to provide (i) in the aggregate, subject to the satisfaction of certain conditions precedent, up to $250.0 million senior secured 364-day incremental term loan facility (the **364-Day Facility**) and (ii) an increase in the aggregate, subject to the satisfaction of certain conditions precedent, of our existing revolving credit facility under the Credit Agreement from $250.0 million to $400.0 million (the **Commitment Increase**). We expect to draw $225.0 million on the 364-Day Facility on the Acquisition Closing Date, which, together with available cash, will be used for the purposes of paying (i) the Exchange Offer Cash Consideration, (ii) costs and fees related to the Exchange Offers, and (iii) costs and expenses related to the Inergy Propane Acquisition. We intend to repay such borrowings with an equity financing in the future, subject to market conditions. On April 25, 2012, we also received consents from all of the lenders under the Credit Agreement (**Credit Agreement Consents**) to enable us on the Acquisition Closing Date to incur additional indebtedness, make amendments to the Credit Agreement to adjust certain covenants, and otherwise perform our obligations as contemplated by the Inergy Propane Acquisition.

In order to implement the Bank Commitment Letter and the Credit Agreement Consents, we intend to amend (the **Credit Agreement Amendment**) our Amended and Restated Credit Agreement, dated as of January 5, 2012, among Suburban Propane, L.P. (as the borrower), Suburban Propane Partners, L.P. (as the parent) and the lenders party thereto (the **Credit Agreement**), effective the Acquisition Closing Date. The Credit Agreement Amendment will include the 364-Day Facility, the Commitment Increase, amendments to covenants relating thereto and the Credit Agreement Consents and provision for the reinstatement and increase from $150.0 million to $250.0 million of the existing uncommitted incremental term facility under the Credit Agreement when the 364-Day Facility is repaid or prepaid in full.

As of March 24, 2012 and without consideration of the Commitment Increase, Suburban had remaining availability under the existing Credit Agreement of approximately $103.1 million.

BUSINESS

Our Company

Suburban is a nationwide marketer and distributor of a diverse array of products meeting the energy needs of our customers. We specialize in the distribution of propane, fuel oil and refined fuels, as well as the marketing of natural gas and electricity in deregulated markets. In support of our core marketing and distribution operations, we install and service a variety of home comfort equipment, particularly in the areas of heating and ventilation. We believe, based on *LP/Gas Magazine* dated February 2012 and after taking into effect the combination of two larger competitors earlier this year, that we are the fourth largest retail marketer of propane in the United States, measured by retail gallons sold in the calendar year 2011. As of September 24, 2011, we were serving the energy needs of approximately 750,000 residential, commercial, industrial and agricultural customers through approximately 300 locations in 30 states located primarily in the east and west coast regions of the United States, including Alaska. We sold approximately 298.9 million gallons of propane and 37.2 million gallons of fuel oil and refined fuels to retail customers during the year ended September 24, 2011. Together with our predecessor companies, we have been continuously engaged in the retail propane business since 1928.

We conduct our business principally through Suburban Propane, L.P., a Delaware limited partnership, which operates our propane business and assets (the **Operating Partnership**), and its direct and indirect subsidiaries. Our general partner, and the general partner of our Operating Partnership, is Suburban Energy Services Group LLC (the **General Partner**), a Delaware limited liability company whose sole member is the Chief Executive Officer of Suburban. Since October 19, 2006, the General Partner has had no economic interest in either Suburban or the Operating Partnership (which means that the General Partner is not entitled to any cash distributions of either partnership, nor to any cash payment upon the liquidation of either partnership, nor any other economic rights in either partnership) other than as a holder of 784 common units of Suburban. Additionally, under the Third Amended and Restated Agreement of Limited Partnership (the **Partnership Agreement**) of Suburban, there are no incentive distribution rights for the benefit of the General Partner. Suburban owns (directly and indirectly) all of the limited partner interests in the Operating Partnership. The common units represent 100% of the limited partner interests in Suburban.

Subsidiaries of the Operating Partnership include Suburban Sales and Service, Inc. (the **Service Company**), which conducts a portion of Suburban s service work and appliance and parts businesses. The Service Company is the sole member of Gas Connection, LLC (d/b/a HomeTown Hearth & Grill), and Suburban Franchising, LLC. HomeTown Hearth & Grill sells and installs natural gas and propane gas grills, fireplaces and related accessories and supplies through two retail stores in the northwest and northeast regions as of September 24, 2011. Suburban Franchising creates and develops propane related franchising business opportunities.

Through an acquisition in fiscal 2004, we transformed our business from a marketer of a single fuel into one that provides multiple energy solutions, with expansion into the marketing and distribution of fuel oil and refined fuels, as well as the marketing of natural gas and electricity. Our fuel oil and refined fuels, natural gas and electricity and services businesses are structured as either limited liability companies or corporate entities (collectively referred to as **Corporate Entities**) and, as such, are subject to corporate level income tax.

Suburban Energy Finance Corp., a direct 100%-owned subsidiary of Suburban, was formed on November 26, 2003 to serve as co-issuer, jointly and severally with Suburban, of Suburban s senior notes. Suburban Energy Finance Corp. has nominal assets and conducts no business operations.

Business Segments

We manage and evaluate our operations in five operating segments, three of which are reportable segments: Propane, Fuel Oil and Refined Fuels and Natural Gas and Electricity. These business segments are described below. See the Notes to the Consolidated Financial Statements included in this prospectus for financial information about our business segments.

Propane

Propane is a by-product of natural gas processing and petroleum refining. It is a clean burning energy source recognized for its transportability and ease of use relative to alternative forms of stand-alone energy sources. Propane use falls into three broad categories:

- residential and commercial applications;
- industrial applications; and
- agricultural uses.

In the residential and commercial markets, propane is used primarily for space heating, water heating, clothes drying and cooking. Industrial customers use propane generally as a motor fuel to power over-the-road vehicles, forklifts and stationary engines, to fire furnaces, as a cutting gas and in other process applications. In the agricultural market, propane is primarily used for tobacco curing, crop drying, poultry brooding and weed control.

Propane is extracted from natural gas or oil wellhead gas at processing plants or separated from crude oil during the refining process. It is normally transported and stored in a liquid state under moderate pressure or refrigeration for ease of handling in shipping and distribution. When the pressure is released or the temperature is increased, propane becomes a flammable gas that is colorless and odorless, although an odorant is added to allow its detection. Propane is clean burning and, when consumed, produces only negligible amounts of pollutants.

Product Distribution and Marketing

We distribute propane through a nationwide retail distribution network consisting of approximately 300 locations in 30 states as of September 24, 2011. Our operations are concentrated in the east and west coast regions of the United States, including Alaska. As of September 24, 2011, we serviced approximately 608,000 propane customers. Typically, our customer service centers are located in suburban and rural areas where natural gas is not readily available. Generally, these customer service centers consist of an office, appliance showroom, warehouse and service facilities, with one or more 18,000 to 30,000 gallon storage tanks on the premises. Most of our residential customers receive their propane supply through an automatic delivery system. These deliveries are scheduled through computer technology, based upon each customer s historical consumption patterns and prevailing weather conditions. Additionally, we offer our customers a budget payment plan whereby the customer s estimated annual propane purchases and service contracts are paid for in a series of estimated equal monthly payments over a twelve-month period. From our customer service centers, we also sell, install and service equipment to customers who purchase propane from us including heating and cooking appliances, hearth products and supplies and, at some locations, propane fuel systems for motor vehicles.

We sell propane primarily to six customer markets: residential, commercial, industrial (including engine fuel), agricultural, other retail users and wholesale. Approximately 91% of the propane gallons sold by us in fiscal 2011 were to retail customers: 45% to residential customers, 28% to commercial customers, 8% to industrial customers, 4% to agricultural customers and 15% to other retail users. The balance of approximately 9% of the propane gallons sold by us in fiscal 2011 was for risk management activities and wholesale customers. No single customer accounted for 10% or more of our propane revenues during fiscal 2011.

Retail deliveries of propane are usually made to customers by means of bobtail and rack trucks. Propane is pumped from bobtail trucks, which have capacities ranging from 2,125 gallons to 2,975 gallons of propane, into a stationary storage tank on the customers premises. The capacity of these storage tanks ranges from approximately 100 gallons to approximately 1,200 gallons, with a typical tank having a capacity of 300 to 400 gallons. As is common in the propane industry, we own a significant portion of the storage tanks located on our customers premises. We also deliver propane to retail customers in portable cylinders, which typically have a capacity of 5 to 35 gallons. When these cylinders are delivered to customers, empty cylinders are refilled in place

or transported for replenishment at our distribution locations. We also deliver propane to certain other bulk end users in larger trucks known as transports, which have an average capacity of approximately 9,000 gallons. End users receiving transport deliveries include industrial customers, large-scale heating accounts, such as local gas utilities that use propane as a supplemental fuel to meet peak load delivery requirements, and large agricultural accounts that use propane for crop drying.

Supply

Our propane supply is purchased from approximately 61 oil companies and natural gas processors at approximately 110 supply points located in the United States and Canada. We make purchases primarily under one-year agreements that are subject to annual renewal, and also purchase propane on the spot market. Supply contracts generally provide for pricing in accordance with posted prices at the time of delivery or the current prices established at major storage points, and some contracts include a pricing formula that typically is based on prevailing market prices. Some of these agreements provide maximum and minimum seasonal purchase guidelines. Propane is generally transported from refineries, pipeline terminals, storage facilities (including our storage facility in Elk Grove, California) and coastal terminals to our customer service centers by a combination of common carriers, owner-operators and railroad tank cars. See Properties.

Historically, supplies of propane have been readily available from our supply sources. Although we make no assurance regarding the availability of supplies of propane in the future, we currently expect to be able to secure adequate supplies during fiscal 2012. During fiscal 2011, Targa Liquids Marketing and Trade (**Targa**) and Enterprise Products Operating L.P. (**Enterprise**) provided approximately 17% and 11% of our total propane purchases, respectively. The availability of our propane supply is dependent on several factors, including the severity of winter weather and the price and availability of competing fuels, such as natural gas and fuel oil. We believe that if supplies from Targa or Enterprise were interrupted, we would be able to secure adequate propane supplies from other sources without a material disruption of our operations. Nevertheless, the cost of acquiring such propane might be higher and, at least on a short-term basis, our margins could be affected. Approximately 96% of our total propane purchases were from domestic suppliers in fiscal 2011.

We seek to reduce the effect of propane price volatility on our product costs and to help ensure the availability of propane during periods of short supply. We are currently a party to forward and option contracts with various third parties to purchase and sell propane at fixed prices in the future. These activities are monitored by our senior management through enforcement of our Hedging and Risk Management Policy. See Management s Discussion and Analysis of Financial Condition and Results of Operations Executive Overview Hedging and Risk Management Activities.

We own and operate a large propane storage facility in California. We also operate smaller storage facilities in other locations and have rights to use storage facilities in additional locations. These storage facilities enable us to buy and store large quantities of propane particularly during periods of low demand, which generally occur during the summer months. This practice helps ensure a more secure supply of propane during periods of intense demand or price instability. As of September 24, 2011, the majority of our storage capacity in California was leased to third parties.

Competition

According to the Energy Information Administration s Short-Term Energy Outlook Model Documentation (November 2009), propane ranks as the fourth most important source of residential energy in the nation, with about 5% of all households using propane as their primary space heating fuel. This level has not changed materially over the previous two decades. As an energy source, propane competes primarily with natural gas, electricity and fuel oil, principally on the basis of price, availability and portability.

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Propane is more expensive than natural gas on an equivalent BTU basis in locations serviced by natural gas, but it is an alternative or supplement to natural gas in rural and suburban areas where natural gas is unavailable or portability of product is required. Historically, the expansion of natural gas into traditional propane markets has been inhibited by the capital costs required to expand pipeline and retail distribution systems. Although the recent extension of natural gas pipelines to previously unserved geographic areas tends to displace propane distribution in those areas, we believe new opportunities for propane sales may arise as new neighborhoods are developed in geographically remote areas. Over the last year or so, fewer new housing developments have been started in our service areas as a result of recent economic circumstances.

Propane has some relative advantages over other energy sources. For example, in certain geographic areas, propane is generally less expensive to use than electricity for space heating, water heating, clothes drying and cooking. Utilization of fuel oil is geographically limited (primarily in the northeast), and even in that region, propane and fuel oil are not significant competitors because of the cost of converting from one to the other.

In addition to competing with suppliers of other energy sources, our propane operations compete with other retail propane distributors. The retail propane industry is highly fragmented and competition generally occurs on a local basis with other large full-service multi-state propane marketers, thousands of smaller local independent marketers and farm cooperatives. Based on industry statistics contained in *2009 Sales of Natural Gas Liquids and Liquefied Refinery Gases*, as published by the American Petroleum Institute in December 2010, and *LP/Gas Magazine* dated February 2011, the ten largest retailers, including us, account for approximately 39% of the total retail sales of propane in the United States. For fiscal years 2009 through 2011, no single marketer had a greater than 10% share of the total retail propane market in the United States. Each of our customer service centers operates in its own competitive environment because retail marketers tend to locate in close proximity to customers in order to lower the cost of providing service. Our typical customer service center has an effective marketing radius of approximately 50 miles, although in certain areas the marketing radius may be extended by one or more satellite offices. Most of our customer service centers compete with five or more marketers or distributors.

Fuel Oil and Refined Fuels

Product Distribution and Marketing

We market and distribute fuel oil, kerosene, diesel fuel and gasoline to approximately 48,000 residential and commercial customers in the northeast region of the United States. Sales of fuel oil and refined fuels for fiscal 2011 amounted to 37.2 million gallons. Approximately 71% of the fuel oil and refined fuels gallons sold by us in fiscal 2011 were to residential customers, principally for home heating, 4% were to commercial customers, 1% were to agricultural and 5% to other users. Sales of diesel and gasoline accounted for the remaining 19% of total volumes sold in this segment during fiscal 2011. Fuel oil has a more limited use, compared to propane, and is used almost exclusively for space and water heating in residential and commercial buildings. We sell diesel fuel and gasoline to commercial and industrial customers for use primarily to operate motor vehicles.

Approximately 46% of our fuel oil customers receive their fuel oil under an automatic delivery system. These deliveries are scheduled through computer technology, based upon each customer s historical consumption patterns and prevailing weather conditions. Additionally, we offer our customers a budget payment plan whereby the customer s estimated annual fuel oil purchases are paid for in a series of estimated equal monthly payments over a twelve-month period. From our customer service centers, we also sell, install and service equipment to customers who purchase fuel oil from us including heating appliances.

Deliveries of fuel oil are usually made to customers by means of tankwagon trucks, which have capacities ranging from 2,500 gallons to 3,000 gallons. Fuel oil is pumped from the tankwagon truck into a stationary storage tank that is located on the customer s premises, which is owned by the customer. The capacity of customer storage tanks ranges from approximately 275 gallons to approximately 1,000 gallons. No single customer accounted for 10% or more of our fuel oil revenues during fiscal 2011.

Supply

We obtain fuel oil and other refined fuels in pipeline, truckload or tankwagon quantities, and have contracts with certain pipeline and terminal operators for the right to temporarily store fuel oil at 13 terminal facilities we do not own. We have arrangements with certain suppliers of fuel oil, which provide open access to fuel oil at specific terminals throughout the northeast. Additionally, a portion of our purchases of fuel oil are made at local wholesale terminal racks. In most cases, the supply contracts do not establish the price of fuel oil in advance; rather, prices are typically established based upon market prices at the time of delivery plus or minus a differential for transportation and volume discounts. We purchase fuel oil from more than 20 suppliers at approximately 60 supply points. While fuel oil supply is more susceptible to longer periods of supply constraint than propane, we believe that our supply arrangements will provide us with sufficient supply sources. Although we make no assurance regarding the availability of supplies of fuel oil in the future, we currently expect to be able to secure adequate supplies during fiscal 2012.

Competition

The fuel oil industry is a mature industry with total demand expected to remain relatively flat to moderately declining. The fuel oil industry is highly fragmented, characterized by a large number of relatively small, independently owned and operated local distributors. We compete with other fuel oil distributors offering a broad range of services and prices, from full service distributors to those that solely offer the delivery service. We have developed a wide range of sales programs and service offerings for our fuel oil customer base in an attempt to be viewed as a full service energy provider and to build customer loyalty. For instance, like most companies in the fuel oil business, we provide home heating equipment repair service to our fuel oil customers on a 24-hour a day basis. The fuel oil business unit also competes for retail customers with suppliers of alternative energy sources, principally natural gas, propane and electricity.

Natural Gas and Electricity

We market natural gas and electricity through our wholly-owned subsidiary, Agway Energy Services, LLC (**AES**), in the deregulated markets of New York and Pennsylvania primarily to residential and small commercial customers. Historically, local utility companies provided their customers with all three aspects of electric and natural gas service: generation, transmission and distribution. However, under deregulation, public utility commissions in several states are licensing energy service companies, such as AES, to act as alternative suppliers of the commodity to end consumers. In essence, we make arrangements for the supply of electricity or natural gas to specific delivery points. The local utility companies continue to distribute electricity and natural gas on their distribution systems. The business strategy of this business segment is to expand its market share by concentrating on growth in the customer base and expansion into other deregulated markets that are considered strategic markets.

We serve nearly 87,000 natural gas and electricity customers in New York and Pennsylvania. During fiscal 2011, we sold approximately 4.1 million dekatherms of natural gas and 613.9 million kilowatt hours of electricity through the natural gas and electricity segment. Approximately 75% of our customers were residential households and the remainder were small commercial and industrial customers. New accounts are obtained through numerous marketing and advertising programs, including telemarketing and direct mail initiatives. Most local utility companies have established billing service arrangements whereby customers receive a single bill from the local utility company which includes distribution charges from the local utility company, as well as product charges for the amount of natural gas or electricity provided by AES and utilized by the customer. We have arrangements with several local utility companies that provide billing and collection services for a fee. Under these arrangements, we are paid by the local utility company for all or a portion of customer billings after a specified number of days following the customer billing with no further recourse to AES.

Supply of natural gas is arranged through annual supply agreements with major national wholesale suppliers. Pricing under the annual natural gas supply contracts is based on posted market prices at the time of

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delivery, and some contracts include a pricing formula that typically is based on prevailing market prices. The majority of our electricity requirements is purchased through the New York Independent System Operator (**NYISO**) under an annual supply agreement, as well as purchase arrangements through other national wholesale suppliers on the open market. Electricity pricing under the NYISO agreement is based on local market indices at the time of delivery. Competition is primarily with local utility companies, as well as other marketers of natural gas and electricity providing similar alternatives as AES.

All Other

We sell, install and service various types of whole-house heating products, air cleaners, humidifiers, hearth products and space heaters to the customers of our propane, fuel oil, natural gas and electricity businesses. Our supply needs are filled through supply arrangements with several large regional equipment manufacturers and distribution companies. Competition in this business segment is primarily with small, local heating and ventilation providers and contractors, as well as, to a lesser extent, other regional service providers. The focus of our ongoing service offerings are in support of the service needs of our existing customer base within our propane, refined fuels and natural gas and electricity business segments. Additionally, we have entered into arrangements with third-party service providers to complement and, in certain instances, supplement our existing service capabilities.

In addition, activities from our HomeTown Hearth & Grill and Suburban Franchising subsidiaries are also included in the all other business category.

Seasonality

The retail propane and fuel oil distribution businesses, as well as the natural gas marketing business, are seasonal because the primary use of these fuels is for heating residential and commercial buildings. Historically, approximately two-thirds of our retail propane volume is sold during the six-month peak heating season from October through March. The fuel oil business tends to experience greater seasonality given its more limited use for space heating, and approximately three-fourths of our fuel oil volumes are sold between October and March. Consequently, sales and operating profits are concentrated in our first and second fiscal quarters. Cash flows from operations, therefore, are greatest during the second and third fiscal quarters when customers pay for product purchased during the winter heating season. We expect lower operating profits and either net losses or lower net income during the period from April through September (our third and fourth fiscal quarters).

Weather conditions have a significant impact on the demand for our products, in particular propane, fuel oil and natural gas, for both heating and agricultural purposes. Many of our customers rely on propane, fuel oil or natural gas primarily as a heating source. Accordingly, the volume sold is directly affected by the severity of the winter weather in our service areas, which can vary substantially from year to year. In any given area, sustained warmer than normal temperatures will tend to result in reduced propane, fuel oil and natural gas consumption, while sustained colder than normal temperatures will tend to result in greater consumption.

Trademarks and Tradenames

We utilize a variety of trademarks and tradenames owned by us, including Suburban Propane, Gas Connection, Suburban Cylinder Express and HomeTown Hearth & Grill. Additionally, we hold rights to certain trademarks and tradenames, including Agway Propane, Agway and Agway Energy Products in connection with the distribution of petroleum-based fuel and sales and service of heating and ventilation products. We regard our trademarks, tradenames and other proprietary rights as valuable assets and believe that they have significant value in the marketing of our products and services.

Government Regulation; Environmental and Safety Matters

We are subject to various federal, state and local environmental, health and safety laws and regulations. Generally, these laws impose limitations on the discharge of pollutants and establish standards for the handling of solid and hazardous wastes and can require the investigation and cleanup of environmental contamination. These laws include the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act (**CERCLA**), the Clean Air Act, the Occupational Safety and Health Act, the Emergency Planning and Community Right to Know Act, the Clean Water Act and comparable state statutes. CERCLA, also known as the Superfund law, imposes joint and several liability without regard to fault or the legality of the original conduct on certain classes of persons that are considered to have contributed to the release or threatened release of a hazardous substance into the environment. Propane is not a hazardous substance within the meaning of CERCLA, whereas some constituents contained in fuel oil are considered hazardous substances. We own real property at locations where such hazardous substances may be present as a result of prior activities.

We expect that we will be required to expend funds to participate in the remediation of certain sites, including sites where we have been designated by the Environmental Protection Agency as a potentially responsible party under CERCLA and at sites with aboveground and underground fuel storage tanks. We will also incur other expenses associated with environmental compliance. We continually monitor our operations with respect to potential environmental issues, including changes in legal requirements and remediation technologies.

Through an acquisition in fiscal 2004, we acquired certain properties with either known or probable environmental exposure, some of which are currently in varying stages of investigation, remediation or monitoring. Additionally, we identified that certain active sites acquired contained environmental conditions which required further investigation, future remediation or ongoing monitoring activities. The environmental exposures included instances of soil and/or groundwater contamination associated with the handling and storage of fuel oil, gasoline and diesel fuel. As of September 24, 2011, we had accrued environmental liabilities of $0.6 million representing the total estimated future liability for remediation and monitoring.

Estimating the extent of our responsibility at a particular site, and the method and ultimate cost of remediation of that site, requires making numerous assumptions. As a result, the ultimate cost to remediate any site may differ from current estimates, and will depend, in part, on whether there is additional contamination, not currently known to us, at that site. However, we believe that our past experience provides a reasonable basis for estimating these liabilities. As additional information becomes available, estimates are adjusted as necessary. While we do not anticipate that any such adjustment would be material to our financial statements, the result of ongoing or future environmental studies or other factors could alter this expectation and require recording additional liabilities. We currently cannot determine whether we will incur additional liabilities or the extent or amount of any such liabilities.

National Fire Protection Association (**NFPA**) Pamphlet Nos. 54 and 58, which establish rules and procedures governing the safe handling of propane, or comparable regulations, have been adopted, in whole, in part or with state addenda, as the industry standard for propane storage, distribution and equipment installation and operation in all of the states in which we operate. In some states these laws are administered by state agencies, and in others they are administered on a municipal level.

NFPA Pamphlet Nos. 30, 30A, 31, 385 and 395, which establish rules and procedures governing the safe handling of distillates (fuel oil, kerosene and diesel fuel) and gasoline, or comparable regulations, have been adopted, in whole, in part or with state addenda, as the industry standard for fuel oil, kerosene, diesel fuel and gasoline storage, distribution and equipment installation/operation in all of the states in which we sell those products. In some states these laws are administered by state agencies and in others they are administered on a municipal level.

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With respect to the transportation of propane, distillates and gasoline by truck, we are subject to regulations promulgated under the Federal Motor Carrier Safety Act. These regulations cover the transportation of hazardous materials and are administered by the United States Department of Transportation or similar state agencies. We conduct ongoing training programs to help ensure that our operations are in compliance with applicable safety regulations. We maintain various permits that are necessary to operate some of our facilities, some of which may be material to our operations. We believe that the procedures currently in effect at all of our facilities for the handling, storage and distribution of propane, distillates and gasoline are consistent with industry standards and are in compliance, in all material respects, with applicable laws and regulations.

The Department of Homeland Security (**DHS**) has published regulations under 6 CFR Part 27 Chemical Facility Anti-Terrorism Standards. We have 474 facilities registered with the DHS, of which 454 facilities have been determined to be Not a High Risk Chemical Facility . 20 facilities have been determined by DHS to be High Risk, Tier 4 (lowest level of security risk). Security Vulnerability Assessments for the 20 facilities have been submitted to the DHS and the DHS has reviewed 17 of them, requiring us to submit Site Security Plans for those facilities. Pending DHS review, the remaining 3 facilities may require Site Security Plans within 90 days of DHS notification. Because our facilities are currently operating under the security programs developed under guidelines issued by the Department of Transportation, Department of Labor and Environmental Protection Agency, we do not anticipate that we will incur significant costs in order to comply with these DHS regulations.

In December 2009, the U.S. Environmental Protection Agency (**EPA**) issued an Endangerment Finding under the Clean Air Act, determining that emissions of carbon dioxide, methane and other greenhouse gases (**GHGs**) present an endangerment to public health and the environment because emissions of such gases may be contributing to warming of the earth s atmosphere and other climatic changes. Based on these findings, the EPA has begun adopting and implementing regulations to restrict emissions of GHGs and require reporting by certain regulated facilities on an annual basis.

Both Houses of the United States Congress also have considered adopting legislation to reduce emissions of GHGs. In June 2009, the American Clean Energy and Security Act of 2009, also known as the Waxman-Markey Bill, passed in the U.S. House of Representatives, but the U.S. Senate s version, The Clean Energy Jobs and American Power Act, or the Boxer-Kerry Bill, did not pass. Both bills sought to establish a cap and trade system for restricting GHG emissions. Under such system, certain sources of GHG emissions would be required to obtain GHG emission allowances corresponding to their annual emissions of GHGs. The number of emission allowances issued each year would decline as necessary to meet overall emission reduction goals. As the number of GHG emission allowances declines each year, the cost or value of allowances is expected to escalate significantly.

The adoption of federal or state climate change legislation or regulatory programs to reduce emissions of GHGs could require us to incur increased capital and operating costs, with resulting impact on product price and demand. We cannot predict whether or in what form cap-and-trade provisions and renewable energy standards may be enacted. In addition, a possible consequence of climate change is increased volatility in seasonal temperatures. It is difficult to predict how the market for our fuels would be affected by increased temperature volatility, although if there is an overall trend of warmer temperatures, it could adversely affect our business.

Future developments, such as stricter environmental, health or safety laws and regulations thereunder, could affect our operations. We do not anticipate that the cost of our compliance with environmental, health and safety laws and regulations, including CERCLA, as currently in effect and applicable to known sites will have a material adverse effect on our financial condition or results of operations. To the extent we discover any environmental liabilities presently unknown to us or environmental, health or safety laws or regulations are made more stringent, however, there can be no assurance that our financial condition or results of operations will not be materially and adversely affected.

On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the **Dodd-Frank Act**) was signed into law. The Dodd-Frank Act regulates derivative transactions, which include certain instruments used by Suburban for risk management activities.

The Dodd-Frank Act requires the Commodity Futures Trading Commission (the **CFTC**) and the SEC to promulgate rules and regulations relating to, among other things, swaps, participants in the derivatives markets, clearing of swaps and reporting of swap transactions. In general, the Dodd-Frank Act subjects swap transactions and participants to greater regulation and supervision by the CFTC and the SEC and will require many swaps to be cleared through a registered CFTC- or SEC-clearing facility and executed on a designated exchange or swap execution facility. There are some exceptions to these requirements for entities that use swaps to hedge or mitigate commercial risk. While we may ultimately be eligible for such exceptions, the scope of these exceptions currently is somewhat uncertain, pending further definition through rulemaking.

Among the other provisions of the Dodd-Frank Act that may affect derivative transactions are those relating to establishment of capital and margin requirements for certain derivative participants; establishment of business conduct standards, recordkeeping and reporting requirements; and imposition of position limits.

Although the Dodd-Frank Act imposes significant new regulatory requirements with respect to derivatives, the impact of the requirements will not be known definitively until final regulations have been adopted by the CFTC and the SEC. The new legislation and regulations promulgated thereunder could increase the operational and transactional cost of derivatives contracts and affect the number and/or creditworthiness of counterparties available to us.

Properties

As of September 24, 2011, we owned approximately 66% of our customer service center and satellite locations and leased the balance of our retail locations from third parties. We own and operate a 22 million gallon refrigerated, aboveground propane storage facility in Elk Grove, California. Additionally, we own our principal executive offices located in Whippany, New Jersey.

The transportation of propane requires specialized equipment. The trucks and railroad tank cars utilized for this purpose carry specialized steel tanks that maintain the propane in a liquefied state. As of September 24, 2011, we had a fleet of 6 transport truck tractors, of which we owned two, and 23 railroad tank cars, of which we owned none. In addition, as of September 24, 2011 we had 668 bobtail and rack trucks, of which we owned 33%, 88 fuel oil tankwagons, of which we owned 25%, and 866 other delivery and service vehicles, of which we owned 41%. We lease the vehicles we do not own. As of September 24, 2011, we also owned 655,003 customer propane storage tanks with typical capacities of 100 to 500 gallons, 139,813 customer propane storage tanks with typical capacities of over 500 gallons and 217,842 portable propane cylinders with typical capacities of five to ten gallons.

Employees

As of September 24, 2011, we had 2,385 full time employees, of whom 477 were engaged in general and administrative activities (including fleet maintenance), 37 were engaged in transportation and product supply activities and 1,871 were customer service center employees. As of September 24, 2011, 44 of our employees were represented by 5 different local chapters of labor unions. We believe that our relations with both our union and non-union employees are satisfactory. From time to time, we hire temporary workers to meet peak seasonal demands.

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Legal Proceedings

Our operations are subject to all operating hazards and risks normally incidental to handling, storing and delivering combustible liquids such as propane. We have been, and will continue to be, a defendant in various legal proceedings and litigation arising in the ordinary course of business, both as a result of these operating hazards and risks, and as a result of other aspects of our business. In this last regard, we are currently a defendant in suits in several states, including two putative class actions in which no class has yet been certified. The complaints allege a number of commercial claims, including as to our pricing, fee disclosure and tank ownership, under various consumer statutes, the Uniform Commercial Code, common law and antitrust law. Based on the nature of the allegations under these commercial suits, we believe that the suits are without merit and we are contesting each of these suits vigorously. With respect to the pending commercial suits, other than for legal defense fees and expenses, based on the merits of the allegations and discovery to date, no liability for a loss contingency is required. We are self-insured for general and product, workers compensation and automobile liabilities up to predetermined thresholds above which third party insurance applies. As of March 24, 2012 and September 24, 2011, we had accrued insurance liabilities of $49.9 million and $52.9 million, respectively, representing the total estimated losses under these self-insurance programs. For the portion of the estimated self-insurance liability that exceeds insurance deductibles, we record an asset within other assets (or other current assets, as applicable) related to the amount of the liability expected to be covered by insurance, which amounted to $16.6 million and $17.5 million as of March 24, 2012 and September 24, 2011, respectively.

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MANAGEMENT

Executive Officers and Directors

The following table sets forth certain information with respect to the members of the Board of Supervisors and our executive officers as of July 26, 2012. Officers are appointed by the Board of Supervisors for one-year terms and Supervisors are elected by the holders of our common units for three-year terms.

Name	Age	Position With Suburban
Michael J. Dunn, Jr.	63	President and Chief Executive Officer; Member of the Board of Supervisors
Michael A. Stivala	43	Chief Financial Officer
Michael M. Keating	59	Senior Vice President Administration
A. Davin D Ambrosio	48	Vice President and Treasurer
Paul Abel	59	Vice President, General Counsel and Secretary
Mark Anton, II	54	Vice President Business Development
Steven C. Boyd	48	Vice President Field Operations
Douglas T. Brinkworth	50	Vice President Product Supply
Michael Kuglin	42	Vice President and Chief Accounting Officer
Neil Scanlon	46	Vice President Information Services
Mark Wienberg	50	Vice President Operational Support and Analysis
Harold R. Logan, Jr.	67	Member of the Board of Supervisors (Chairman)
John Hoyt Stookey	82	Member of the Board of Supervisors (Chairman of the Compensation Committee)
Dudley C. Mecum	77	Member of the Board of Supervisors
John D. Collins	73	Member of the Board of Supervisors (Chairman of the Audit Committee)
Jane Swift	47	Member of the Board of Supervisors

Michael J. Dunn

Mr. Dunn has served as our President since May 2005 and as our Chief Executive Officer since September 2009. Mr. Dunn has served as a Supervisor since July 1998. From June 1998 until May 2005 he was Senior Vice President, becoming Senior Vice President Corporate Development in November 2002. He was Vice President Procurement and Logistics from March 1997 until June 1998. Before joining Suburban, Mr. Dunn was Vice President of Commodity Trading for the investment banking firm of Goldman Sachs & Company (**Goldman Sachs**). Mr. Dunn is the sole member of Suburban s General Partner.

Mr. Dunn s qualifications to sit on our Board include his more than 14 years of experience in the propane industry, including as our President for the past 7 years and Chief Executive Officer for the past 3 years, which day to day leadership roles have provided him with intimate knowledge of our operations.

Michael A. Stivala

Mr. Stivala has served as our Chief Financial Officer since November 2009, and, before that, as our Chief Financial Officer and Chief Accounting Officer since October 2007. Prior to that he was our Controller and Chief Accounting Officer since May 2005 and Controller since December 2001. Before joining Suburban, he held several positions with PricewaterhouseCoopers LLP, an international accounting firm, most recently as Senior Manager in the Assurance practice. Mr. Stivala is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants.

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Michael M. Keating

Mr. Keating has served as Senior Vice President Administration since July 2009. From July 1996 to that date he was Vice President Human Resources and Administration. He previously held senior human resource positions at Hanson Industries (the United States management division of Hanson plc, a global diversified industrial conglomerate) and Quantum Chemical Corporation (**Quantum**), a predecessor of Suburban.

A. Davin D Ambrosio

Mr. D Ambrosio has served as our Treasurer since November 2002 and was additionally made a Vice President in October 2007. He served as our Assistant Treasurer from October 2000 to November 2002 and as our Director of Treasury Services from January 1998 to October 2000. Mr. D Ambrosio joined Suburban in May 1996 after ten years in the commercial banking industry.

Paul Abel

Mr. Abel has served as our General Counsel and Secretary since June 2006 and was additionally made a Vice President in October 2007. From May 2005 until June 2006, Mr. Abel was Assistant General Counsel of Velocita Wireless, L.P., the owner and operator of a nationwide wireless data network. From 1998 until May 2005, Mr. Abel was Vice President, Secretary and General Counsel of AXS-One Inc. (formerly known as Computron Software, Inc.), an international business software company.

Mark Anton, II

Mr. Anton has served as Vice President Business Development since he joined Suburban in 1999. Prior to joining Suburban, Mr. Anton worked as an Area Manager for another large multi-state propane marketer and was a Vice President at several large investment banking organizations.

Steven C. Boyd

Mr. Boyd has served as Vice President Field Operations (formerly Vice President Operations) since October 2008. Prior to that he was Southeast and Western Area Vice President since March 2007, Managing Director Area Operations since November 2003 and Regional Manager Northern California since May 1997. Mr. Boyd held various managerial positions with predecessors of Suburban from 1986 through 1996.

Douglas T. Binkworth

Mr. Brinkworth has served as Vice President Product Supply (formerly Vice President Supply) since May 2005. Mr. Brinkworth joined Suburban in April 1997 after a nine year career with Goldman Sachs and, since joining Suburban, has served in various positions in the product supply area.

Michael Kuglin

Mr. Kuglin has served as Vice President and Chief Accounting Officer since November 2011. Prior to that he was Controller and Chief Accounting Officer since November 2009 and Controller since October 2007. For the eight years prior to joining Suburban he held several financial and managerial positions with Alcatel-Lucent, a global communications solutions provider. Prior to Alcatel-Lucent, Mr. Kuglin held several positions with the international accounting firm PricewaterhouseCoopers LLP, most recently Manager in the Assurance practice. Mr. Kuglin is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants.

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Neil Scanlon

Mr. Scanlon became Vice President Information Services in November 2008. Prior to that he served as Assistant Vice President Information Services since November 2007, Managing Director Information Services from November 2002 to November 2007 and Director Information Services from April 1997 until November 2002. Prior to joining Suburban, Mr. Scanlon spent several years with JP Morgan & Co., most recently as Vice President Corporate Systems and earlier held several positions with Andersen Consulting, an international systems consulting firm, most recently as Manager.

Mark Wienberg

Mr. Wienberg has served as Vice President Operational Support and Analysis (formerly Vice President Operational Planning) since October 2007. Prior to that he served as Managing Director, Financial Planning and Analysis from October 2003 to October 2007 and as Director, Financial Planning and Analysis from July 2001 to October 2003. Prior to joining Suburban, Mr. Wienberg was Assistant Vice President Finance of International Home Foods Corp., a consumer products manufacturer.

Harold R. Logan, Jr.

Mr. Logan has served as a Supervisor since March 1996 and was elected as Chairman of the Board of Supervisors in January 2007. Mr. Logan is a Co-Founder and, from 2006 to the present has been serving as a Director of Basic Materials and Services LLC, an investment company that has invested in companies that provide specialized infrastructure services and materials for the pipeline construction industry and the sand/silica industry. From 2003 to September 2006, Mr. Logan was a Director and Chairman of the Finance Committee of the Board of Directors of TransMontaigne Inc., which provided logistical services (i.e. pipeline, terminaling and marketing) to producers and end-users of refined petroleum products. From 1995 to 2002, Mr. Logan was Executive Vice President/Finance, Treasurer and a Director of TransMontaigne Inc. From 1987 to 1995, Mr. Logan served as Senior Vice President of Finance and a Director of Associated Natural Gas Corporation, an independent gatherer and marketer of natural gas, natural gas liquids and crude oil. Mr. Logan is also a Director of Cimarex Energy Co. (where he serves as Lead Director), Graphic Packaging Holding Company and Hart Energy Publishing LLP, and, until it was sold in 2007, served as a Director of The Houston Exploration Company.

Over the past 40 years, Mr. Logan s education, investment banking/venture capital experience and business/financial management experience have provided him with a comprehensive understanding of business and finance. Most of Mr. Logan s business experience has been in the energy industry, both in investment banking and as a senior financial officer and director of publicly-owned energy companies. Mr. Logan s expertise and experience have been relevant to his responsibilities of providing oversight and advice to the managements of public companies, and is of particular benefit in his role as our Chairman. Since 1996, Mr. Logan has been a director of nine public companies and has served on audit, compensation and governance committees.

John Hoyt Stookey

Mr. Stookey has served as a Supervisor since March 1996. He was Chairman of the Board of Supervisors from March 1996 through January 2007. From 1986 until September 1993, he was the Chairman, President and Chief Executive Officer of Quantum. He served as non-executive Chairman and a Director of Quantum from its acquisition by Hanson plc, a global diversified industrial conglomerate, in September 1993 until October 1995, at which time he retired. Since then, Mr. Stookey has served as a trustee for a number of non-profit organizations, including founding and serving as non-executive Chairman of Per Scholas Inc. (a non-profit organization dedicated to using technology to improve the lives of residents of the South Bronx) and Landmark Volunteers (places high school students in volunteer positions with non-profit organizations during summer vacations) and has also served on the Board of Directors of The Clark Foundation, The Robert Sterling Clark Foundation and The Berkshire Taconic Community Foundation.

Mr. Stookey s qualifications to sit on our Board include his extensive experience as Chief Executive Officer of four corporations (including a predecessor of Suburban) and his many years of service as a director of publicly-owned corporations and non-profit organizations.

Dudley C. Mecum

Mr. Mecum has served as a Supervisor since June 1996. He was a Managing Director of Capricorn Holdings, LLC (a sponsor of and investor in leveraged buyouts) from 1997 to 2011, and a partner of G.L. Ohrstrom & Co. (a sponsor of and investor in leveraged buyouts) from 1989 to 1996. Until 2007, Mr. Mecum was a director of Citigroup, Inc.

Mr. Mecum s qualifications to sit on our Board include his 20 years in public accounting, rising to the level of Vice Chairman of KPMG LLP, a public accounting firm, his service as Assistant Secretary of the Army for Installations and Logistics and his 15 years of service overseeing or managing various companies. Mr. Mecum has over 20 years of service as a director of various publicly-owned companies.

John D. Collins

Mr. Collins has served as a Supervisor since April 2007. He served with KPMG LLP, an international accounting firm, from 1962 until 2000, most recently as senior audit partner of its New York office. He has served as a United States representative on the International Auditing Procedures Committee, a committee of international accountants responsible for establishing international auditing standards. Mr. Collins is a Director of Montpelier Re and, until recently, was a Director of Columbia Atlantic Funds and Mrs. Fields Original Cookies, Inc.

Mr. Collins qualifications to sit on our Board, and serve as Chairman of its Audit Committee, include his 40 years of experience in public accounting, including 31 years as a partner supervising the audits of public companies. Mr. Collins has served on a number of AICPA and international accounting and auditing standards bodies.

Jane Swift

Ms. Swift has served as a Supervisor since April 2007. She is currently the CEO of Middlebury Interactive Languages, LLC, a marketer of world language products. From 2010 through July 2011, Ms. Swift served as Senior Vice President of ConnectEDU Inc., a private education technology company. In 2007, she founded WNP Consulting, LLC, a provider of expert advice and guidance to early stage education companies. From 2003 to 2006 she was a General Partner at Arcadia Partners, a venture capital firm focused on the education industry. She has previously served on the boards of K12, Inc. and Animated Speech Company and currently serves on the boards of Sally Ride Science Inc. and several not-for-profit boards, including The Republican Majority for Choice and Landmark Volunteers, Inc. Prior to joining Arcadia, Ms. Swift served for 15 years in Massachusetts state government, becoming Massachusetts first woman governor in 2001.

Ms. Swift s qualifications to sit on our Board include her strong skills in public policy and government relations and her extensive knowledge of regulatory matters arising from her 15 years in state government.

Codes of Ethics and of Business Conduct

We have adopted a Code of Ethics that applies to our principal executive officer, principal financial officer and principal accounting officer, and a Code of Business Conduct that applies to all of our employees, officers and Supervisors. A copy of our Code of Ethics and our Code of Business Conduct is available without charge from our website at www.suburbanpropane.com or upon written request directed to: Suburban Propane Partners, L.P., Investor Relations, P.O. Box 206, Whippany, New Jersey 07981-0206. The information contained on or

accessible through our website is not part of this prospectus or the Form S-1. Any amendments to, or waivers from, provisions of our Code of Ethics or our Code of Business Conduct that apply to our principal executive officer, principal financial officer and principal accounting officer will be posted on our website.

Corporate Governance Guidelines

We have adopted Corporate Governance Guidelines and Policies in accordance with the NYSE corporate governance listing standards in effect as of the date of this prospectus. A copy of our Corporate Governance Guidelines is available without charge from our website at www.suburbanpropane.com or upon written request directed to: Suburban Propane Partners, L.P., Investor Relations, P.O. Box 206, Whippany, New Jersey 07981-0206. The information contained on or accessible through our website is not part of this prospectus or the Form S-1.

Audit Committee Charter

We have adopted a written Audit Committee Charter in accordance with the NYSE corporate governance listing standards in effect as of the date of this prospectus. The Audit Committee Charter is reviewed periodically to ensure that it meets all applicable legal and NYSE listing requirements. A copy of our Audit Committee Charter is available without charge from our website at www.suburbanpropane.com or upon written request directed to: Suburban Propane Partners, L.P., Investor Relations, P.O. Box 206, Whippany, New Jersey 07981-0206. The information contained on or accessible through our website is not part of this prospectus or the Form S-1.

Compensation Committee Charter

Five Supervisors, who are not officers or employees of Suburban or its subsidiaries, serve on the Compensation Committee. We have adopted a Compensation Committee Charter in accordance with the NYSE corporate governance listing standards in effect as of the date of this prospectus. A copy of our Compensation Committee Charter is available without charge from our website at www.suburbanpropane.com or upon written request directed to: Suburban Propane Partners, L.P., Investor Relations, P.O. Box 206, Whippany, New Jersey 07981-0206. The information contained on or accessible through our website is not part of this prospectus or the Form S-1.

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COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis explains our executive compensation philosophy, policies and practices with respect to the following executive officers of Suburban, which we refer to as the named executive officers : Mr. Dunn, our President and Chief Executive Officer; Mr. Stivala, our Chief Financial Officer; and the other three most highly compensated executive officers, Mr. Boyd, our Vice President of Field Operations; Mr. Wienberg, our Vice President of Operational Support and Analysis and Mr. Brinkworth, our Vice President of Product Supply.

Executive Compensation Philosophy and Components

The objectives of our executive compensation program are as follows:

- The attraction and retention of talented executives who have the skills and experience required to achieve our goals; and
- The alignment of the short-term and long-term interests of our executive officers with the short-term and long-term interests of holders of our common units.

We accomplish these objectives by providing our executives with compensation packages that combine various components that are specifically linked to either short-term or long-term performance measures. Therefore, our executive compensation packages are designed to achieve our overall goal of sustainable, profitable growth by rewarding our executive officers for behaviors that facilitate our achievement of this goal.

The principal components of the compensation we provide to our named executive officers are as follows:

- Base salary;
- Cash incentives paid under a performance-based annual bonus plan;
- Long-Term Incentive Plan awards; and
- Awards of restricted units under the Restricted Unit Plans.

We align the short-term and long-term interests of our executive officers with the short-term and long-term interests of holders of our common units by:

- Providing our executive officers with an annual incentive target that encourages them to achieve or exceed targeted financial results and operating performance for the fiscal year;
- Providing a long-term incentive plan that encourages our executive officers to implement activities and practices conducive to sustainable, profitable growth; and
- Providing our executive officers with restricted units in order to retain the services of the participating executive officers over a five-year period while simultaneously encouraging behaviors conducive to the long-term appreciation of our common units.

Establishing Executive Compensation

The Compensation Committee (the **Committee**) is responsible for overseeing our executive compensation program. In accordance with its charter, available on our website at www.suburbanpropane.com, the Committee ensures that the compensation packages provided to our executive officers are designed in accordance with our compensation philosophy. The Committee reviews and approves the compensation packages of our managing directors, assistant vice presidents, vice presidents and our named executive officers.

Annually, our Senior Vice President of Administration prepares a comprehensive analysis of each executive officer s past and current compensation to assist the Committee in the assessment and determination of executive

compensation packages for the subsequent fiscal year. The Committee considers a number of factors in establishing the compensation packages for each executive officer, including, but not limited to, tenure, scope of responsibility and individual performance. The relative importance assigned to each of these factors by the Committee may differ from executive to executive. The performance of each of our executive officers is continually assessed by the Committee and by our highest-ranking executive officers and also factors into the decision-making process, particularly in relation to promotions and increases in base compensation. In addition, as part of the Committee s annual review of each executive officer s total compensation package, the Committee is provided with benchmarking data for comparison. The benchmarking data is just one of a number of factors considered by the Committee, but is not necessarily the most persuasive factor.

The benchmarking data provided to the Committee for the 2011 fiscal year was derived from the Mercer Human Resource Consulting, Inc. (**Mercer**) Benchmark Database containing information obtained from surveys of over 2,269 organizations and approximately 201 positions which may include similarly-sized national propane marketers. The Committee does not base its benchmarking solely on a peer group of other propane marketers. The use of the Mercer database provides a broad base of compensation benchmarking information for companies of a similar size to Suburban. The benchmarking information used by the Committee consisted of organizations included in the Mercer database that report median annual revenues of between $1.4 billion and $3.8 billion per year.

The Committee believes that using the Mercer database to evaluate total cash compensation opportunities is appropriate because of the proximity of Suburban s headquarters to New York City and the need to realistically compete for skilled executives in an environment shared by numerous other enterprises that seek similarly skilled employees. The Committee chooses not to base its benchmarking on the compensation practices of other propane marketers due to the fact that the other, similarly-sized propane marketers compete for executives in vastly different economic environments.

Conversely, for the reasons set forth under the subheading 2003 Long-Term Incentive Plan below, the Committee decided to include other propane marketers, structured as publicly traded partnerships, in the peer group it selected for the 2003 Long-Term Incentive Plan. Earning a payment under the 2003 Long-Term Incentive Plan is dependent upon the performance (referred to in the plan document as total return to unitholders) of our common units relative to the unit performance of a peer group of eleven other master limited partnerships over a three-year measurement period.

In making their decisions regarding executive compensation packages for the coming fiscal year, the members of the Committee review the total cash compensation opportunities that were provided to our executive officers during the just completed fiscal year. Each executive officer s total cash compensation opportunity consists of base salary, an annual cash bonus, and 2003 Long-Term Incentive Plan awards. The Committee then compares each executive officer s total cash compensation opportunity to the total mean cash compensation opportunity for the parallel position in the Mercer database. By focusing on each executive officer s total cash compensation opportunity as a whole, instead of on single components of compensation such as base salary, when it met on November 9, 2010, the Committee created fiscal 2011 compensation packages for our executive officers that emphasized the performance-based components of compensation.

Role of Executive Officers and the Compensation Committee in the Compensation Process

The Committee establishes and enforces our general compensation philosophy in consultation with our President and Chief Executive Officer. The role of our President and Chief Executive Officer in the executive compensation process is to recommend individual pay adjustments for the executive officers, other than himself, to the Committee based on market conditions, our performance, and individual performance. With the assistance of our Senior Vice President of Administration, our President and Chief Executive Officer presents the Committee with information comparing each executive officer s compensation to the mean compensation figures provided in the Mercer database.

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The Partnership s sole use of the Mercer database was to provide the Committee with benchmarking data. Therefore, neither our President and Chief Executive Officer nor our Senior Vice President of Administration met with representatives from Mercer. The information provided by Mercer was derived from a proprietary database maintained by Mercer and, as such, there was no formal consultancy role played by them. The Committee believes that the Mercer benchmarking data, which is provided to the Committee by our Senior Vice President of Administration, can be used by the Committee as an objective benchmark on which decisions relative to executive compensation can be based. In the course of its deliberations, the Committee compares the objective data obtained from the Mercer database to the internal analyses prepared by our Senior Vice President of Administration.

Among other duties, the Committee has overall responsibility for:

Reviewing and approving compensation of our President and Chief Executive Officer, Chief Financial Officer and our other executive officers;

Reporting to the Board of Supervisors any and all decisions regarding compensation changes for our President and Chief Executive Officer, Chief Financial Officer and our other executive officers;

Evaluating and approving our annual cash bonus plan, long-term incentive plan, restricted unit plan, as well as all other executive compensation policies and programs;

Administering and interpreting the compensation plans that constitute each component of our executive officers compensation packages; and

Engaging consultants, when appropriate, to provide independent, third-party advice on executive officer-related compensation.

Allocation Among Components

Under our compensation structure, the mix of base salary, cash bonus and long-term compensation provided to each executive officer varies depending on his or her position. The base salary for each executive officer is the only fixed component of compensation. All other cash compensation, including annual cash bonuses and long-term incentive compensation, is variable in nature as it is dependent upon achievement of certain performance measures. The following table summarizes the components as percentages of each named executive officer s total cash compensation opportunity in fiscal 2011 (as determined at the Committee s November 9, 2010 meeting).

	Base Salary	Cash Bonus Target	Long-Term Incentive
Michael J. Dunn, Jr.	40%	40%	20%
Michael A. Stivala	45%	36%	19%
Steven C. Boyd	45%	36%	19%
Mark Wienberg	45%	36%	19%
Douglas T. Brinkworth	45%	36%	19%

In allocating compensation among these components, we believe that the compensation of our senior-most levels of management the levels of management having the greatest ability to influence our performance should be at least 50% performance-based, while lower levels of management should receive a greater portion of their compensation in base salary. Additionally, our short-term and long-term incentive plans do not provide for minimum payments and are, thus, truly pay-for-performance compensation plans.

Internal Pay Equity

In determining the different compensation packages for each of our named executive officers, the Committee takes into consideration a number of factors, including the level of responsibility and influence that

each named executive officer has over the affairs of Suburban, tenure with Suburban, individual performance and years of experience in his or her current position. The relative importance assigned to each of these factors by the Committee may differ from executive to executive. The Committee will also consider the existing level of equity ownership of each of our named executive officers when granting awards under our Restricted Unit Plans (see below for a description of these plans). As a result, different weights may be given to different components of compensation among each of our named executive officers. In addition, as discussed in the section above titled Allocation Among Components, the compensation packages that we provide to our senior-most levels of management are, at a minimum, 50% performance-based. In order to align the interests of senior management with the interests of holders of our common units, we consider it requisite to accentuate the performance-based elements of the compensation packages that we provide to these individuals.

Base Salary

Base salaries for the named executive officers and all of our other executive officers, are reviewed and approved annually by the Committee. In order to determine base salary increases, the Committee s practice is to compare each executive officer s base salary with the corresponding mean salary provided in the Mercer database. The Committee usually determines base salary adjustments, which may be higher or lower than the comparative data, following an assessment of our overall results as well as each executive officer s position, performance and scope of responsibility, while at the same time considering each executive officer s previous total cash compensation opportunities. In accordance with this process, and the philosophy described above, the Committee did not adjust the base salaries of the named executive officers during fiscal 2011; instead, the Committee decided to increase each of the bonus target percentages of each of the named executive officers (with the exception of Mr. Dunn s, whose bonus target percentage was already at 100%). The Committee reasoned that this action would further align the interests of management with the interests of holders of our common units. In the event of a promotion, a significant increase in an executive officer s responsibilities, or a new hire, it is the Committee s practice to review that executive officer s base salary at that time and take such action as the Committee deems warranted.

The total base salary paid to each named executive officer in fiscal 2011 is reported in the column titled Salary ($) in the Summary Compensation Table for Fiscal 2011 below.

Annual Cash Bonus Plan

Annual cash bonuses (which fall within the SEC s definition of Non-Equity Incentive Plan Compensation for the purposes of the Summary Compensation Table and otherwise) are earned by our executive officers in accordance with the objective performance provisions of our annual cash bonus plan.

The terms of our annual cash bonus plan provide for cash payments of a specified percentage (which, in fiscal 2011, ranged from 80% to 100%) of our named executive officers annual base salaries (target cash bonus) if, for the fiscal year, actual cash bonus plan EBITDA equals Suburban s budgeted EBITDA. For purposes of calculating cash bonus plan EBITDA, the Committee customarily adjusts both budgeted and actual EBITDA (as defined in Item 6 of our Annual Report on Form 10-K for the year ended September 24, 2011) for various items considered to be non-recurring in nature; including, but not limited to, unrealized (non-cash) gains or losses on derivative instruments reported within cost of products sold in our statement of operations and gains or losses on the disposal of discontinued operations. Under the previous annual cash bonus plan, executive officers had the opportunity to earn between 90% and 110% of their target cash bonuses; however, beginning with fiscal 2011, executive officers have the opportunity to earn between 60% and 120% of their target cash bonuses, depending upon Suburban s EBITDA performance in the fiscal year. Under the existing annual cash bonus plan, no bonuses are earned if actual cash bonus plan EBITDA is less than 90% of budgeted cash bonus plan EBITDA, and cash bonuses cannot exceed 120% of the target cash bonus even if actual cash bonus plan EBITDA is more than 120% of budgeted cash bonus plan EBITDA.

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Although our annual cash bonus plan is generally administered using the formula described above, the Committee may exercise its broad discretionary powers to decrease or increase the annual cash bonus paid to a particular executive officer, upon the recommendation of our President and Chief Executive Officer, or the executive officers as a group, when the Committee recognizes that an adjustment is warranted. During fiscal 2011, fiscal 2010 and fiscal 2009, no such discretionary adjustments were made to the annual cash bonuses earned by our executives.

For fiscal 2011, our budgeted cash bonus plan EBITDA was $195 million (**Budgeted EBITDA**). Our actual cash bonus plan EBITDA was such that each of our executive officers earned 60% of his or her target cash bonus. The following table provides the fiscal 2011 budgeted cash bonus plan EBITDA targets that were established at the November 9, 2010 Compensation Committee meeting:

Hypothetical Fiscal 2011 Cash Bonus Plan EBITDA Results (in Millions)	Hypothetical Fiscal 2011 Cash Bonus Plan EBITDA Expressed as a Percentage of Budgeted Cash Bonus Plan EBITDA	Target Bonus Percentage that would have been Earned if Actual Cash Bonus Plan EBITDA Equaled the Figure in the First Column
$ 234.0	120%	120%
$ 214.5	110%	110%
$ 195.0[(1)]	**100%**	**100%**
$ 185.3	95%	90%
$ 175.5	90%	60%

(1) Budgeted cash bonus plan EBITDA for fiscal 2011.

The bonuses earned under the annual cash bonus plan by each of our named executive officers are reported in the column titled Non-Equity Incentive Plan Compensation ($) in the Summary Compensation Table for Fiscal 2011 below.

The fiscal 2011 target cash bonus percentages and target cash bonuses established for each named executive officer and the actual cash bonuses earned by each of them during fiscal 2011 are summarized as follows:

Name	2011 Target Cash Bonus as a % of Base Salary	2011 Target Cash Bonus	2011 Actual Cash Bonus Earned
Michael J. Dunn, Jr.	100%	$ 475,000	$ 285,000
Michael A. Stivala	80%	$ 220,000	$ 132,000
Steven C. Boyd	80%	$ 216,000	$ 129,600
Mark Wienberg	80%	$ 200,000	$ 120,000
Douglas T. Brinkworth	80%	$ 196,000	$ 117,600

For purposes of establishing the cash bonus targets for fiscal 2011, the Committee reviewed and approved our fiscal 2011 budgeted cash bonus plan EBITDA at its November 9, 2010 meeting. The budgeted cash bonus plan EBITDA is developed annually using a bottom-up process factoring in reasonable growth targets from the prior year s performance, while at the same time attempting to reach a good balance between a target that is reasonably achievable, yet not assured. As described above, executive officers have the opportunity to earn between 60% and 120% of their target cash bonuses. Over the past three years, our actual cash bonus plan EBITDA was such that each of our executive officers earned 60%, 100%, and 110% of their respective target cash bonus for fiscal 2011, fiscal 2010 and fiscal 2009, respectively.

The named executive officers target cash bonuses for fiscal 2012 are the same as those for fiscal 2011. Actual payments for fiscal 2012 under the annual cash bonus plan will depend upon the percentage of the budgeted cash bonus plan EBITDA for fiscal 2012 that is eventually achieved. The budgeted cash bonus plan EBITDA for fiscal 2012 was established using the same bottom-up process described above, which is designed to reach a balance between a target that is reasonably achievable, yet not assured.

2003 Long-Term Incentive Plan

At the beginning of fiscal 2003, we adopted the 2003 Long-Term Incentive Plan, which we refer to as the **2003 LTIP**, a phantom unit plan, as a principal component of our executive compensation program. While the annual cash bonus plan is a pay-for-performance plan that focuses on our short-term financial goals, the 2003 LTIP is designed to motivate our executive officers to focus on long-term financial goals. Awards under the LTIP measure the market performance of our common units on the basis of total return to our Unitholders, which we refer to as TRU, during a three-year measurement period commencing on the first day of the fiscal year in which an unvested award was granted and compares our TRU to the TRU of each of the other members of a predetermined peer group, consisting solely of other master limited partnerships, approved by the Committee. The predetermined peer group may vary from year-to-year, but for all outstanding awards, includes AmeriGas Partners, L.P., Ferrellgas Partners, L.P. and Inergy, L.P. (the other propane master limited partnerships). Unvested awards are granted at the beginning of each fiscal year as a Committee-approved percentage of each executive officer s salary. Cash payouts, if any, are earned and paid at the end of the three-year measurement period.

The 2003 LTIP is designed to:

- Align a portion of our executive officers compensation opportunities with the long-term goals of holders of our common units;
- Provide long-term compensation opportunities consistent with market practice;
- Reward long-term value creation; and
- Provide a retention incentive for our executive officers and other key employees.

At the beginning of the three-year measurement period, each executive officer s unvested award of phantom units is calculated by dividing a predetermined percentage (i.e., 52%), which was established by the Committee upon adoption of the 2003 LTIP, of the executive officer s target cash bonus by the average of the closing prices of our common units for the twenty days preceding the beginning of the fiscal year. At the end of the three-year measurement period, depending on the quartile ranking within which our TRU falls relative to the other members of the peer group, our executive officers, as well as the other participants, all of whom are key employees, will receive a cash payout equal to:

- The quantity of the participant s phantom units multiplied by the average of the closing prices of our common units for the twenty days preceding the conclusion of the three-year measurement period;
- The quantity of the participant s phantom units multiplied by the sum of the distributions that would have inured to one of our outstanding common units during the three-year measurement period; and
- The sum of the products of the two preceding calculations multiplied by: zero if our performance falls within the lowest quartile of the peer group; 50% if our performance falls within the second lowest quartile; 100% if our performance falls within the second highest quartile; and 125% if our performance falls within the top quartile.

The three-year measurement period of the fiscal 2009 award ended simultaneously with the conclusion of fiscal 2011. The TRU for the fiscal 2009 award fell within the second highest quartile. The following is a summary of the cash payouts related to the fiscal 2009 award earned by our named executive officers at the conclusion of fiscal 2011.

Michael J. Dunn, Jr.	$ 350,057[(1)]
Michael A. Stivala	$ 160,609[(1)]

Steven C. Boyd	$ 160,609[1]
Mark Wienberg	$ 123,962[1]
Douglas T. Brinkworth	$ 139,008[1]

(1) The cash payouts related to our named executive officers fiscal 2009 awards earned at the conclusion of fiscal 2011 is an additional disclosure that bears no meaningful relationship to the estimated probable outcomes reported in column (e) of the Summary Compensation Table below.

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The following is a summary of the quantity of phantom units that signify the unvested awards granted to our named executive officers during fiscal 2011 and fiscal 2010 that will be used to calculate cash payments at the end of each award s respective three-year measurement period (i.e., at the end of fiscal 2013 for the fiscal 2011 award and at the end of fiscal 2012 for the fiscal 2010 award):

	Fiscal 2011 Award	Fiscal 2010 Award
Michael J. Dunn, Jr.	4,787	5,981
Michael A. Stivala	2,217	2,597
Steven C. Boyd	2,177	2,550
Mark Wienberg	2,016	2,203
Douglas T. Brinkworth	1,975	2,314

The members of the peer groups selected by the Committee for the fiscal 2011, fiscal 2010 and fiscal 2009 awards consist entirely of publicly-traded partnerships. The Committee decided upon these peer groups because all publicly-traded partnerships have similar tax attributes and can, as a result, distribute more cash than similarly-sized corporations generating similar revenues. At its November 10, 2009 meeting, the Committee reviewed the performance of each of the members of the peer group used for the fiscal 2009 and fiscal 2008 awards under the 2003 LTIP and, as a result, replaced two of the members of the peer group for the fiscal 2011 and fiscal 2010 awards under the 2003 LTIP. Among other factors, in reaching its decision to replace two members of the current peer group, the Committee considered distributions and price fluctuations.

The following tables list, in alphabetical order, the names and ticker symbols of the peer group used to measure our performance during the fiscal 2011, fiscal 2010 and fiscal 2009 LTIP awards three-year measurement periods:

Fiscal 2011 and Fiscal 2010 LTIP Award Peer Group

Peer Group Member Name	Ticker Symbol
AmeriGas Partners, L.P.	APU
Copano Energy, LLC	CPNO
Dorchester Minerals, L.P.	DMLP
Enbridge Energy Partners, L.P.	EEP
Energy Transfer Partners, L.P.	ETP
Ferrellgas Partners, L.P.	FGP
Global Partners, L.P.	GLP
Inergy, L.P.	NRGY
MarkWest Energy Partners, L.P.	MWE
Plains All American Pipeline, L.P.	PAA
Sunoco Logistics Partners, L.P.	SXL

Fiscal 2009 LTIP Awards Peer Group

Peer Group Member Name	Ticker Symbol
AmeriGas Partners, L.P.	APU
Copano Energy, LLC	CPNO
Crosstex Energy, L.P.	XTEX
Dorchester Minerals, L.P.	DMLP
Energy Transfer Partners, L.P.	ETP
Ferrellgas Partners, L.P.	FGP
Inergy, L.P.	NRGY
MarkWest Energy Partners, L.P.	MWE
Plains All American Pipeline, L.P.	PAA
Star Gas Partners, L.P.	SGU
Sunoco Logistics Partners, L.P.	SXL

On January 24, 2008, the Committee amended the retirement provisions of the plan document to provide that a retirement-eligible participant s outstanding awards vest as of the retirement-eligible date, but such awards remain subject to the same three-year measurement period for purposes of determining the eventual cash payout, if any, at the conclusion of the measurement period. This amendment applies to all outstanding awards under the 2003 LTIP.

The grant date values based on the probable outcomes of the awards under the 2003 LTIP granted during the 2011 fiscal year are reported in the column titled Unit Awards ($) in the Summary Compensation Table for Fiscal 2011 below.

Following fiscal 2011, at its meeting on November 9, 2011, the Committee adopted the 2013 Long-Term Incentive Plan, which we refer to as the 2013 LTIP and together with the 2003 LTIP, the LTIPs , as a replacement for the 2003 LTIP, which will expire on September 30, 2012. The 2013 LTIP will become effective on October 1, 2012. The provisions of the 2013 LTIP are essentially identical to the provisions of the 2003 LTIP.

The following is a summary of the quantities of phantom units that signify the unvested awards granted to our named executive officers under the 2003 LTIP during fiscal 2012, subsequent to the filing of our fiscal 2011 Annual Report on Form 10-K. These quantities will be used to calculate cash payments at the end of this award s three-year measurement period (i.e., at the end of fiscal 2014).

	Fiscal 2012 Award
Michael J. Dunn, Jr.	5,258
Michael A. Stivala	2,435
Steven C. Boyd	2,391
Mark Wienberg	2,214
Douglas T. Brinkworth	2,169

The peer group selected by the Committee to measure our performance during this award s three-year measurement period is identical to that which was selected for the fiscal 2011 and fiscal 2010 awards.

Restricted Unit Plans

2000 and 2009 Restricted Unit Plans (collectively referred to hereafter as the ***RUP*** *)*

We adopted the 2000 Restricted Unit Plan effective November 1, 2000. Upon adoption, this plan authorized the issuance of 487,805 common units to our executive officers, managers and other employees and to the members of our Board of Supervisors. On October 17, 2006, following approval by holders of our common units,

we adopted amendments to this plan which, among other things, increased the number of common units authorized for issuance under this plan by 230,000 for a total of 717,805. As this plan terminated by its terms on October 31, 2010, no future awards can be made under this plan; however such termination will not affect the continued validity of any awards granted under the plan prior to its termination.

At our July 22, 2009 Tri-Annual Meeting, holders of our common units approved our adoption of the 2009 Restricted Unit Plan effective August 1, 2009. Upon adoption, this plan authorized the issuance of 1,200,000 common units to our executive officers, managers and other employees and to the members of our Board of Supervisors. The provisions of both restricted unit plans are substantially identical. At the conclusion of fiscal 2011, there remained 967,594 restricted units available under the RUP for future awards.

When the Committee authorizes an award of restricted units, the unvested units underlying an award do not provide the grantee with voting rights and do not receive distributions or accrue rights to distributions during the vesting period. Restricted unit awards normally vest as follows: 25% on each of the third and fourth anniversaries of the grant date and the remaining 50% on the fifth anniversary of the grant date. Unvested awards are subject to forfeiture in certain circumstances as defined in the applicable RUP document. Upon vesting, restricted units are automatically converted into our common units, with full voting rights and rights to receive distributions.

The RUP contains a retirement provision that provides for the vesting (six months and one day after the retirement date of qualifying participants) of unvested awards held by a retiring participant who meet all three of the following conditions on his or her retirement date:

1. The unvested award has been held by the grantee for at least six months;

2. The grantee is age 55 or older; and

3. The grantee has worked for us or one of our predecessors for at least 10 years.

All RUP awards are approved by the Committee. Because individual circumstances differ, the Committee has not adopted a formulaic approach to making RUP awards. Although the reasons for granting an award can vary, the objective of granting an award to a recipient is to retain the services of the recipient over the five-year vesting period while, at the same time providing the type of motivation that further aligns the long-term interests of the recipient with the long-term interests of holders of our common units. The reasons for which the Committee grants RUP awards include, but are not limited to, the following:

- To attract skilled and capable candidates to fill vacant positions;
- To retain the services of an employee;
- To provide an adequate compensation package to accompany an internal promotion; and
- To reward outstanding performance.

In determining the quantity of restricted units to grant to executive officers and other key employees, the Committee considers, without limitation:

- The executive officer s scope of responsibility, performance and contribution to meeting our objectives;

- The total cash compensation opportunity provided to the executive officer for whom the award is being considered;

- The value of similar equity awards to executive officers of similarly sized enterprises; and

- The current value of a similar quantity of outstanding common units.

In addition, in establishing the level of restricted units to grant to our executive officers, the Committee considers the existing level of outstanding unvested RUP awards held by our executive officers.

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The Committee generally approves awards under the RUP at its first meeting each fiscal year following the availability of the financial results for the prior fiscal year; however, occasionally the Committee grants awards at other times of the year, particularly when the need arises to grant awards because of promotions and new hires.

The Committee has adopted a general policy with respect to the effective grant date of subsequent awards of restricted units under the RUP which states that:

Unless the Committee expressly determines otherwise for a particular award at the time of its approval of such award, the effective date of grant of all awards of restricted units under the RUP in a given calendar year will be the first business day in the month of December of that calendar year. If, at the discretion of the Committee, an award is expressed as a dollar amount, then such award will be converted into the number of restricted units, as of the effective date of grant, obtained by dividing the dollar amount of the award by the average of the closing prices, on the New York Stock Exchange, of one Common Unit of Suburban for the 20 trading days immediately prior to that effective date of grant.

During fiscal 2011, RUP awards were granted to the following named executive officers:

Grant Name	Date	Quantity
Michael J. Dunn, Jr.	December 1, 2010	9,060
Michael A. Stivala	December 1, 2010	5,436
Steven C. Boyd	December 1, 2010	5,436
Mark Wienberg	December 1, 2010	5,436
Douglas T. Brinkworth	December 1, 2010	5,436

In connection with Mr. Dunn s assumption of additional responsibilities as Suburban s Chief Executive Officer at the commencement of fiscal 2010, the Committee, at its November 10, 2009 meeting, granted Mr. Dunn a RUP award, as of December 1, 2010, equal in value to $500,000. The Committee made this award because it believes that equity compensation is a critical component of executive compensation that helps to retain and motivate our executives and because the Committee wished to mitigate a perceived shortfall between the cash components of Mr. Dunn s compensation and the mean compensation for a comparable position reported in the Mercer database. This RUP award was converted into 9,060 restricted units on the grant date using the formula set forth above. The terms of Mr. Dunn s award are such that the entire award will vest on the last day of fiscal 2012 and at no time between the grant date and this vesting date will this award be subject to the vesting upon retirement provisions of the RUP described above. In determining the fiscal 2011 awards for Mr. Stivala, Mr. Boyd, Mr. Wienberg and Mr. Brinkworth, the Committee relied upon information provided by the Mercer database to conclude that these awards were necessary to remediate shortfalls perceived by the Committee in the cash compensation of these named executive officers as well as in recognition of their individual achievements.

The aggregate grant date fair values of RUP awards made during the fiscal year computed in accordance with accounting principles generally accepted in the United States of America is reported in the column titled Unit Awards ($) in the Summary Compensation Table for Fiscal 2011 below.

During fiscal 2012, RUP awards were granted to the following named executive officers subsequent to the filing of our fiscal 2011 Annual Report on Form 10-K:

Grant Name	**Date**	**Quantity**
Michael J. Dunn, Jr.	December 1, 2011	8,000
Michael A. Stivala	December 1, 2011	6,378
Steven C. Boyd	December 1, 2011	6,378
Mark Wienberg	December 1, 2011	6,378
Douglas T. Brinkworth	December 1, 2011	6,378

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Equity Holding Policy

Effective April 22, 2010, the Committee adopted an Equity Holding Policy which establishes guidelines for the level of Partnership equity holdings that members of the Board and our executives are expected to maintain. The Equity Holding Policy can be accessed through a link on Suburban s website at www.suburbanpropane.com under the Investors tab.

The Partnership s equity holding requirements are as follows:

Position	Amount
Member of the Board of Supervisors	2 x Annual Fee
Chief Executive Officer	5 x Base Salary
President	5 x Base Salary
Chief Operating Officer	3 x Base Salary
Chief Financial Officer	3 x Base Salary
Executive Vice President	3 x Base Salary
Senior Vice President	2.5 x Base Salary
Vice President	1.5 x Base Salary
Assistant Vice President	1 x Base Salary
Managing Director	1 x Base Salary

As of the January 2, 2012 measurement date, all of our executive officers, including our named executive officers, were in compliance with Suburban s Equity Holding Policy.

Incentive Compensation Recoupment Policy

Upon recommendation by the Committee, the Board of Supervisors has adopted an Incentive Compensation Recoupment Policy which permits the Committee to seek the reimbursement from certain executives of Suburban and the Operating Partnership of incentive compensation (i.e., payments/awards pursuant to the annual cash bonus plan, the LTIPs and RUP) paid to those executives in connection with any fiscal year for which there is a significant restatement of the published financial statements of Suburban triggered by a material accounting error, which results in less favorable results than those originally reported by Suburban. Such reimbursement can be sought from executives even if they had no responsibility for the restatement. In addition to the foregoing, if the Committee determines that any fraud or intentional misconduct by an executive was a contributing factor to Suburban having to make a significant restatement, then the Committee is authorized to take appropriate action against such executive, including disciplinary action, up to, and including, termination, and requiring reimbursement of all, or any part, of the compensation paid to that executive in excess of that executive s base salary, including cancellation of any unvested restricted units. The Incentive Compensation Recoupment Policy is available on our website at www.suburbanpropane.com under the Investors tab. However, the information contained on or accessible through our website is not part of this prospectus or the Form S-1.

Pension Plan

We sponsor a noncontributory defined benefit pension plan that was originally designed to cover all of our eligible employees who met certain criteria relative to age and length of service. Effective January 1, 1998, we amended the plan in order to provide for a cash balance format rather than the final average pay format that was in effect prior to January 1, 1998. The cash balance format is designed to evenly spread the growth of a participant s earned retirement benefit throughout his or her career rather than the final average pay format, under which a greater portion of a participant s benefits were earned toward the latter stages of his or her career. Effective January 1, 2000, we amended the plan to limit participation in this plan to existing participants and no longer admit new participants to the plan. On January 1, 2003, we amended the plan to cease future service and pay-based credits on behalf of the participants and, from that point on, participants benefits have increased only due to interest credits.

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Each of our named executive officers, with the exception of Mr. Stivala and Mr. Wienberg, participates in the plan. The changes in the actuarial value relative to each named executive officer s participation in the plan is reported in the column titled Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) in the Summary Compensation Table below.

Deferred Compensation

All employees, including the named executive officers, who satisfy certain service requirements, are entitled to participate in our IRC Section 401(k) Plan (the 401(k) Plan), in which participants may defer a portion of their eligible cash compensation up to the limits established by law. We offer the 401(k) Plan to attract and retain talented employees by providing them with a tax-advantaged opportunity to save for retirement.

For fiscal 2011, all of our named executive officers participated in the 401(k) Plan. The benefits provided to our named executive officers under the 401(k) Plan are provided on the same basis as to our other exempt employees. Amounts deferred by our named executive officers under the 401(k) Plan are included in the column titled Salary ($) in the Summary Compensation Table below.

In order to be competitive with other employers, if certain performance criteria are met, we will match our employee-participants contributions up to the lesser of 6% of their base salary or $245,000, at a rate determined based on a performance-based scale. The following chart shows the performance target criteria that must be met for each level of matching contribution:

If We Meet This Percentage of Budgeted EBITDA [(1)]	The Participating Employee Will Receive this Matching Contribution for the Year
115% or higher	100%
100% to 114%	50%
90% to 99%	25%
Less than 90%	0%

(1) For additional information regarding the non-GAAP term Budgeted EBITDA, refer to the explanation provided under the subheading Annual Cash Bonus Plan above.

For fiscal 2011, our budgeted 401(k) Plan EBITDA was $195.0 million. Based on actual fiscal 2011 401(k) Plan EBITDA results, each of our executive officers earned a matching contribution of 25%. As a result, we will provide participants with a match equal to 25% of their calendar year 2011 contributions that did not exceed 6% of their total base pay up to a maximum base pay of $245,000. The matching contributions for our named executive officers are reported in the column titled All Other Compensation ($) in the Summary Compensation Table for Fiscal 2011 below.

Supplemental Executive Retirement Plan

In 1998, we adopted a non-qualified, unfunded supplemental retirement plan known as the Suburban Propane Company Supplemental Executive Retirement Plan (the **SERP**). The purpose of the SERP was to provide certain of our executive officers with a level of retirement income from us, without regard to statutory maximums, including the IRC s limitation for defined benefit plans. In light of the conversion of the Pension Plan to a cash balance formula as described under the subheading Pension Plan above, the SERP was amended and restated effective January 1, 1998. The annual retirement benefit under the SERP represents the amount of annual benefits that the participants in the SERP would otherwise be eligible to receive, calculated using the same pay-based credits referenced in the Pension Plan section above, applied to the amount of annual compensation that exceeds the IRC s statutory maximums for defined benefit plans, which was $200,000 in 2002. Effective January 1, 2003, the SERP was discontinued with a frozen benefit determined for the remaining participants.

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At the conclusion of fiscal 2010, Mr. Dunn was the only remaining participant in the SERP. Due to the actuarial costs and administrative burdens associated with maintaining this plan for one participant, at its November 9, 2010 meeting, the Committee terminated the SERP and paid Mr. Dunn his accrued benefit of $57,611 on December 1, 2010. Because Mr. Dunn received no above-market interest credits relative to the SERP during fiscal years 2010 and 2009, nothing related to Mr. Dunn s participation in the SERP is reported in the Summary Compensation Table below.

Other Benefits

As part of his total compensation package, each named executive officer is eligible to participate in all of our other employee benefit plans, such as the medical, dental, group life insurance and disability plans, on the same basis as other exempt employees. These benefit plans are offered to attract and retain talented employees by providing them with competitive benefits.

Other than to Mr. Dunn, in accordance with the terms of his letter agreement (described below in the section titled Letter Agreement of Mr. Dunn), there are no post-termination or other special rights provided to any named executive officer to participate in these benefit programs other than the right to participate in such plans for a fixed period of time following termination of employment, on the same basis as is provided to other exempt employees, as required by law.

The costs of all such benefits incurred on behalf of our named executive officers are reported in the column titled All Other Compensation ($) in the Summary Compensation Table for Fiscal 2011 below.

Perquisites

Perquisites represent a minor component of our executive officers compensation. Each of the named executive officers is eligible for tax preparation services, a company-provided vehicle, and an annual physical. The following table summarizes both the value and the utilization of these perquisites by the named executive officers in fiscal 2011.

Name	Tax Preparation Services	Employer-Provided Vehicle	Physical
Michael J. Dunn, Jr.	$ 7,700	$ 16,302	$ 1,300
Michael A. Stivala	$ -0-	$ 14,698	$ -0-
Steven C. Boyd	$ 7,200	$ 7,221	$ -0-
Mark Wienberg	$ -0-	$ 11,970	$ 1,300
Douglas T. Brinkworth	$ 5,100	$ 10,851	$ 1,300

Perquisite-related costs for fiscal 2011 are reported in the column titled All Other Compensation ($) in the Summary Compensation Table for Fiscal 2011 below.

Impact of Accounting and Tax Treatments of Executive Compensation

As we are a partnership and not a corporation for federal income tax purposes, we are not subject to the limitations of IRC Section 162(m) with respect to tax deductible executive compensation. Accordingly, none of the compensation paid to our named executive officers is subject to a limitation as to tax deductibility. However, if such tax laws related to executive compensation change in the future, the Committee will consider the implication of such changes to us.

Although it is Suburban s practice to comply with the statutory and regulatory provisions of IRC Section 409A, on November 2, 2005, the Board of Supervisors approved an amendment to the Suburban Propane, L.P. Severance Protection Plan for Key Employees (the **Severance Plan**) to provide that if any

payment under the Severance Plan subjects a participant to the 20% federal excise tax under IRC Section 409A, the payment will be grossed up to permit such participant to retain a net amount on an after-tax basis equal to what he or she would have received had the excise tax not been payable.

Letter Agreement of Mr. Dunn

Simultaneous with the commencement of fiscal 2010, Mr. Dunn s then existing employment agreement was terminated by mutual agreement and replaced with a letter agreement governing retirement and the implementation of a mutually agreed upon succession plan. The letter agreement between Mr. Dunn and us is summarized as follows:

- Mr. Dunn will participate in our Severance Protection Plan (as defined below) at the 78-week participation level.

- If on or after the last day of fiscal 2012, Mr. Dunn retires or leaves as a result of an agreed-upon succession plan, he will receive the following if he timely provides us with a release of all claims he might have against us at the time of his departure:

  - A payment equal to two years of base salary paid over a two year period.

  - Continuation of medical and dental benefits at no premium cost to him until attainment of age 65 (Mr. Dunn will be 63 at the conclusion of fiscal 2012).

  - Transfer of ownership of employer-provided vehicle to Mr. Dunn.

We agreed that a termination of Mr. Dunn s employment in connection with a succession plan would be deemed a retirement for the purposes of his benefits under the employee benefit plans in which he participates. Mr. Dunn also agreed to provide us with transition consultation services for a period not to exceed two years following his departure. Mr. Dunn will not be deemed to have retired or terminated his employment if he simply relinquishes the title and responsibilities of President but remains our Chief Executive Officer.

Severance Benefits

We believe that, in most cases, employees should be paid reasonable severance benefits. Therefore, it is the general policy of the Committee to provide executive officers and other key employees who are terminated by us without cause or who choose to terminate their employment with us for good reason with a severance payment equal to, at a minimum, one year s base salary, unless circumstances dictate otherwise. This policy was adopted because it may be difficult for former executive officers and other key employees to find comparable employment within a short period of time. However, depending upon individual facts and circumstances, particularly the severed employee s tenure with us, the Committee may make exceptions to this general policy.

A key employee is an employee who has attained a director level pay-grade or higher. Cause will be deemed to exist where the individual has been convicted of a crime involving moral turpitude, has stolen from us, has violated his or her non-competition or confidentiality obligations, or has been grossly negligent in fulfillment of his or her responsibilities. Good reason generally will exist where an executive officer s position or compensation has been decreased or where the employee has been required to relocate.

Change of Control

Our executive officers and other key employees have built Suburban into the successful enterprise that it is today; therefore, we believe that it is important to protect them in the event of a change of control. Further, it is our belief that the interests of holders of our common units will be best served if the interests of our executive officers are aligned with them, and that providing change of control benefits should eliminate, or at least reduce, the reluctance of our executive officers to pursue potential change of control transactions that may be in the best

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interests of holders of our common units. Additionally, we believe that the severance benefits provided to our executive officers and to our key employees are consistent with market practice and appropriate because these benefits are an inducement to accepting employment and because the executive officers have agreed to and are subject to non-competition and non-solicitation covenants for a period following termination of employment. Therefore, our executive officers and other key employees are provided with employment protection following a change of control (the **Severance Protection Plan**). During fiscal 2011, our Severance Protection Plan covered all executive officers, including the named executive officers.

The Severance Protection Plan provides for severance payments of either sixty-five or seventy-eight weeks of base salary and target cash bonuses for such officers and key employees if within one year following a change of control their employment is terminated by us or our successor or they resign for Good Reason (as defined in the Severance Protection Plan). All named executive officers who participate in the Severance Protection Plan are eligible for seventy-eight weeks of base salary and target bonuses. The cash components of any change of control benefits are paid in a lump sum.

In addition, upon a change of control, without regard to whether a participant s employment is terminated, all unvested awards granted under the RUP will vest immediately and become distributable to the participants and all outstanding, unvested LTIP awards will vest immediately as if the three-year measurement period for each outstanding award concluded on the date the change of control occurred and our TRU was such that, in relation to the performance of the other members of the peer group, it fell within the top quartile.

For purposes of these benefits, a change of control is deemed to occur, in general, if:

- An acquisition of our common units or voting equity interests by any person immediately after which such person beneficially owns more than 30% of the combined voting power of our then outstanding common units, unless such acquisition was made by (a) us or our subsidiaries, or any employee benefit plan maintained by us, our Operating Partnership or any of our subsidiaries, or (b) any person in a transaction where (A) the existing holders prior to the transaction own at least 50% of the voting power of the entity surviving the transaction and (B) none of the holders of our common units other than Suburban, our subsidiaries, any employee benefit plan maintained by us, our Operating Partnership, or the surviving entity, or the existing beneficial owner of more than 25% of the outstanding common units owns more than 25% of the combined voting power of the surviving entity (such transaction, a **Non-Control Transaction**); or

- The consummation of (a) a merger, consolidation or reorganization involving Suburban other than a Non-Control Transaction; (b) a complete liquidation or dissolution of Suburban; or (c) the sale or other disposition of 40% or more of the gross fair market value of all the assets of Suburban to any person (other than a transfer to a subsidiary).

For additional information pertaining to severance payable to our named executive officers following a change of control-related termination, see the tables titled Potential Payments Upon Termination below.

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ADDITIONAL INFORMATION REGARDING EXECUTIVE COMPENSATION

Summary Compensation Table for Fiscal 2011

The following table sets forth certain information concerning the compensation of each named executive officer during the fiscal years ended September 24, 2011, September 25, 2010, and September 26, 2009:

Name and Principal Position	Year	Salary ($) (1)	Bonus ($)	Unit Awards ($) (2)	Non-Equity Incentive Plan Compen- sation ($) (3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (4)	All Other Compensation ($) (5)	Total ($)
(a)	(b)	(c)	(d)	(e)	(g)	(h)	(i)	(j)
Michael J. Dunn, Jr.	2011	$ 475,000		$ 729,076	$ 285,000	$ 3,764	$ 49,530	$ 1,542,370
President and Chief	2010	$ 475,000		$ 768,484	$ 475,000	$ 31,661	$ 49,330	$ 1,799,475
Executive Officer	2009	$ 433,333		$ 314,197	$ 467,500	$ 56,050	$ 48,065	$ 1,319,145
Michael A. Stivala	2011	$ 275,000		$ 357,103	$ 132,000		$ 35,010	$ 799,113
Chief Financial Officer	2010	$ 275,000		$ 320,699	$ 206,250		$ 37,569	$ 839,518
	2009	$ 262,500		$ 231,333	$ 214,500		$ 41,728	$ 750,061
Steven C. Boyd	2011	$ 270,000		$ 354,615	$ 129,600	$ 15,257	$ 37,095	$ 806,567
Vice President of	2010	$ 270,000		$ 317,799	$ 202,500	$ 21,101	$ 34,762	$ 846,162
Field Operations	2009	$ 260,000		$ 190,660	$ 214,500	$ 53,577	$ 39,811	$ 758,548
Mark Wienberg	2011	$ 250,000		$ 344,653	$ 120,000		$ 33,725	$ 748,378
Vice President of	2010	$ 250,000		$ 273,398	$ 175,000		$ 35,755	$ 734,153
Operational Support and Analysis	2009	$ 220,833		$ 157,386	$ 165,550		$ 40,348	$ 584,117
Douglas T. Brinkworth	2011	$ 245,000		$ 342,155	$ 117,600	$ 10,245	$ 39,156	$ 754,156
Vice President of	2010	$ 245,000		$ 303,237	$ 183,750	$ 12,959	$ 41,767	$ 786,713
Product Supply	2009	$ 228,333		$ 182,883	$ 185,625	$ 31,679	$ 43,440	$ 671,960

(1) Includes amounts deferred by named executive officers as contributions to the qualified 401(k) Plan.
For more information on the relationship between salaries and other cash compensation (i.e., annual cash incentives and 2003 Long-Term Incentive Plan awards), refer to Compensation Discussion and Analysis Allocation Among Components.

(2) The amounts reported in this column represent the aggregate grant date fair value of RUP awards made during fiscal years 2011, 2010 and 2009, as well as the value at the grant date of LTIP awards made in fiscal years 2011, 2010, and 2009, based on the probable outcome with respect to satisfaction of the performance conditions. The specific details regarding these plans are provided in the preceding Compensation Discussion and Analysis under the subheadings Restricted Unit Plans and 2003 Long-Term Incentive Plan. The breakdown for each plan with respect to each named executive officer is as follows:

Plan Name	Mr. Dunn	Mr. Stivala	Mr. Boyd	Mr. Wienberg	Mr. Brinkworth
2011					
RUP	$ 433,249	$ 220,090	$ 220,090	$ 220,090	$ 220,090
LTIP	295,827	137,013	134,525	124,563	122,065

Total	**$ 729,076**	**$ 357,103**	**$ 354,615**	**$ 344.653**	**$ 342,155**

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Plan Name	Mr. Dunn	Mr. Stivala	Mr. Boyd	Mr. Wienberg	Mr. Brinkworth
2010					
RUP	$ 399,438	$ 160,456	$ 160,456	$ 160,456	$ 160,456
LTIP	369,046	160,243	157,343	112,942	142,781
Total	**$ 768,484**	**$ 320,699**	**$ 317,799**	**$ 273,398**	**$ 303,237**
2009					
RUP	$	$ 87,177	$ 46,504	$ 58,115	$ 58,115
LTIP	314,197	144,156	144,156	99,271	124,768
Total	**$ 314,197**	**$ 231,333**	**$ 190,660**	**$ 157,386**	**$ 182,883**

(3) The amounts reported in this column represent each named executive officer s annual cash bonus earned in accordance with the performance measures discussed under Compensation Discussion and Analysis Annual Cash Bonus Plan.

(4) The amounts reported in this column represent each named executive officer s Cash Balance Plan earnings and for Mr. Dunn, SERP earnings for fiscal years 2010 and 2009. The SERP was discontinued and the balance paid at the conclusion of fiscal 2010; therefore, there are no 2011 SERP earnings reported in the table. Neither Mr. Stivala nor Mr. Wienberg participates in the Cash Balance Plan.

(5) The amounts reported in this column consist of the following:

	2011				
Type of Compensation	**Mr. Dunn**	**Mr. Stivala**	**Mr. Boyd**	**Mr. Wienberg**	**Mr. Brinkworth**
401(k) Match	$ 3,675	$ 3,675	$ 3,675	$ 3,675	$ 3,675
Value of Annual Physical Examination	1,300	N/A	N/A	1,300	1,300
Value of Partnership Provided Vehicle	16,302	14,698	7,221	11,970	10,851
Tax Preparation Services	7,700	N/A	7,200	N/A	5,100
Cash Balance Plan Administrative Fees	1,500	N/A	1,500	N/A	1,500
Insurance Premiums	19,053	16,637	17,499	16,780	16,730
Totals	**$ 49,530**	**$ 35,010**	**$ 37,095**	**$ 33,725**	**$ 39,156**

	2010				
Type of Compensation	**Mr. Dunn**	**Mr. Stivala**	**Mr. Boyd**	**Mr. Wienberg**	**Mr. Brinkworth**
401(k) Match	$ 7,350	$ 7,350	$ 7,350	$ 7,350	$ 7,350
Value of Annual Physical Examination	1,300	1,300	N/A	1,300	1,300
Value of Partnership Provided Vehicle	13,868	12,903	6,251	10,993	11,966
Tax Preparation Services	6,500	N/A	3,600	N/A	3,600
Cash Balance Plan Administrative Fees	1,500	N/A	1,500	N/A	1,500
Insurance Premiums	18,812	16,016	16,061	16,112	16,051
Totals	**$ 49,330**	**$ 37,569**	**$ 34,762**	**$ 35,755**	**$ 41,767**

	2009				
Type of Compensation	**Mr. Dunn**	**Mr. Stivala**	**Mr. Boyd**	**Mr. Wienberg**	**Mr. Brinkworth**
401(k) Match	$ 14,700	$ 14,700	$ 14,700	$ 13,748	$ 13,825
Value of Annual Physical Examination	N/A	1,300	N/A	1,300	N/A
Value of Partnership Provided Vehicle	12,205	11,318	6,205	10,803	10,610
Tax Preparation Services	3,000	N/A	3,000	N/A	3,000
Cash Balance Plan Administrative Fees	1,500	N/A	1,500	N/A	1,500
Insurance Premiums	16,660	14,410	14,406	14,497	14,505

Totals	**$ 48,065**	**$ 41,728**	**$ 39,811**	**$ 40,348**	**$ 43,440**

Note: Column (f) was omitted from the Summary Compensation Table for Fiscal 2011 because Suburban does not grant options to its employees.

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Grants of Plan Based Awards Table for Fiscal 2011

The following table sets forth certain information concerning grants of awards made to each named executive officer during the fiscal year ended September 24, 2011:

Name (a)	Plan Name	Grant Date (b)	Approval Date	Phantom Units Underlying Equity Incentive Plan Awards (LTIP) [4]	Estimated Future Payments Under Non-Equity Incentive Plan Awards Target ($) (d)	Maximum ($) (e)	Estimated Future Payments Under Equity Incentive Plan Awards Target ($) (g)	Maximum ($) (h)	All Other stock Awards: Number of Shares of Stock or Units (#) (i)	Grant Date Fair Value of Stock and Option Awards ($) [5] (l)
Michael J. Dunn, Jr.	RUP [1]	1-Dec-10	9-Nov-10						9,060	$ 433,249
	Bonus [2]	26-Sep-10			$ 475,000	$ 570,000				
	LTIP [3]	26-Sep-10		4,787			$ 273,878	$ 342,362		
Michael A. Stivala	RUP [1]	1-Dec-10	9-Nov-10						5,436	$ 220,090
	Bonus [2]	26-Sep-10			$ 220,000	$ 264,000				
	LTIP [3]	26-Sep-10		2,217			$ 126,842	$ 158,538		
Steven C. Boyd	RUP [1]	1-Dec-10	9-Nov-10						5,436	$ 220,090
	Bonus [2]	26-Sep-10			$ 216,000	$ 259,200				
	LTIP [3]	26-Sep-10		2,177			$ 124,552	$ 155,677		
Mark Wienberg	RUP [1]	1-Dec-10	9-Nov-10						5,436	$ 220,090
	Bonus [2]	26-Sep-10			$ 200,000	$ 240,000				
	LTIP [3]	26-Sep-10		2,016			$ 115,342	$ 144,177		
Douglas T. Brinkworth	RUP	1-Dec-10	9-Nov-10						5,436	$ 220,090
	Bonus	26-Sep-10			$ 196,000	$ 235,200				
	LTIP	26-Sep-10		1,975			$ 112,996	$ 141,259		

(1) The quantities reported on these lines represent awards granted under Suburban s Restricted Unit Plans. Generally, RUP awards vest as follows: 25% of the award on the third anniversary of the grant date; 25% of the award on the fourth anniversary of the grant date; and 50% of the award on the fifth anniversary of the grant date. If a recipient has held an unvested award for at least six months; is 55 years or older; and has worked for Suburban for at least ten years, an award held by such participant will vest six months following such participant s retirement if the participant retires prior to the conclusion of the normal vesting schedule unless the Committee exercises its authority to alter the applicability of the plan s retirement provisions in regard to a particular award. On September 24, 2011, Mr. Dunn was the only named executive officer who held RUP awards and, at the same time, satisfied all three retirement eligibility criteria. However, the terms of Mr. Dunn s fiscal 2011 and fiscal 2010 awards are such that the entire awards will vest on the last day of fiscal 2012 and at no time between the grant date and the vesting date will these awards be subject to the normative retirement provisions of the 2000 or 2009 RUP documents. Detailed discussions of the general terms of the RUP and the facts and circumstances considered by the Committee in authorizing the fiscal 2011 awards to the named executive officers is included in Compensation Discussion and Analysis Restricted Unit Plans.

(2) Amounts reported on these lines are the targeted and maximum annual cash bonus compensation potential for each named executive officer under the annual cash bonus plan as described in Compensation Discussion and Analysis Annual Cash Bonus Plan. Actual amounts earned by the named executive officers for fiscal 2011 were equal to 60% of the Target amounts reported on this line. Column (c) (**Threshold $**) was omitted because the annual cash bonus plan does not provide for a minimum cash payment. Because these plan awards were granted to, and 60% of the Target awards were earned by, our named executive officers during fiscal 2011, 60% of the Target amounts reported under column (d) have been reported in the Summary Compensation Table for Fiscal 2011 above.

(3) The LTIP is a phantom unit plan. Payments, if earned, are based on a combination of (1) the fair market value of our common units at the end of a three-year measurement period, which, for purposes of the plan, is the average of the closing prices for the twenty business days

preceding the conclusion of the three-year measurement period, and (2) cash equal to the distributions that would have inured to the same quantity of outstanding common units during the same three-year measurement period. The fiscal 2011 award Target ($) and Maximum ($) amounts are estimates based upon (1) the fair market value (the average of the closing prices of our common units for the twenty business days preceding September 24, 2011) of our common units at the end of fiscal 2011, and (2) the estimated distributions over the course of the award s three-year measurement period. Column (f) (**Threshold $**) was omitted because the LTIP does not provide for a minimum cash payment. The Target ($) amount represents a hypothetical payment at

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100% of target and the Maximum ($) amount represents a hypothetical payment at 125% of target. Detailed descriptions of the plan and the calculation of awards are included in Compensation Discussion and Analysis 2003 Long-Term Incentive Plan.

(4) This column is frequently used when non-equity incentive plan awards are denominated in units; however, in this case, the numbers reported represent the phantom units each named executive officer was awarded under the LTIP during fiscal 2011.

(5) The dollar amounts reported in this column represent the aggregate fair value of the RUP awards on the grant date, net of estimated future distributions during the vesting period. The fair value shown may not be indicative of the value realized in the future upon vesting due to the variability in the trading price of our common units.

Note: Columns (j) and (k) were omitted from the Grants of Plan Based Awards Table because Suburban does not award options to its employees.

Outstanding Equity Awards at Fiscal Year End 2011 Table

The following table sets forth certain information concerning outstanding equity awards under our Restricted Unit Plans and phantom equity awards under our 2003 Long-Term Incentive Plan for each named executive officer as of September 24, 2011:

	Unit Awards			
Name (a)	**Number of Units of Stock That Have Not Vested (#)** [6] (g)	**Market Value of Units of Stock That Have Not Vested ($)** [7] (h)	**Equity Incentive Plan Awards: Number of Unearned Units or Other Rights that Have Not Vested (#)** [8] (i)	**Equity Incentive Plan Awards: Market or Payout Value of Unearned, Units or Other Rights That Have Not Vested ($)** [9] (j)
Michael J. Dunn, Jr. [1]	42,557	$ 1,965,069	10,768	$ 615,698
Michael A. Stivala [2]	19,813	$ 914,865	4,814	$ 275,263
Steven C. Boyd [3]	18,417	$ 850,405	4,727	$ 270,287
Mark Wienberg [4]	16,503	$ 762,026	4,219	$ 241,246
Douglas T. Brinkworth [5]	17,134	$ 791,162	4,289	$ 245,244

(1) Despite Mr. Dunn s having met the plan s retirement criteria (explained under Compensation Discussion and Analysis Restricted Unit Plans), the terms of Mr. Dunn s fiscal 2011 and fiscal 2010 RUP awards of 9,060 and 11,348 unvested units, respectively, are such that the entire awards will vest on the last day of fiscal 2012 and at no time between the grant dates and the vesting date will these awards be subject to the normative retirement provisions of the 2000 or 2009 RUP documents. For more information on this and the retirement provisions, refer to Compensation Discussion and Analysis Restricted Unit Plans. If Mr. Dunn does not retire prior to the conclusion of the normal vesting schedule of his fiscal 2008 RUP award, his RUP awards will vest as follows:

Vesting Date	**Dec 3, 2011**	**Sep 29, 2012**	**Dec 3, 2012**
Quantity of Units	7,384	20,408	14,765

(2) Mr. Stivala s RUP awards will vest as follows:

Vesting Date	**Dec 1, 2011**	**Dec 3, 2011**	**Apr 25, 2012**	**Dec 1, 2012**	**Dec 3, 2012**	**Dec 1, 2013**	**Dec 1, 2014**	**Dec 1, 2015**
Quantity of Units	1,205	568	2,748	2,482	1,136	5,044	3,912	2,718

(3) Mr. Boyd s RUP awards will vest as follows:

Vesting Date	Dec 1, 2011	Dec 3, 2011	Apr 25, 2012	Dec 1, 2012	Dec 3, 2012	Dec 1, 2013	Dec 1, 2014	Dec 1, 2015
Quantity of Units	643	852	2,748	1,920	1,704	3,920	3,912	2,718

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(4) Mr. Wienberg s RUP awards will vest as follows:

Vesting Date	Dec 1, 2011	Apr 25, 2012	Dec 1, 2012	Dec 1, 2013	Dec 1, 2014	Dec 1, 2015
Quantity of Units	803	2,748	2,080	4,292	3,962	2,618

(5) Mr. Brinkworth s RUP awards will vest as follows:

Vesting Date	Dec 1, 2011	Dec 3, 2011	Apr 25, 2012	Dec 1, 2012	Dec 3, 2012	Dec 1, 2013	Dec 1, 2014	Dec 1, 2015
Quantity of Units	803	852	823	2,080	1,704	4,242	3,912	2,718

(6) The figures reported in this column represent the total quantity of each of our named executive officer s unvested RUP awards.

(7) The figures reported in this column represent the figures reported in column (g) multiplied by the average of the highest and the lowest trading prices of our common units on September 23, 2011, the last trading day of fiscal 2011.

(8) The amounts reported in this column represent the quantities of phantom units that underlie the outstanding and unvested fiscal 2011 and fiscal 2010 awards under the LTIP. Payments, if earned, will be made to participants at the end of a three-year measurement period and will be based upon our total return to holders of our common units in comparison to the total return provided by a predetermined peer group of eleven other companies, all of which are publicly-traded partnerships, to their unitholders. For more information on the LTIP, refer to Compensation Discussion and Analysis 2003 Long-Term Incentive Plan.

(9) The amounts reported in this column represent the estimated future target payouts of the fiscal 2011 and fiscal 2010 LTIP-awards. These amounts were computed by multiplying the quantities of the unvested phantom units in column (i) by the average of the closing prices of our common units for the twenty business days preceding September 24, 2011 (in accordance with the plan s valuation methodology), and by adding to the product of that calculation the product of each year s underlying phantom units times the sum of the distributions that are estimated to inure to an outstanding common unit during each award s three-year measurement period. Due to the variability in the trading prices of our common units, as well as our performance relative to the peer group, actual payments, if any, at the end of the three-year measurement period may differ. The following chart provides a breakdown of each year s awards:

	Mr. Dunn	Mr. Stivala	Mr. Boyd	Mr. Wienberg	Mr. Brinkworth
Fiscal 2011 Phantom Units	4,787	2,217	2,177	2,016	1,975
Value of Fiscal 2011 Phantom Units	$ 224,893	$ 104,155	$ 102,275	$ 94,712	$ 92,786
Estimated Distributions over Measurement Period	$ 48,985	$ 22,687	$ 22,277	$ 20,630	$ 20,210
Fiscal 2010 Phantom Units	5,981	2,597	2,550	2,203	2,314
Value of Fiscal 2010 Phantom Units	$ 280,987	$ 122,007	$ 119,799	$ 103,497	$ 108,712
Estimated Distributions over Measurement Period	$ 60,833	$ 26,414	$ 25,936	$ 22,407	$ 23,536

Note: Columns (b), (c), (d), (e) and (f), all of which are for the reporting of option-related compensation, have been omitted from the Outstanding Equity Awards At Fiscal Year End Table because we do not grant options to our employees.

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Equity Vested Table for Fiscal 2011

Awards under the Restricted Unit Plans are settled in common units upon vesting. Awards under the 2003 Long-Term Incentive Plan, a phantom-equity plan, are settled in cash. The following two tables set forth certain information concerning the vesting of awards under our Restricted Unit Plans and the vesting of the fiscal 2009 award under our 2003 Long-Term Incentive Plan for each named executive officer during the fiscal year ended September 24, 2011:

Restricted Unit Plans	Unit Awards	
Name	Number of Common Units Acquired on Vesting (#)	Value Realized on Vesting ($) (1)
Michael J. Dunn, Jr.	7,384	$ 410,883
Michael A. Stivala	4,280	$ 239,616
Steven C. Boyd	5,426	$ 299,272
Mark Wienberg	3,712	$ 205,004
Douglas T. Brinkworth	4,853	$ 268,877

(1) The value realized is equal to the average of the high and low trading prices of our common units on the vesting date, multiplied by the number of units that vested.

2003 Long-Term Incentive Plan Fiscal 2009 (2) Award	Cash Awards	
Name	Number of Phantom Units Acquired on Vesting (#) (3)	Value Realized on Vesting ($) (4)
Michael J. Dunn, Jr.	6,142	$ 350,057
Michael A. Stivala	2,818	$ 160,609
Steven C. Boyd	2,818	$ 160,609
Mark Wienberg	2,175	$ 123,962
Douglas T. Brinkworth	2,439	$ 139,008

(2) The fiscal 2009 award s three-year measurement period concluded on September 24, 2011.

(3) In accordance with the formula described in Compensation Discussion and Analysis 2003 Long-Term Incentive Plan, these quantities were calculated at the beginning of the three-year measurement period and were, therefore, based upon each individual s salary and target cash bonus at that time.

(4) The value (i.e., cash payment) realized was calculated in accordance with the terms and conditions of the LTIP. For more information, refer to Compensation Discussion and Analysis 2003 Long-Term Incentive Plan.

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Pension Benefits Table for Fiscal 2011

The following table sets forth certain information concerning each plan that provides for payments or other benefits at, following, or in connection with retirement for each named executive officer as of the end of the fiscal year ended September 24, 2011:

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year ($)
Michael J. Dunn, Jr.	Cash Balance Plan [1]	6	$ 250,122	$
	LTIP [3]	N/A	$ 615,698	$
	RUP [4]	N/A	$ 1,022,730	$
	SERP [5]	6	$	$ 57,611
Michael A. Stivala [2]	N/A	N/A	$	$
Steven C. Boyd	Cash Balance Plan [1]	15	$ 156,680	$
Mark Wienberg [2]	N/A	N/A	$	$
Douglas T. Brinkworth	Cash Balance Plan [1]	6	$ 98,920	$

(1) For more information on the Cash Balance Plan, refer to Compensation Discussion and Analysis Pension Plan.

(2) Because Mr. Stivala and Mr. Wienberg commenced employment with Suburban after January 1, 2000, the date on which the Cash Balance Plan was closed to new participants, they do not participate in the Cash Balance Plan.

(3) Currently, Mr. Dunn is the only named executive officer who meets the retirement criteria of the LTIP. For such participants, upon retirement, outstanding but unvested LTIP awards become fully vested. However, payouts on those awards are deferred until the conclusion of each outstanding award s three-year measurement period, based on the outcome of the TRU relative to the peer group. The number reported on this line represents a projected payout of Mr. Dunn s outstanding fiscal 2011 and fiscal 2010 LTIP awards. Because the ultimate payout, if any, is predicated on the trading prices of Suburban s common units at the end of the three-year measurement period, as well as where within the peer group our TRU falls, the value reported may not be indicative of the value realized in the future upon vesting due to the variability in the trading price of our common units.

(4) Currently, Mr. Dunn is the only named executive officer who meets the retirement criteria of the RUP. Despite Mr. Dunn s having met the plan s retirement criteria, only his fiscal 2008 award is currently subject to the plan s retirement provisions until December 3, 2010. For more information on this and the retirement provisions, refer to Compensation Discussion and Analysis Restricted Unit Plans. For participants who meet the retirement criteria, upon retirement, outstanding RUP awards vest six months and one day after retirement.

(5) At its November 9, 2010 meeting, the Committee terminated the SERP; on December 1, 2010, Mr. Dunn was paid his accrued benefit of $57,611.

Potential Payments Upon Termination

The following table sets forth certain information containing potential payments to the named executive officers in accordance with the provisions of the Severance Protection Plan, the RUP and the LTIP for the circumstances listed in the table assuming a September 24, 2011 termination date:

Executive Payments and Benefits Upon Termination	Death	Disability	Involuntary Termination Without Cause by the Partnership or by the Executive for Good Reason without a Change of Control Event	Involuntary Termination Without Cause by the Partnership or by the Executive for Good Reason with a Change of Control Event
Michael J. Dunn, Jr.				
Cash Compensation (1)(2)(3)(4)	$ -0-	$ -0-	$ 475,000	$ 1,425,000
Accelerated Vesting of Fiscal 2011 and 2010 LTIP Awards (5)	N/A	N/A	N/A	703,281
Accelerated Vesting of Outstanding RUP Awards (6)	N/A	1,546,724	N/A	1,965,069
Medical Benefits (3)	N/A	N/A	13,755	N/A
Total	$ -0-	$ 1,546,724	$ 488,755	$ 4,093,350
Michael A. Stivala				
Cash Compensation (1)(2)(3)(4)	$ -0-	$ -0-	$ 275,000	$ 742,500
Accelerated Vesting of Fiscal 2011 and 2010 LTIP Awards (5)	N/A	N/A	N/A	314,091
Accelerated Vesting of Outstanding RUP Awards (6)	N/A	663,858	N/A	914,865
Medical Benefits (3)	N/A	N/A	13,755	N/A
Total	$ -0-	$ 663,858	$ 288,755	$ 1,971,456
Steven C. Boyd				
Cash Compensation (1)(2)(3)(4)	$ -0-	$ -0-	$ 270,000	$ 729,000
Accelerated Vesting of Fiscal 2011 and 2010 LTIP Awards (5)	N/A	N/A	N/A	308,414
Accelerated Vesting of Outstanding RUP Awards (6)	N/A	599,398	N/A	850,405
Medical Benefits (3)	N/A	N/A	14,272	N/A
Total	$ -0-	$ 599,398	$ 284,272	$ 1,887,819
Mark Wienberg				
Cash Compensation (1)(2)(3)(4)	$ -0-	$ -0-	$ 250,000	$ 675,000
Accelerated Vesting of Fiscal 2011 and 2010 LTIP Awards (5)	N/A	N/A	N/A	274,964
Accelerated Vesting of Outstanding RUP Awards (6)	N/A	511,019	N/A	762,026
Medical Benefits (3)	N/A	N/A	13,755	N/A
Total	$ -0-	$ 511,019	$ 263,755	$ 1,711,990

Executive Payments and Benefits Upon Termination	Death	Disability	Involuntary Termination Without Cause by the Partnership or by the Executive for Good Reason without a Change of Control Event	Involuntary Termination Without Cause by the Partnership or by the Executive for Good Reason with a Change of Control Event
Douglas T. Brinkworth				
Cash Compensation (1) (2) (3) (4)	$ -0-	$ -0-	$ 245,000	$ 661,500
Accelerated Vesting of Fiscal 2011 and 2010 LTIP Awards (5)	N/A	N/A	N/A	279,838
Accelerated Vesting of Outstanding RUP Awards (6)	N/A	540,155	N/A	791,162
Medical Benefits (3)	N/A	N/A	13,755	N/A
Total	$ -0-	$ 540,155	$ 258,755	$ 1,732,500

(1) In the event of death, the named executive officer s estate is entitled to a payment equal to the decedent s earned but unpaid salary and pro-rata cash bonus.

(2) In the event of disability, the named executive officer is entitled to a payment equal to his earned but unpaid salary and pro-rata cash bonus.

(3) Any severance benefits, unrelated to a change of control event, payable to these officers would be determined by the Committee on a case-by-case basis in accordance with prior treatment of other similarly situated executives and may, as a result, differ from this hypothetical presentation. For purposes of this table, we have assumed that each of these named executive officers would, upon termination of employment without cause or for resignation for good reason, receive accrued salary and benefits through the date of termination plus one times annual salary and continued participation, at active employee rates, in Suburban s health insurance plans for one year.

(4) In the event of a change of control followed by a termination without cause or by a resignation with good reason, each of the named executive officers will receive 78 weeks of base pay plus a sum equal to their annual target cash bonus divided by 52 and multiplied by 78 in accordance with the terms of the Severance Protection Plan. For more information on the Severance Protection Plan, refer to Compensation Discussion and Analysis Change of Control.

(5) In the event of a change of control, all LTIP awards will vest immediately regardless of whether termination immediately follows. If a change of control event occurs, the calculation of the LTIP payment will be made as if our total return to holders of our common units was higher than that provided by any of the other members of the peer group to their unitholders. For more information, refer to Compensation Discussion and Analysis 2003 Long-Term Incentive Plan.

In the event of death, the inability to continue employment due to permanent disability, or a termination without cause or a good reason resignation unconnected to a change of control event, awards will vest in accordance with the normal vesting schedule and will be subject to the same requirements as awards held by individuals still employed by Suburban and will be subject to the same risks as awards held by all other participants.

(6) The RUP document makes no provisions for the vesting of awards held by recipients who die prior to the completion of the vesting schedule. If a recipient of a RUP award becomes permanently disabled, only those awards that have been held for at least one year on the date that the employee s employment is terminated as a result of his or her permanent disability will immediately vest; all awards held by the recipient for less than one year will be forfeited by the recipient. Because Mr. Dunn, Mr. Stivala, Mr. Boyd, Mr. Wienberg and Mr. Brinkworth each received a RUP award during fiscal 2011, if any or all of the five named executive officers had become permanently disabled on September 24, 2011, the following quantities of unvested restricted units would have vested: Dunn, 33,497: Stivala, 14,377; Boyd, 12,981; Wienberg, 11,067; Brinkworth, 11,698. The following quantities would have been forfeited: Dunn, 9,060; Stivala, 5,436; Boyd, 5,436; Wienberg, 5,436; Brinkworth, 5,436.

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Under circumstances unrelated to a change of control, if a RUP award recipient s employment is terminated without cause or he or she resigns for good reason, any RUP awards held by such recipient will be forfeited.

In the event of a change of control, as defined in the RUP document, all unvested RUP awards will vest immediately on the date the change of control is consummated, regardless of the holding period and regardless of whether the recipient s employment is terminated.

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SUPERVISORS COMPENSATION

The following table sets forth the compensation of the non-employee members of the Board of Supervisors of Suburban during fiscal 2011.

Supervisor	Fees Earned or Paid in Cash ($) (1)	Unit Awards ($) (2)	Total ($)
John D. Collins	$ 75,000	$ 0	$ 75,000
Harold R. Logan, Jr.	100,000	0	100,000
Dudley C. Mecum	75,000	0	75,000
John Hoyt Stookey	75,000	0	75,000
Jane Swift	75,000	0	75,000

(1) This includes amounts earned for fiscal 2011, including quarterly retainer installments for the fourth quarter of 2011 that were paid in November 2011. Does not include amounts paid in fiscal 2011 for fiscal 2010 quarterly retainer installments.

(2) Our Supervisors did not receive RUP awards made during this fiscal year. All previous awards were made in accordance with the provisions of our Restricted Unit Plans and vest accordingly. As of September 24, 2011, each non-employee member of the Board of Supervisors held the following quantities of unvested restricted unit awards: Mr. Collins, 6,348 units; Mr. Logan, 5,100 units; Mr. Mecum, 5,100 units; Mr. Stookey, 5,100 units; and Ms. Swift, 6,348 units.

Note: The columns for reporting option awards, non-equity incentive plan compensation, changes in pension value and non-qualified deferred compensation plan earnings and all other forms of compensation were omitted from the Supervisor s Compensation Table because Suburban does not provide these forms of compensation to its non-employee supervisors.

Fees and Benefit Plans for Non-Employee Supervisors

Annual Cash Retainer Fees. As the Chairman of the Board of Supervisors, Mr. Logan receives an annual retainer of $100,000, payable in quarterly installments of $25,000 each. Each of the other non-employee Supervisors receives an annual cash retainer of $75,000, payable in quarterly installments of $18,750 each.

Meeting Fees. The members of our Board of Supervisors receive no additional remuneration for attendance at regularly scheduled meetings of the Board or its Committees, other than reimbursement of reasonable expenses incurred in connection with such attendance.

Restricted Unit Plans. Each non-employee Supervisor participates in the RUP. All awards vest in accordance with the provisions of the plan document (see Compensation Discussion and Analysis Restricted Unit Plans for a description of the vesting schedule). Upon vesting, all awards are settled by issuing common units. During fiscal 2004, Messrs. Logan, Mecum and Stookey were granted unvested restricted unit plan awards of 8,500 units each; during fiscal 2007, each of them received an additional unvested award of 3,000 units. Upon commencement of their terms as supervisors in fiscal 2007, Mr. Collins and Ms. Swift each received an award of 5,496 units. During fiscal 2010, each non-employee Supervisor received a grant of 3,600 units. Messrs. Logan, Mecum and Stookey are the only non-employee Supervisors who have satisfied the retirement provisions of Suburban s RUP.

Additional Supervisor Compensation. Non-employee Supervisors receive no other forms of remuneration from us. The only perquisite provided to the members of the Board of Supervisors is the ability to purchase propane at the same discounted rate that we offer propane to our employees, the value of which was less than $10,000 in fiscal 2011 for each Supervisor.

Compensation Committee Interlocks and Insider Participation. None.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information as of July 26, 2012 regarding the beneficial ownership of common units by each member of the Board of Supervisors, each named executive officer, and all members of the Board of Supervisors and executive officers as a group. Based upon filings under Section 13(d) or (g) under the Securities Exchange Act of 1934, as amended (the **Exchange Act**), Suburban does not know of any person or group who beneficially owns more than 5% of the outstanding common units. Except as set forth in the notes to the table, each individual or entity has sole voting and investment power over the common units reported.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership [1]	Percent of Class [2]
Michael J. Dunn, Jr. [a]	73,715	*
Michael A. Stivala [b]	14,532	*
Steven C. Boyd [c]	20,609	*
Mark Wienberg [d]	7,263	*
Douglas T. Brinkworth [e]	21,891	*
John Hoyt Stookey [f]	7,566	*
Harold R. Logan, Jr. [f]	16,900	*
Dudley C. Mecum [f]	17,134	*
John D. Collins [f]	15,446	*
Jane Swift [f]	2,748	*
All Members of the Board of Supervisors and Executive Officers, as a Group (16 persons) [g]	232,929	1%

(1) With the exception of the 784 units held by our General Partner (see (a) below), there is a possibility that any of the above listed units could be pledged as security.
(2) Based on 35,546,818 of our common units outstanding as of July 26, 2012.
* Less than 1%.
(a) Includes 784 common units held by our General Partner, of which Mr. Dunn is the sole member. Excludes 43,173 unvested restricted units, none of which will vest in the 60-day period following July 26, 2012.
(b) Excludes 21,670 unvested restricted units, none of which will vest in the 60-day period following July 26, 2012.
(c) Excludes 20,552 unvested restricted units, none of which will vest in the 60-day period following July 26, 2012.
(d) Excludes 19,330 unvested restricted units, none of which will vest in the 60-day period following July 26, 2012.
(e) Excludes 21,034 unvested restricted units, none of which will vest in the 60-day period following July 26, 2012.
(f) Excludes 3,600 unvested restricted units, none of which will vest in the 60-day period following July 26, 2012.
(g) Inclusive of the units referred to in footnotes (a), (b), (c), (d), (e) and (g) , the reported number of units excludes 242,796 unvested restricted units, none of which will vest in the 60 day period following July 26, 2012, owned by certain executive officers, whose restricted units vest on the same basis as described in footnotes (b), (c), (d), (e) and (f) above.

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CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS AND SUPERVISOR INDEPENDENCE

Related Party Transactions

None.

Supervisor Independence

The Corporate Governance Guidelines and Principles adopted by the Board of Supervisors provide that a Supervisor is deemed to be lacking a material relationship to Suburban and is therefore independent of management if the following criteria are satisfied:

1. Within the past three years, the Supervisor:

   a. has not been employed by Suburban and has not received more than $100,000 per year in direct compensation from Suburban, other than Supervisor and committee fees and pension or other forms of deferred compensation for prior service;

   b. has not provided significant advisory or consultancy services to Suburban, and has not been affiliated with a company or a firm that has provided such services to Suburban in return for aggregate payments during any of the last three fiscal years of Suburban in excess of the greater of 2% of the other company s consolidated gross revenues or $1 million;

   c. has not been a significant customer or supplier of Suburban and has not been affiliated with a company or firm that has been a customer or supplier of Suburban and has either made to Suburban or received from Suburban payments during any of the last three fiscal years of Suburban in excess of the greater of 2% of the other company s consolidated gross revenues or $1 million;

   d. has not been employed by or affiliated with an internal or external auditor that within the past three years provided services to Suburban; and

   e. has not been employed by another company where any of Suburban s current executives serve on that company s compensation committee;

2. The Supervisor is not a spouse, parent, sibling, child, mother- or father-in-law, son- or daughter-in-law or brother- or sister-in-law of a person having a relationship described in 1. above nor shares a residence with such person;

3. The Supervisor is not affiliated with a tax-exempt entity that within the past 12 months received significant contributions from Suburban (contributions of the greater of 2% of the entity s consolidated gross revenues or $1 million are considered significant); and

4. The Supervisor does not have any other relationships with Suburban or with members of senior management of Suburban that the Board determines to be material.

The following Supervisors are independent: Harold R. Logan, Jr., John Hoyt Stookey, Dudley C. Mecum, John D. Collins and Jane Swift.

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CONFLICTS OF INTEREST AND FIDUCIARY DUTIES

Conflicts of Interest

Conflicts of interest exist and may arise in the future as a result of the relationships between our general partner and its affiliates, any of our officers or any member of our Board of Supervisors on the one hand, and our Partnership, partners, and assignees of common units on the other hand. Except as otherwise expressly provided in our Partnership Agreement, all management powers over our business and affairs are vested exclusively in our Board of Supervisors, and our officers subject to the direction of our Board of Supervisors. The discretion given in our Partnership Agreement to our Board of Supervisors in resolving conflicts of interest may significantly limit the ability of a unitholder to challenge what might otherwise be a breach of a fiduciary duty. Unitholders are deemed to have consented to certain actions or inactions that might otherwise be deemed conflicts of interest or a breach of fiduciary duty. In addition, our Partnership Agreement includes broad indemnification provisions for our general partner, the members of our Board of Supervisors, our officers, our employees and other individuals. Please read The Partnership Agreement Indemnification.

Unless otherwise expressly provided for in our Partnership Agreement or the Operating Partnership Agreement, whenever a potential conflict of interest exists or arises between our general partner or any of its affiliates, or any officer or member of our Board of Supervisors, on the one hand, and our Partnership, the Operating Partnership, any partner or any Assignee, on the other hand, any resolution or course of action in respect of such conflict of interest is permitted and deemed approved by all partners, and does not constitute a breach of our Partnership Agreement, or of any legal duty, if the resolution or course of action is, or by operation of our Partnership Agreement is deemed to be, fair and reasonable to our Partnership.

Our Board of Supervisors is authorized but not required in connection with its resolution of a conflict of interest to seek approval (**Special Approval**) by a majority of the members of the Audit Committee of a resolution of a conflict or course of action. Any conflict of interest and any resolution of a conflict of interest will be conclusively deemed fair and reasonable to our Partnership if such conflict of interest or resolution is:

- approved by Special Approval (as long as the material facts known to our general partner or any of its affiliates or our officers or members of our Board of Supervisors regarding any proposed transaction were disclosed to the Audit Committee at the time it gave its approval);
- on terms no less favorable to our Partnership than those generally being provided to or available from unrelated third parties; or
- fair to our Partnership, taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to our Partnership).

Our Board of Supervisors (or the Audit Committee in connection with a request for a Special Approval) is authorized in connection with its determination of what is fair and reasonable to our Partnership and in connection with its resolution of any conflict of interest to consider:

- the relative interests of any party to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interest;
- any customary or accepted industry practices and any customary or historical dealings with a particular person;
- US GAAP; and

such additional factors as our Board of Supervisors (or the Audit Committee) determines in its discretion to be relevant, reasonable or appropriate under the circumstances.

In the absence of bad faith by our Board of Supervisors, any resolution of a conflict of interest provided by our Board of Supervisors will not constitute a breach of our Partnership Agreement or any other agreement

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contemplated therein or a breach of any standard of care or duty imposed therein or, to the extent permitted by law, under Section 17-101 of the Delaware Act or any other law, rule or regulation or existing in equity or otherwise.

Conflicts of interest could arise in many circumstances, including as a result of the following:

- any one of our limited partners or Assignees is entitled to have business interests and engage in business activities in direct competition with us, the Operating Partnership or any of our or its subsidiaries, which we refer to in this prospectus as Group Members. We will not have any rights in any business ventures of any our limited partners or Assignees by virtue of our Partnership Agreement;

- our Partnership Agreement generally provides that our general partner will be restricted from engaging in any business activities other than acting as our general partner, limited activities for its affiliates and activities incidental to its ownership of interests in us. However, except as provided in our Partnership Agreement, affiliates of our general partner are not prohibited from engaging in other businesses or activities, including those that might be in direct competition with us;

- the current or former members of our and the Operating Partnership s Board of Supervisors, and any of our partners, officers, employees, agents and other individuals involved in our business (other than our general partner) are not prohibited from engaging in other businesses or activities, including those that might be in direct competition with us. No such person is obligated to offer any interest in any such business ventures to us, the Operating Partnership, any of our limited partners or any other person;

- many of our Supervisors and officers who have responsibility for our management may have significant duties with, and may spend significant time serving entities that compete with us in seeking acquisitions and business opportunities and accordingly, may have conflicts of interest in allocating time or pursuing such business opportunities;

- except in limited circumstances, our Board of Supervisors has the power and authority to conduct our business without unitholder approval. Please read The Partnership Agreement Voting Rights ; or

- our Partnership Agreement does not restrict our general partner from causing us to pay it or its affiliates for any services rendered to us or to any other Group Member or entering into additional contractual arrangements with any of these entities on our behalf.

Fiduciary Duties

The Delaware Act provides that Delaware limited partnerships may, in their partnership agreements, restrict, expand or eliminate the fiduciary duties owed by general partners to other partners and the partnership. Our Partnership Agreement generally provides that the authority, functions, duties and obligations of our officers and the members of our Board of Supervisors are identical to the authority, functions, duties and responsibilities of the board of directors and officers, respectively, of a corporation organized under the Delaware General Corporation Law. Our Board of Supervisors is not required to consider the interests of any person other than our Partnership.

Our Partnership Agreement provides that any standard of care and duty imposed by our Partnership Agreement or under the Delaware Act or otherwise can be modified, waived or limited, to the maximum extent permitted by law, as required to permit our general partner and our Board of Supervisors to act, so long as such action is reasonably believed by our general partner or our Board of Supervisors to be in, or not inconsistent with, our best interests.

Certain of our actions require the approval of our general partner

Our Board of Supervisors cannot cause us to incur any indebtedness that is recourse to our general partner or any of its affiliates without the approval of our general partner, which approval may be given or withheld in our general partner s sole discretion.

Certain of our actions require the approval of the holders of our common units

Certain of our actions require the approval of the holders of our common units. Actions including the removal of our general partner (with or without a final, non-appealable judgment entered by a court of competent jurisdiction finding our general partner liable for actual fraud, gross negligence or willful or wanton misconduct in its capacity as the general partner of our Partnership (**Cause**)), the removal of a member of our Board of Supervisors (with or without Cause) under certain circumstances, our dissolution, our merger, consolidation or sale of all or substantially all of our assets, the appointment of a liquidator, and certain amendments to our Partnership Agreement require the approval of at least a majority of our outstanding common units (a **Unit Majority**). A business combination with an Interested Unitholder (as defined herein) requires the affirmative vote of the holders of at least 66 $^{2}/_{3}$% of the outstanding common units (excluding partnership interests beneficially owned by that Interested Unitholder or any affiliate or associated of that Interested Unitholder). Please read Description of Common Units Restrictions on business combinations with certain Interested Unitholders.

This does not limit our Board of Supervisors ability to mortgage, pledge, hypothecate or grant a security interest in all or substantially all of the assets of our Partnership, the Operating Partnership and any of our and the Operating Partnership s Subsidiaries, treated as a consolidated entity (the **Partnership Group**) and shall not apply to any forced sale of any or all of the assets of the Partnership Group pursuant to the foreclosure of, or other realization upon, any such encumbrance.

In addition, without the approval of the holders of a Unit Majority, neither our general partner nor our Board of Supervisors may, on our behalf, except as permitted in our Partnership Agreement, (i) consent to any amendment to the Operating Partnership Agreement or take any action permitted to be taken by a partner of the Operating Partnership, in either case, that would have a material adverse effect on our Partnership as a partner of the Operating Partnership or (ii) elect or cause our Partnership to elect a successor general partner of the Operating Partnership.

Fiduciary duty of our general partner in voting its common units

In voting its common units, our general partner will have no fiduciary duty or obligation whatsoever to us or the limited partners, including any duty to act in good faith or in the best interests of us or the limited partners.

By purchasing our common units, each unitholder automatically agrees to be bound by the provisions in our Partnership Agreement, including the provisions discussed above. This is in accordance with the policy of the Delaware Act favoring the principle of freedom of contract and the enforceability of partnership agreements. The failure of a limited partner to sign our Partnership Agreement does not render our Partnership Agreement unenforceable against that person.

Under our Partnership Agreement, we indemnify our general partner and its officers, directors, managers and certain other specified persons, to the fullest extent permitted by law, against liabilities, costs and expenses incurred by our general partner or these other persons. We must provide this indemnification unless there has been a final and non-appealable judgment by a court of competent jurisdiction determining that these persons acted in bad faith or engaged in fraud or willful misconduct. We must also provide this indemnification for criminal proceedings unless our general partner or these other persons acted with knowledge that their conduct was unlawful. Thus, our general partner could be indemnified for its negligent acts if it meets the requirements set forth above. To the extent these provisions purport to include indemnification for liabilities arising under the Securities Act of 1933, in the opinion of the SEC, such indemnification is contrary to public policy and, therefore, unenforceable. Please read The Partnership Agreement Indemnification.

DESCRIPTION OF COMMON UNITS

General

The common units represent 100% of our limited partner interests, which entitle our limited partners to participate in distributions and exercise the rights and privileges available to limited partners under our Partnership Agreement.

Number of Units

As of July 26, 2012, there were 35,546,818 common units outstanding. Our general partner owns 784 common units and has no other economic rights in either us or the Operating Partnership.

Under our Partnership Agreement, we may issue, without further unitholder action, an unlimited number of additional limited partner interests and other equity securities with such rights, preferences and privileges as shall be established by our Board of Supervisors in its sole discretion, including securities that may have special voting rights to which holders of common units are not entitled.

Listing

The common units are listed on the New York Stock Exchange under the symbol SPH.

Voting

Each outstanding common unit is entitled to one vote. We hold a meeting of the unitholders every three years to elect the members of our Board of Supervisors and to vote on any other matters that are properly brought before the meeting. Special meetings of the limited partners may be called by our Board of Supervisors or by limited partners owning 20% or more of the outstanding common units of the class or classes for which a meeting is proposed. For a description of the voting rights with respect to the common units, see The Partnership Agreement Voting Rights.

Cash Distributions

Our Partnership Agreement requires us to distribute all of our available cash pro rata to the unitholders within 45 days following the end of each fiscal quarter. Available cash generally means, with respect to any fiscal quarter, all of our cash on hand at the end of that quarter plus borrowings for working capital purposes, less reserves necessary or appropriate, in the reasonable discretion of our Board of Supervisors, to provide for the proper conduct of our business, to comply with applicable law or agreements, or to provide funds for future distributions to partners.

Restrictions on business combinations with certain Interested Unitholders

Our Partnership Agreement includes a provision based on Section 203 of the Delaware General Corporation Law. This provision generally prohibits us from engaging in a business combination with any Interested Unitholders. A business combination is defined generally as a merger, asset or stock sale or other transaction resulting in a financial benefit to the Interested Unitholder. We may participate in such business combination with the approval of our Board of Supervisors and the affirmative vote of the holders of at least $66\,^2/_3\%$ of the outstanding common units (excluding partnership interests beneficially owned by an Interested Unitholder or any affiliate or associate of an Interested Unitholder). These provisions may have an anti-takeover effect with respect to transactions our Board of Supervisors does not approve in advance. For more information, please read The Partnership Agreement Business Combinations with Interested Unitholders.

Transfer Restrictions

Common units are securities and are transferable according to the laws governing transfer of securities. Until a common unit has been transferred on our books, we will treat the record holder as the absolute owner for all purposes. Transfers of common units will not be recorded by the transfer agent or recognized by us until the transferee executes and delivers a transfer application. A purchaser or transferee of common units who does not execute and deliver a transfer application will not receive cash distributions, unless the common units are held in nominee or street name and the nominee or broker has executed and delivered a transfer application with respect to the common units, and may not receive federal income tax information and reports furnished to record holders of common units. Our Board of Supervisors has the discretion to withhold its consent to accepting any such purchaser or transferee of common units as a substitute limited partner. If the consent is withheld, the purchaser or transferee of the common units will be an assignee and will have an interest equivalent to that of a limited partner with respect to allocations and distributions, including liquidation distributions. In addition, our Board of Supervisors will vote such common units at the direction of the assignee who is the record holder of the common units.

No transfer of any partnership interest can be made if such transfer would (i) violate the then applicable federal or state securities laws or rules and regulations of the SEC, any state securities commission or any other governmental authorities with jurisdiction over such transfer, (ii) terminate the existence or qualification of our Partnership or the Operating Partnership under the laws of the jurisdiction of its formation, or (iii) cause our Partnership or the Operating Partnership to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes (to the extent not already so treated or taxed).

Our Board of Supervisors may impose restrictions on the transfer of any units if a subsequent written opinion of counsel (who may be our regular counsel or our general partner s or any of its affiliates regular counsel) acceptable to our Board of Supervisors in its reasonable discretion determines that such restrictions are necessary to avoid a significant risk of our Partnership or the Operating Partnership becoming taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes. The restrictions may be imposed by making such amendments to our Partnership Agreement as our Board of Supervisors may determine to be necessary or appropriate to impose such restrictions without the consent of any partner; provided, however, that any amendment that our Board of Supervisors believes, in the exercise of its reasonable discretion, could result in the delisting or suspension of trading of any class of units on the New York Stock Exchange must be approved by the holders of a majority of the outstanding units of such class.

Transfer Agent and Registrar

Our transfer agent and registrar for the common units is Computershare Trust Company, N.A. Its address is P.O. Box 43078, Providence, Rhode Island 02940-3078 (mail), Computershare Investor Services, 250 Royall Street, Canton, MA 02021 (overnight delivery) or telephone 781-575-2724. The hearing impaired may contact Computershare at TDD 800-952-9245.

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THE PARTNERSHIP AGREEMENT

The following is a summary of the material provisions of our Partnership Agreement. We will provide prospective investors with a copy of our Partnership Agreement upon request at no charge. Please direct your requests to: Suburban Propane Partners, L.P., P.O. Box 206, Whippany, New Jersey 07981-0206, Telephone No.: (973) 853-9252, Attention: Investor Relations.

We summarize the following provisions of our Partnership Agreement elsewhere in this prospectus:

- with regard to the fiduciary duties of our general partner, please read Conflicts of Interest and Fiduciary Duties;
- with regard to the transfer of common units, please read Description of the Common Units Transfer Restriction and
- with regard to allocations of taxable income, taxable loss and other matters, please read Material U.S. Federal Income Tax Considerations.

Organization and Duration

We were organized on December 18, 1995 as a Delaware limited partnership and will exist until September 30, 2085, unless earlier dissolved as a Delaware limited partnership pursuant to the terms of our Partnership Agreement.

Purpose

Our purpose under our Partnership Agreement is limited to (a) serving as a limited partner in the Operating Partnership and exercising all the rights and powers conferred upon us as a limited partner in the Operating Partnership pursuant to the limited partnership agreement of the Operating Partnership (**Operating Partnership Agreement**) or otherwise, (b) engaging in any business activity that the Operating Partnership is permitted to engage in by the Operating Partnership Agreement, (c) engaging in any business activity that is approved by our Board of Supervisors and which lawfully may be conducted by a limited partnership organized pursuant to the Delaware Act, and (d) doing anything necessary or appropriate in connection with such purposes, including the making of capital contributions or loans to any of our subsidiaries, the Operating Partnership, or any of its subsidiaries.

Although our Board of Supervisors has the ability to cause us and the Operating Partnership to engage in activities other than propane marketing and related businesses, our Board of Supervisors has no current plans to do so. Our Board of Supervisors has no obligation or duty to propose or approve, and in its discretion may decline to propose or approve, the conduct by our Partnership of any business. Our Board of Supervisors is generally authorized to perform all acts it determines to be necessary or appropriate to carry out our purposes and to conduct our business.

Power of Attorney

Each of our limited partners and each Assignee has granted to our Chief Executive Officer, President and, if a liquidator has been appointed, such liquidator, a power of attorney to, among other things, execute, deliver and file documents required to continue our existence or qualification as a limited partnership, amend our Partnership Agreement, reflect our dissolution or liquidation, admit or remove any partner, determine the rights, preferences or privileges of any class of partnership interests or effect any merger or consolidation. The power of attorney also grants any of our officers authorized by our Board of Supervisors the authority to amend, and to grant consents and waivers on behalf of our limited partners under our Partnership Agreement in accordance with the terms thereof subject to obtaining any required approvals.

Cash Distributions

Our Partnership Agreement provides for quarterly cash distributions and requires that, within 45 days after the end of each fiscal quarter, we distribute all of our available cash pro-rata to the holders of record of common units on the applicable record date.

Available cash, for any fiscal quarter, consists of all cash and cash equivalents of the Partnership Group at the end of that fiscal quarter, including any cash and cash equivalents resulting from borrowings for working capital purposes, less the amount of any cash reserves that is necessary or appropriate in the reasonable discretion of our Board of Supervisors to:

- provide for the proper conduct of the business of the Partnership Group (including reserves for future capital expenditures) subsequent to such fiscal quarter;

- comply with applicable law or any loan agreement, security agreement, mortgage, debt instrument or other agreement or obligation to which any Group Member is a party or by which it is bound or its assets are subject; or

- provide funds for distributions in respect of any one or more of the next four quarters (any disbursements made by a Group Member or cash reserves established, increased or reduced after the end of such fiscal quarter but on or before the date of determination of available cash with respect to such fiscal quarter will be deemed to have been made, established, increased or reduced, for purposes of determining available cash, within such fiscal quarter if our Board of Supervisors so determines).

Available cash with respect to the fiscal quarter in which the event giving rise to the dissolution of our Partnership occurs and any subsequent fiscal quarter shall equal zero.

General Partner Interest

Our general partner owns one general partner unit which represents the entire ownership interest of our general partner in our Partnership solely in its capacity as a general partner. In addition, our general partner owns 784 common units in its capacity as a limited partner of our Partnership. Our general partner is prohibited from selling or transferring its general partner unit or common units without the consent of our Board of Supervisors. Our general partner is also prohibited from making any additional capital contributions to our Partnership in its capacity as our general partner.

Capital Contributions

Unitholders are not obligated to make additional capital contributions. Our general partner is not required nor permitted to make any additional capital contributions to us in its capacity as our general partner other than the obligation to restore any negative balance in its capital account upon liquidation of its interest.

Board of Supervisors

Delegation of management powers from our general partner

Generally, our business and activities are managed by, or are under the direction of, our Board of Supervisors, to whom all management powers have been delegated by our general partner. Neither our general partner nor any of our limited partners have any management power or control over our business and affairs. Our general partner has agreed in our Partnership Agreement to take any and all actions necessary and appropriate to effect any duly authorized actions by our Board of Supervisors or any of our officers, including, without limitation, executing or filing any agreements, instruments or certificates. Except as otherwise expressly provided

in our Partnership Agreement, our Board of Supervisors has full power and authority to do all things and on such terms as it deems necessary or appropriate to conduct our business, including the following:

(i) the making of any expenditures, the lending or borrowing of money, the assumption or guarantee of, or other contracting for, indebtedness and other liabilities, the issuance of evidences of indebtedness and the incurring of any other obligations;

(ii) the making of tax, regulatory and other filings, or rendering of periodic or other reports to governmental or other agencies having jurisdiction over our business or assets;

(iii) the acquisition, disposition, mortgage, pledge, encumbrance, hypothecation or exchange of any or all of our assets or the merger or other combination of our Partnership with or into another person;

(iv) the use of our assets (including cash on hand) for any purpose consistent with the terms of our Partnership Agreement, including the financing of the conduct of the operations of any Group Member, the lending of funds to other persons (including the Operating Partnership), the repayment of obligations of a Group Member and the making of capital contributions to a Group Member;

(v) the negotiation, execution and performance of any contracts, conveyances or other instruments (including instruments that limit our liability under contractual arrangements to some or all of our assets, with the other party to the contract to have no recourse against our general partner or its assets other than its interest in us, even if same results in the terms of the transaction being less favorable to us than would otherwise be the case);

(vi) the distribution of cash;

(vii) the selection and dismissal of employees (including employees who are officers) and agents, outside attorneys, accountants, consultants and contractors and the determination of their compensation and other terms of employment or hiring;

(viii) the maintenance of such insurance for our benefit, the benefit of our subsidiaries, the Operating Partnership and its subsidiaries, our limited partners and our general partner, as it deems necessary or appropriate;

(ix) the formation of, or acquisition of an interest in, and the contribution of property and the making of loans to, any further limited or general partnerships, joint ventures, corporations, limited liability companies or other relationships (including the acquisition of interests in, and the contributions of property to, the Operating Partnership from time to time);

(x) the control of any matters affecting our rights and obligations, including the bringing and defending of actions at law or in equity and otherwise engaging in the conduct of litigation and the incurring of legal expense and the settlement of claims and litigation;

(xi) the indemnification of any person against liabilities and contingencies to the extent permitted by law;

(xii) the entering into of listing agreements with any national securities exchange and the delisting of some or all of the common units from, or requesting that trading be suspended on, any such exchange (subject to any prior approval that may be required under our Partnership Agreement);

(xiii) the purchase, sale or other acquisition or disposition of any partnership interests; and

(xiv) the undertaking of any action in connection with our participation in the Operating Partnership as the limited partner.

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The delegation of the management powers over our business and affairs by our general partner to the Board of Supervisors under our Partnership Agreement did not, and will not in the future, cause our general partner to cease to be our general partner, nor did it, or will it, cause our Board of Supervisors or any member thereof to become our general partner or to have