UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the quarterly period ended September 30, 2017
OR
☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Commission File Number: 001-32505

TRANSMONTAIGNE PARTNERS L.P.
(Exact name of registrant as specified in its charter)

Delaware	**34-2037221**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1670 Broadway
Suite 3100
Denver, Colorado 80202
(Address, including zip code, of principal executive offices)

(303) 626-8200
(Telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☒	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

As of October 31, 2017, there were 16,177,353 units of the registrant’s Common Limited Partner Units outstanding.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including the following:

- certain statements, including possible or assumed future results of operations, in "Management's Discussion and Analysis of Financial Condition and Results of Operations;"
- any statements contained herein regarding the prospects for our business or any of our services or our ability to pay distributions;
- any statements preceded by, followed by or that include the words "may," "seeks," "believes," "expects," "anticipates," "intends," "continues," "estimates," "plans," "targets," "predicts," "attempts," "is scheduled," or similar expressions; and
- other statements contained herein regarding matters that are not historical facts.

Our business and results of operations are subject to risks and uncertainties, many of which are beyond our ability to control or predict. Because of these risks and uncertainties, actual results may differ materially from those expressed or implied by forward-looking statements, and investors are cautioned not to place undue reliance on such statements, which speak only as of the date thereof. Important factors that could cause actual results to differ materially from our expectations and may adversely affect our business and results of operations, include, but are not limited to those risk factors set forth in this report in Part II. Other Information under the heading "Item 1A. Risk Factors."

Part I. Financial Information

ITEM 1. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The interim unaudited consolidated financial statements of TransMontaigne Partners L.P. as of and for the three and nine months ended September 30, 2017 are included herein beginning on the following page. The accompanying unaudited interim consolidated financial statements should be read in conjunction with our consolidated financial statements and related notes for the year ended December 31, 2016, together with our discussion and analysis of financial condition and results of operations, included in our Annual Report on Form 10-K, filed on March 14, 2017 with the Securities and Exchange Commission (File No. 001-32505).

TransMontaigne Partners L.P. is a holding company with the following 100% owned operating subsidiaries during the three and nine months ended September 30, 2017:

- TransMontaigne Operating GP L.L.C.
- TransMontaigne Operating Company L.P.
- TransMontaigne Terminals L.L.C.
- Razorback L.L.C. (d/b/a Diamondback Pipeline L.L.C.)
- TPSI Terminals L.L.C.
- TLP Finance Corp.
- TLP Operating Finance Corp.
- TPME L.L.C.

We do not have off-balance-sheet arrangements (other than operating leases) or special-purpose entities.

TransMontaigne Partners L.P. and subsidiaries

Consolidated balance sheets (unaudited)

(Dollars in thousands)

	September 30, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,853	$ 593
Trade accounts receivable, net	10,303	9,297
Due from affiliates	1,458	653
Other current assets	6,458	9,903
Total current assets	23,072	20,446
Property, plant and equipment, net	426,467	416,748
Goodwill	8,485	8,485
Investments in unconsolidated affiliates	236,706	241,093
Other assets, net	7,165	2,922
	$ 701,895	$ 689,694
LIABILITIES AND EQUITY		
Current liabilities:		
Trade accounts payable	$ 9,073	$ 7,928
Accrued liabilities	18,002	13,998
Total current liabilities	27,075	21,926
Other liabilities	3,411	3,234
Long-term debt	302,000	291,800
Total liabilities	332,486	316,960
Commitments and contingencies (Note 16)		
Partners' equity:		
Common unitholders (16,170,855 units issued and outstanding at September 30, 2017 and 16,137,650 units issued and outstanding at December 31, 2016)	316,090	320,042
General partner interest (2% interest with 330,017 equivalent units outstanding at September 30, 2017 and 329,339 equivalent units outstanding at December 31, 2016)	53,319	52,692
Total partners' equity	369,409	372,734
	$ 701,895	$ 689,694

See accompanying notes to consolidated financial statements (unaudited).

TransMontaigne Partners L.P. and subsidiaries

Consolidated statements of operations (unaudited)

(In thousands, except per unit amounts)

	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Revenue:				
External customers	$ 43,512	$ 39,328	$ 130,442	$ 115,570
Affiliates	1,937	1,310	5,221	6,830
Total revenue	45,449	40,638	135,663	122,400
Operating costs and expenses and other:				
Direct operating costs and expenses	(17,719)	(17,048)	(50,214)	(50,657)
General and administrative expenses	(5,247)	(3,605)	(13,298)	(10,929)
Insurance expenses	(999)	(969)	(3,007)	(2,776)
Equity-based compensation expense	(544)	(251)	(2,713)	(2,664)
Depreciation and amortization	(8,882)	(8,169)	(26,379)	(24,168)
Earnings from unconsolidated affiliates	1,884	2,960	6,564	6,940
Total operating costs and expenses and other	(31,507)	(27,082)	(89,047)	(84,254)
Operating income	13,942	13,556	46,616	38,146
Other expenses:				
Interest expense	(2,656)	(1,467)	(7,333)	(6,627)
Amortization of deferred financing costs	(320)	(204)	(885)	(614)
Total other expenses	(2,976)	(1,671)	(8,218)	(7,241)
Net earnings	10,966	11,885	38,398	30,905
Less—earnings allocable to general partner interest including incentive distribution rights	(3,270)	(2,429)	(9,218)	(6,727)
Net earnings allocable to limited partners	$ 7,696	$ 9,456	$ 29,180	$ 24,178
Net earnings per limited partner unit—basic	$ 0.47	$ 0.58	$ 1.79	$ 1.49
Net earnings per limited partner unit—diluted	$ 0.47	$ 0.58	$ 1.79	$ 1.49

See accompanying notes to consolidated financial statements (unaudited).

TransMontaigne Partners L.P. and subsidiaries

Consolidated statements of partners' equity (unaudited)

Year ended December 31, 2016 and nine months ended September 30, 2017

(Dollars in thousands)

	Common units	General partner interest	Total
Balance December 31, 2015	**$ 326,224**	**$ 57,747**	**$ 383,971**
Distributions to unitholders	(44,211)	(8,898)	(53,109)
Equity-based compensation	3,128	—	3,128
Issuance of 19,008 common units pursuant to our long-term incentive plan	135	—	135
Issuance of 2,094 common units pursuant to our savings and retention program	—	—	—
TransMontaigne GP to maintain its 2% general partner interest	—	9	9
Excess of $12.0 million purchase price of hydrant system from TransMontaigne LLC over the carryover basis of the net assets	—	(5,506)	(5,506)
Net earnings for year ended December 31, 2016	34,766	9,340	44,106
Balance December 31, 2016	**320,042**	**52,692**	**372,734**
Distributions to unitholders	(35,134)	(8,621)	(43,755)
Equity-based compensation	2,713	—	2,713
Settlement of tax withholdings on equity-based compensation	(711)	—	(711)
Issuance of 33,205 common units pursuant to our savings and retention program	—	—	—
TransMontaigne GP to maintain its 2% general partner interest	—	30	30
Net earnings for nine months ended September 30, 2017	29,180	9,218	38,398
Balance September 30, 2017	**$ 316,090**	**$ 53,319**	**$ 369,409**

See accompanying notes to consolidated financial statements (unaudited).

TransMontaigne Partners L.P. and subsidiaries

Consolidated statements of cash flows (unaudited)

(In thousands)

	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Cash flows from operating activities:				
Net earnings	$ 10,966	$ 11,885	$ 38,398	$ 30,905
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization	8,882	8,169	26,379	24,168
Earnings from unconsolidated affiliates	(1,884)	(2,960)	(6,564)	(6,940)
Distributions from unconsolidated affiliates	4,201	4,457	13,096	12,663
Equity-based compensation	544	251	2,713	2,664
Amortization of deferred financing costs	320	204	885	614
Amortization of deferred revenue	(170)	(108)	(211)	(428)
Unrealized (gain) loss on derivative instruments	65	(578)	(155)	557
Changes in operating assets and liabilities, net of effects from acquisitions and dispositions:				
Trade accounts receivable, net	(1,020)	(1,950)	(879)	(2,949)
Due from affiliates	(49)	(640)	(805)	(76)
Other current assets	1,146	(788)	3,905	(793)
Amounts due under long-term terminaling services agreements, net	772	(121)	447	(193)
Deposits	(4)	11	50	11
Trade accounts payable	2,095	266	2,526	(1,570)
Due to affiliates	—	(107)	—	—
Accrued liabilities	1,537	3,926	4,004	7,176
Net cash provided by operating activities	27,401	21,917	83,789	65,809
Cash flows from investing activities:				
Acquisition of terminal assets	—	—	—	(12,000)
Investments in unconsolidated affiliates	—	—	(2,145)	(2,225)
Capital expenditures	(8,682)	(10,139)	(37,327)	(34,105)
Net cash used in investing activities	(8,682)	(10,139)	(39,472)	(48,330)
Cash flows from financing activities:				
Borrowings of debt under credit facility	14,600	35,400	101,700	140,200
Repayments of debt under credit facility	(14,600)	(33,100)	(91,500)	(117,900)
Deferred financing costs	—	(228)	(5,361)	(680)
Deferred issuance costs	(457)	—	(460)	—
Settlement of tax withholdings on equity-based compensation	(304)	—	(711)	—
Distributions paid to unitholders	(15,078)	(13,438)	(43,755)	(39,345)
Contribution of cash by TransMontaigne GP	8	1	30	6
Net cash used in financing activities	(15,831)	(11,365)	(40,057)	(17,719)
Increase (decrease) in cash and cash equivalents	2,888	413	4,260	(240)
Cash and cash equivalents at beginning of period	1,965	28	593	681
Cash and cash equivalents at end of period	$ 4,853	$ 441	$ 4,853	$ 441
Supplemental disclosures of cash flow information:				
Cash paid for interest	$ 2,688	$ 2,049	$ 7,279	$ 6,048
Property, plant and equipment acquired with accounts payable	$ 3,733	$ 9,295	$ 3,733	$ 9,295

See accompanying notes to consolidated financial statements (unaudited).

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Nature of business

TransMontaigne Partners L.P. ("we," "us," "our," "the Partnership") was formed in February 2005 as a Delaware limited partnership. We provide integrated terminaling, storage, transportation and related services for companies engaged in the trading, distribution and marketing of light refined petroleum products, heavy refined petroleum products, crude oil, chemicals, fertilizers and other liquid products. We conduct our operations in the United States along the Gulf Coast, in the Midwest, in Houston and Brownsville, Texas, along the Mississippi and Ohio rivers, and in the Southeast.

We are controlled by our general partner, TransMontaigne GP L.L.C. ("TransMontaigne GP"), which as of February 1, 2016 is a wholly-owned indirect subsidiary of ArcLight Energy Partners Fund VI, L.P. ("ArcLight"). Prior to February 1, 2016, TransMontaigne LLC, a wholly-owned subsidiary of NGL Energy Partners LP ("NGL"), owned all the issued and outstanding ownership interests of TransMontaigne GP.

(b) Basis of presentation and use of estimates

Our accounting and financial reporting policies conform to accounting principles generally accepted in the United States of America ("GAAP"). The accompanying consolidated financial statements include the accounts of TransMontaigne Partners L.P. and its controlled subsidiaries. Investments where we do not have the ability to exercise control, but do have the ability to exercise significant influence, are accounted for using the equity method of accounting. All inter-company accounts and transactions have been eliminated in the preparation of the accompanying consolidated financial statements. The accompanying consolidated financial statements include all adjustments (consisting of normal and recurring accruals) considered necessary to present fairly our financial position as of September 30, 2017 and December 31, 2016 and our results of operations for the three and nine months ended September 30, 2017 and 2016. Certain reclassifications of previously reported amounts have been made to conform to the current year presentation.

The preparation of financial statements in conformity with "GAAP" requires us 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 revenue and expenses during the reporting periods. The following estimates, in management's opinion, are subjective in nature, require the exercise of judgment, and/or involve complex analyses: useful lives of our plant and equipment and accrued environmental obligations. Changes in these estimates and assumptions will occur as a result of the passage of time and the occurrence of future events. Actual results could differ from these estimates.

(c) Accounting for terminal and pipeline operations

In connection with our terminal and pipeline operations, we utilize the accrual method of accounting for revenue and expenses. We generate revenue from terminaling services fees, transportation fees, management fees and cost reimbursements, fees from other ancillary services and gains from the sale of refined products. Terminaling services revenue is recognized ratably over the term of the agreement for storage fees and minimum revenue commitments that are fixed at the inception of the agreement and when product is delivered to the customer for fees based on a rate per barrel of throughput; transportation revenue is recognized when the product has been delivered to the customer at the specified delivery location; management fee revenue and cost reimbursements are recognized as the services are performed or as the costs are incurred; ancillary service revenue is recognized as the services are performed; and gains from the sale of refined products are recognized when the title to the product is transferred.

Pursuant to terminaling services agreements with certain of our throughput customers, we are entitled to the volume of product gained resulting from differences in the measurement of product volumes received and distributed at our terminaling facilities. Consistent with recognized industry practices, measurement differentials occur as the result of the inherent variances in measurement devices and methodology. We recognize as revenue the net proceeds from the sale of the product gained. For the three months ended September 30, 2017 and 2016, we recognized revenue of approximately $2.4 million and $1.6 million, respectively, for net product gained. Within these amounts, approximately $nil for both the three months ended September 30, 2017 and 2016, were pursuant to terminaling services agreements with affiliate customers. For the nine months ended September 30, 2017 and 2016, we recognized revenue of approximately $7.5 million and $4.2 million, respectively, for net product gained. Within these amounts, approximately $nil and $0.3 million for the nine months ended September 30, 2017 and 2016, respectively, were pursuant to terminaling services agreements with affiliate customers.

(d) Cash and cash equivalents

We consider all short-term investments with a remaining maturity of three months or less at the date of purchase to be cash equivalents.

(e) Property, plant and equipment

Depreciation is computed using the straight-line method. Estimated useful lives are 15 to 25 years for terminals and pipelines and 3 to 25 years for furniture, fixtures and equipment. All items of property, plant and equipment are carried at cost. Expenditures that increase capacity or extend useful lives are capitalized. Repairs and maintenance are expensed as incurred.

We evaluate long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset group may not be recoverable based on expected undiscounted future cash flows attributable to that asset group. If an asset group is impaired, the impairment loss to be recognized is the excess of the carrying amount of the asset group over its estimated fair value.

(f) Investments in unconsolidated affiliates

We account for our investments in unconsolidated affiliates, which we do not control but do have the ability to exercise significant influence over, using the equity method of accounting. Under this method, the investment is recorded at acquisition cost, increased by our proportionate share of any earnings and additional capital contributions and decreased by our proportionate share of any losses, distributions received and amortization of any excess investment. Excess investment is the amount by which our total investment exceeds our proportionate share of the book value of the net assets of the investment entity. We evaluate our investments in unconsolidated affiliates for impairment whenever events or circumstances indicate there is a loss in value of the investment that is other than temporary. In the event of impairment, we would record a charge to earnings to adjust the carrying amount to estimated fair value.

(g) Environmental obligations

We accrue for environmental costs that relate to existing conditions caused by past operations when probable and reasonably estimable (see Note 10 of Notes to consolidated financial statements). Environmental costs include initial site surveys and environmental studies of potentially contaminated sites, costs for remediation and restoration of sites determined to be contaminated and ongoing monitoring costs, as well as fines, damages and other costs, including direct legal costs. Liabilities for environmental costs at a specific site are initially recorded, on an undiscounted basis, when it is probable that we will be liable for such costs, and a reasonable estimate of the associated costs can be made based on available information. Such an estimate includes our share of the liability for each specific site and the sharing of the amounts related to each site that will not be paid by other potentially responsible parties, based on enacted laws and adopted regulations and policies. Adjustments to initial estimates are recorded, from time to time, to reflect changing circumstances and estimates based upon additional information developed in subsequent periods. Estimates of our ultimate liabilities associated with environmental costs are difficult to make with certainty due to the number of variables involved, including the early stage of investigation at certain sites, the lengthy time frames required to complete remediation, technology changes, alternatives available and the evolving nature of environmental laws and regulations. We periodically file claims for insurance recoveries of certain environmental remediation costs with our insurance carriers under our comprehensive liability policies (see Note 5 of Notes to consolidated financial statements).

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (continued)

We recognize our insurance recoveries as a credit to income in the period that we assess the likelihood of recovery as being probable (i.e., likely to occur).

In connection with our previous acquisitions of certain terminals from TransMontaigne LLC, TransMontaigne LLC has agreed to indemnify us against certain potential environmental claims, losses and expenses at those terminals (see Note 2 of Notes to consolidated financial statements).

(h) Asset retirement obligations

Asset retirement obligations are legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development or normal use of the asset. Generally accepted accounting principles require that the fair value of a liability related to the retirement of long-lived assets be recorded at the time a legal obligation is incurred. Once an asset retirement obligation is identified and a liability is recorded, a corresponding asset is recorded, which is depreciated over the remaining useful life of the asset. After the initial measurement, the liability is adjusted to reflect changes in the asset retirement obligation. If and when it is determined that a legal obligation has been incurred, the fair value of any liability is determined based on estimates and assumptions related to retirement costs, future inflation rates and interest rates. Our long-lived assets consist of above-ground storage facilities and underground pipelines. We are unable to predict if and when these long-lived assets will become completely obsolete and require dismantlement. We have not recorded an asset retirement obligation, or corresponding asset, because the future dismantlement and removal dates of our long-lived assets is indeterminable and the amount of any associated costs are believed to be insignificant. Changes in our assumptions and estimates may occur as a result of the passage of time and the occurrence of future events.

(i) Equity-based compensation

Generally accepted accounting principles require us to measure the cost of services received in exchange for an award of equity instruments based on the measurement-date fair value of the award. That cost is recognized during the period services are provided in exchange for the award (see Note 14 of Notes to consolidated financial statements).

(j) Accounting for derivative instruments

Generally accepted accounting principles require us to recognize all derivative instruments at fair value in the consolidated balance sheets as assets or liabilities (see Note 9 of Notes to consolidated financial statements). Changes in the fair value of our derivative instruments are recognized in earnings.

At both September 30, 2017 and December 31, 2016, our derivative instruments were limited to interest rate swap agreements with an aggregate notional amount of $125.0 million. Our derivative instruments expire between March 25, 2018 and March 11, 2019. Pursuant to the terms of the interest rate swap agreements, we pay a blended fixed rate of approximately 1.01% and receive interest payments based on the one-month LIBOR. The net difference to be paid or received under the interest rate swap agreements is settled monthly and is recognized as an adjustment to interest expense. The fair value of our interest rate swap agreements are determined using a pricing model based on the LIBOR swap rate and other observable market data.

(k) Income taxes

No provision for U.S. federal income taxes has been reflected in the accompanying consolidated financial statements because we are treated as a partnership for federal income tax purposes. As a partnership, all income, gains, losses, expenses, deductions and tax credits generated by us flow through to our unitholders.

(l) Net earnings per limited partner unit

Net earnings allocable to the limited partners, for purposes of calculating net earnings per limited partner unit, are calculated under the two-class method and accordingly are net of the earnings allocable to the general partner interest and distributions payable to any restricted phantom units granted under our equity-based compensation plans that participate in our distributions. The earnings allocable to the general partner interest include the distributions of available cash (as defined by our partnership agreement) attributable to the period to the general partner interest, net of adjustments for the general partner's share of undistributed earnings, and the incentive distribution rights. Undistributed earnings are the difference between the earnings and the distributions attributable to the period. Undistributed earnings are allocated to the limited partners and general partner interest based on their respective sharing of earnings or losses specified in the partnership agreement, which is based on their ownership percentages of 98% and 2%, respectively. The incentive distribution rights are not allocated a portion of the undistributed earnings given they are not entitled to distributions other than from available cash. Further, the incentive distribution rights do not share in losses under our partnership agreement. Basic net earnings per limited partner unit is computed by dividing net earnings allocable to the limited partners by the weighted average number of limited partner units outstanding during the period. Diluted net earnings per limited partner unit is computed by dividing net earnings allocable to the limited partners by the weighted average number of limited partner units outstanding during the period and any potential dilutive securities outstanding during the period.

(m) Comprehensive income

Entities that report items of other comprehensive income have the option to present the components of net earnings and comprehensive income in either one continuous financial statement, or two consecutive financial statements. As the Partnership has no components of comprehensive income other than net earnings, no statement of comprehensive income has been presented.

(n) Recent accounting pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers.* The objective of this update is to clarify the principles for recognizing revenue and to develop a common revenue standard. The core principle of the ASU is that an entity should recognize revenue for the transfer of goods or services equal to the amount that it expects to be entitled to receive for those goods or services. The ASU requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments. The ASU is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period.

We expect to adopt the new standard on January 1, 2018 using the modified retrospective method described within the ASU. This approach requires us to apply the new revenue standard to (i) all new revenue contracts entered into after January 1, 2018 and (ii) all existing revenue contracts as of January 1, 2018 through a cumulative adjustment to equity. We have established a working group to evaluate the impact of ASU 2014-09 and all related ASU's. The working group is in the late stages of reviewing contracts in order to determine the impact the ASU will have on our disclosures and financial statements. We have also begun designing required disclosures.

In February 2016, the FASB issued ASU 2016-02, *Leases.* The objective of this update is to improve financial reporting about leasing transactions. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2018, including interim periods within that reporting period. We are currently evaluating the potential impact that the adoption will have on our disclosures and financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows: Classification of Certain Cash Receipt and Cash Payments,* to add or clarify guidance on the classification of certain cash receipts and payments in the statement of cash flows. ASU 2016-15 is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. We are currently evaluating the potential impact that the adoption will have on our disclosures and financial statements.

In January 2017, the FASB issued ASU 2017-04, *Intangibles-Goodwill and Other: Simplifying the Test for Goodwill Impairment*, to simplify the accounting for goodwill impairment by eliminating step 2 from the goodwill impairment test. ASU 2017-04 is effective for annual reporting periods beginning after December 15, 2019, including interim periods within that reporting period. We are currently evaluating the potential impact that the adoption will have on our disclosures and financial statements.

(2) TRANSACTIONS WITH AFFILIATES

Omnibus agreement. On May 27, 2005 we entered into an omnibus agreement with TransMontaigne LLC and our general partner, which agreement has been subsequently amended from time to time. In connection with the ArcLight acquisition of our general partner, effective February 1, 2016, we entered into the second amended and restated omnibus agreement to consent to the assignment of the omnibus agreement from TransMontaigne LLC to Gulf TLP Holdings LLC, an ArcLight subsidiary, to waive the automatic termination that would have occurred at such time as TransMontaigne LLC ceased to control our general partner and to remove certain legacy provisions that were no longer applicable to the Partnership. The omnibus agreement will continue in effect until the earlier of (i) ArcLight ceasing to control our general partner or (ii) the election of either us or the owner of TransMontaigne GP, following at least 24 months prior written notice to the other parties.

Under the omnibus agreement we pay Gulf TLP Holdings, the owner of TransMontaigne GP, an administrative fee for the provision of various general and administrative services for our benefit. The administrative fee paid for the three months ended September 30, 2017 and 2016 was approximately $3.4 million and $2.8 million, respectively. For the nine months ended September 30, 2017 and 2016, the administrative fee paid was approximately $9.4 million and $8.5 million, respectively. The administrative fee is recognized as a component of general and administrative expenses and encompasses services to perform centralized corporate functions, such as legal, accounting, treasury, insurance administration and claims processing, health, safety and environmental, information technology, human resources, credit, payroll, taxes, engineering and other corporate services. The Partnership has no officers or employees and all of our management and operational activities are provided by officers and employees of TLP Management Services, a wholly owned subsidiary of Gulf TLP Holdings.

If we acquire or construct additional facilities, the owner of TransMontaigne GP may propose a revised administrative fee covering the provision of services for such additional facilities, subject to approval by the conflicts committee of our general partner. Effective May 3, 2017 the board of TransMontaigne GP, with the concurrence of the conflicts committee, approved a $1.8 million annual increase (or $150,000 monthly) to the administrative fee related to the construction of approximately 2.0 million barrels of new tank capacity at our Collins, Mississippi bulk storage terminal. The increase will be ratably applied monthly beginning May 3, 2017 based on the percentage of the approximately 2.0 million barrels of new tank capacity that has been placed into service.

The omnibus agreement further provides that we pay the owner of TransMontaigne GP for insurance policies purchased on our behalf to cover our facilities and operations. For the three months ended September 30, 2017 and 2016, the insurance reimbursement paid was approximately $nil and $1.0 million, respectively. For the nine months ended September 30, 2017 and 2016, the insurance reimbursement paid was approximately $nil and $2.8 million, respectively. Beginning October 31, 2016, we contracted directly with insurance carriers for the majority of our insurance requirements. For the three months ended September 30, 2017 and 2016, the expense associated with insurance contracted directly by us was approximately $1.0 million and $nil, respectively. For the nine months ended September 30, 2017 and 2016, the expense associated with insurance contracted directly by us was approximately $3.0 million and $nil, respectively. We also pay the owner of TransMontaigne GP for direct operating costs and expenses, such as salaries of operational personnel performing services on-site at our terminals and pipelines and the cost of their employee benefits, including 401(k) and health insurance benefits.

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (continued)

Under the omnibus agreement we have agreed to reimburse the owner of TransMontaigne GP for bonus awards made to key employees under the owner of TransMontaigne GP's savings and retention program, provided the compensation committee and the conflicts committee of our general partner approve the annual awards granted under the program. We have the option to provide the reimbursement in either a cash payment or the delivery of our common units to the owner of TransMontaigne GP or directly to the award recipients, with the reimbursement made in accordance with the underlying vesting and payment schedule of the savings and retention program (see Note 14 of Notes to the consolidated financial statements).

Environmental indemnification. In connection with our acquisition of the Florida and Midwest terminals on May 27, 2005, TransMontaigne LLC agreed to indemnify us against certain potential environmental claims, losses and expenses that were identified on or before May 27, 2010, and that were associated with the ownership or operation of the Florida and Midwest terminals prior to May 27, 2005. TransMontaigne LLC's maximum liability for this indemnification obligation is $15.0 million. TransMontaigne LLC has no obligation to indemnify us for losses until such aggregate losses exceed $250,000. TransMontaigne LLC has no indemnification obligations with respect to environmental claims made as a result of additions to or modifications of environmental laws promulgated after May 27, 2005.

In connection with our acquisition of the Brownsville, Texas and River terminals on December 31, 2006, TransMontaigne LLC agreed to indemnify us against potential environmental claims, losses and expenses that were identified on or before December 31, 2011, and that were associated with the ownership or operation of the Brownsville and River facilities prior to December 31, 2006. TransMontaigne LLC's maximum liability for this indemnification obligation is $15.0 million. TransMontaigne LLC has no obligation to indemnify us for losses until such aggregate losses exceed $250,000. The deductible amount, cap amount and limitation of time for indemnification do not apply to any environmental liabilities known to exist as of December 31, 2006. TransMontaigne LLC has no indemnification obligations with respect to environmental claims made as a result of additions to or modifications of environmental laws promulgated after December 31, 2006.

In connection with our acquisition of the Southeast terminals on December 31, 2007, TransMontaigne LLC agreed to indemnify us against potential environmental claims, losses and expenses that were identified on or before December 31, 2012, and that were associated with the ownership or operation of the Southeast terminals prior to December 31, 2007. TransMontaigne LLC's maximum liability for this indemnification obligation is $15.0 million. TransMontaigne LLC has no obligation to indemnify us for losses until such aggregate losses exceed $250,000. The deductible amount, cap amount and limitation of time for indemnification do not apply to any environmental liabilities known to exist as of December 31, 2007. TransMontaigne LLC has no indemnification obligations with respect to environmental claims made as a result of additions to or modifications of environmental laws promulgated after December 31, 2007.

In connection with our acquisition of the Pensacola terminal on March 1, 2011, TransMontaigne LLC agreed to indemnify us against potential environmental claims, losses and expenses that were identified on or before March 1, 2016, and that were associated with the ownership or operation of the Pensacola terminal prior to March 1, 2011. TransMontaigne LLC's maximum liability for this indemnification obligation is $2.5 million. TransMontaigne LLC has no obligation to indemnify us for losses until such aggregate losses exceed $200,000. The deductible amount, cap amount and limitation of time for indemnification do not apply to any environmental liabilities known to exist as of March 1, 2011. TransMontaigne LLC has no indemnification obligations with respect to environmental claims made as a result of additions to or modifications of environmental laws promulgated after March 1, 2011.

The forgoing environmental indemnification obligations of TransMontaigne LLC to us remain in place and were not affected by ArcLight's acquisition of our general partner.

Operations and reimbursement agreement—Frontera. We have a 50% ownership interest in the Frontera Brownsville LLC joint venture, or "Frontera". We operate Frontera, in accordance with an operations and reimbursement agreement executed between us and Frontera, for a management fee that is based on our costs incurred. Our agreement with Frontera stipulates that we may resign as the operator at any time with the prior written consent of Frontera, or that we may be removed as the operator for good cause, which includes material noncompliance with laws and material failure to adhere to good industry practice regarding health, safety or environmental matters. We recognized revenue related to this operations and reimbursement agreement of approximately $1.3 million and $1.2 million for the three months ended September 30, 2017 and 2016, respectively, and approximately $3.9 million and $3.8 million for the nine months ended September 30, 2017 and 2016, respectively.

Terminaling services agreement—Brownsville terminals. In September 2016, we entered into a terminaling services agreement with Frontera relating to our Brownsville, Texas facility that will expire in June 2019, subject to a two-year automatic renewal unless terminated by either party upon 180 days' prior notice. In exchange for its minimum throughput commitment, we have agreed to provide Frontera with approximately 151,000 barrels of storage capacity.

We recognized revenue related to this agreement of approximately $0.4 million and $0.1 million for the three months ended September 30, 2017 and 2016, respectively, and approximately $1.1 million and $0.1 million for the nine months ended September 30, 2017 and 2016, respectively.

Terminaling services agreement—Brownsville terminals. In June 2017, we entered into a terminaling services agreement with Frontera relating to our Brownsville, Texas facility that will expire in June 2018, subject to a one-year automatic renewal unless terminated by either party upon 90 days' prior notice. In exchange for its minimum throughput commitment, we have agreed to provide Frontera with approximately 90,000 barrels of storage capacity.

We recognized revenue related to this agreement of approximately $0.2 million and $nil for the three months ended September 30, 2017 and 2016, respectively, and approximately $0.2 million and $nil for the nine months ended September 30, 2017 and 2016, respectively.

Terminaling services agreement—Southeast terminals. In connection with the ArcLight acquisition of our general partner, our Southeast terminaling services agreement with NGL was amended to extend the term of the agreement through July 31, 2040 at the prevailing contract rate terms contained within the agreement. Subsequent to January 31, 2023, NGL has the ability to terminate the agreement at any time upon at least 24 months' prior notice of its intent to terminate the agreement. Subsequent to the ArcLight acquisition, effective February 1, 2016, revenue associated with the Southeast terminaling services agreement is recorded as revenue from external customers as opposed to revenue from affiliates.

Under this agreement, NGL is obligated to throughput a volume of refined product that, at the fee schedule contained in the agreement, resulted in minimum throughput payments to us of approximately $7.0 million and $6.8 million for the three months ended September 30, 2017 and 2016, respectively, and approximately $20.7 million and $20.3 million for the nine months ended September 30, 2017 and 2016, respectively. The agreement contains stipulated annual increases in throughput payments based on increases in the United States Consumer Price Index. The minimum annual throughput payment is reduced proportionately for any decrease in storage capacity due to out-of-service tank capacity.

If a force majeure event occurs that renders us unable to perform our obligations with respect to an asset, the obligations would be temporarily suspended with respect to that asset. If a force majeure event continues for 30 consecutive days or more and results in a diminution in the storage capacity we make available, the counterparty may terminate its obligations with respect to the asset affected by the force majeure event and their minimum revenue commitment would be reduced proportionately for the duration of the agreement.

(3) ACQUISITION OF TERMINAL ASSETS FROM AFFILIATE

Effective January 28, 2016, we acquired from TransMontaigne LLC its Port Everglades, Florida hydrant system for a cash payment of $12.0 million. The hydrant system encompasses a system for fueling cruise ships. The acquisition of the hydrant system from TransMontaigne LLC has been recorded at the carryover basis as a reorganization of entities under common control. Accordingly, we recorded the assets at their net book value of $6.5 million with the remaining purchase price of $5.5 million recorded as a reduction to the general partner interest. TransMontaigne LLC controlled

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (continued)

our general partner on the acquisition date; therefore, the difference between the consideration we paid to TransMontaigne LLC and the carryover basis of the net assets purchased has been reflected in the accompanying consolidated balance sheets and statements of partners' equity as a decrease to the general partner interest. The accompanying consolidated financial statements include the assets, liabilities and results of operations of the hydrant system from January 28, 2016. As this transaction is not considered material to our consolidated financial statements we did not recast prior period consolidated financial statements.

(4) CONCENTRATION OF CREDIT RISK AND TRADE ACCOUNTS RECEIVABLE

Our primary market areas are located in the United States along the Gulf Coast, in the Southeast, in Brownsville, Texas, along the Mississippi and Ohio Rivers, and in the Midwest. We have a concentration of trade receivable balances due from companies engaged in the trading, distribution and marketing of refined products and crude oil. These concentrations of customers may affect our overall credit risk in that the customers may be similarly affected by changes in economic, regulatory or other factors. Our customers' historical financial and operating information is analyzed prior to extending credit. We manage our exposure to credit risk through credit analysis, credit approvals, credit limits and monitoring procedures, and for certain transactions we may request letters of credit, prepayments or guarantees. We maintain allowances for potentially uncollectible accounts receivable.

Trade accounts receivable, net consists of the following (in thousands):

	September 30, 2017	December 31, 2016
Trade accounts receivable	$ 10,422	$ 9,416
Less allowance for doubtful accounts	(119)	(119)
	$ 10,303	$ 9,297

The following customers accounted for at least 10% of our consolidated revenue in at least one of the periods presented in the accompanying consolidated statements of operations:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
NGL Energy Partners LP	27 %	22 %	26 %	21 %
Castleton Commodities International LLC	13 %	15 %	13 %	14 %
RaceTrac Petroleum Inc.	13 %	13 %	13 %	12 %

(5) OTHER CURRENT ASSETS

Other current assets are as follows (in thousands):

	September 30, 2017	December 31, 2016
Amounts due from insurance companies	$ 2,054	$ 1,810
Additive detergent	1,249	1,364
Prepaid insurance	2,075	4,684
Deposits and other assets	1,080	2,045
	$ 6,458	$ 9,903

Amounts due from insurance companies. We periodically file claims for recovery of environmental remediation costs with our insurance carriers under our comprehensive liability policies. We recognize our insurance recoveries in the period that we assess the likelihood of recovery as being probable (i.e., likely to occur). At September 30, 2017 and December 31, 2016, we have recognized amounts due from insurance companies of approximately $2.1 million and $1.8 million, respectively, representing our best estimate of our probable insurance recoveries. During the nine months ended September 30, 2017, we received reimbursements from insurance companies of approximately $1.0 million. During the nine months ended September 30, 2017, we increased our estimate of probable future insurance recoveries by approximately $1.2 million.

(6) PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net is as follows (in thousands):

	September 30, 2017	December 31, 2016
Land	$ 53,079	$ 53,079
Terminals, pipelines and equipment	679,801	651,783
Furniture, fixtures and equipment	4,386	4,100
Construction in progress	19,361	11,715
	756,627	720,677
Less accumulated depreciation	(330,160)	(303,929)
	$ 426,467	$ 416,748

(7) GOODWILL

Goodwill is as follows (in thousands):

	September 30, 2017	December 31, 2016
Brownsville terminals	$ 8,485	$ 8,485

Goodwill is required to be tested for impairment annually unless events or changes in circumstances indicate it is more likely than not that an impairment loss has been incurred at an interim date. Our annual test for the impairment of goodwill is performed as of December 31. The impairment test is performed at the reporting unit level. Our reporting units are our operating segments (see Note 18 of Notes to consolidated financial statements). The fair value of each reporting unit is determined on a stand-alone basis from the perspective of a market participant and represents an estimate of the price that would be received to sell the unit as a whole in an orderly transaction between market participants at the measurement date. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not considered to be impaired.

At September 30, 2017 and December 31, 2016, our only reporting unit that contained goodwill was our Brownsville terminals. We did not recognize any goodwill impairment charges during the nine months ended September 30, 2017 or during the year ended December 31, 2016 for this reporting unit. However, a significant decline in the price of our common units with a resulting increase in the assumed market participants' weighted average cost of capital, the loss of a significant customer, the disposition of significant assets, or an unforeseen increase in the costs to operate and maintain the Brownsville terminals could result in the recognition of an impairment charge in the future.

(8) INVESTMENTS IN UNCONSOLIDATED AFFILIATES

At September 30, 2017 and December 31, 2016, our investments in unconsolidated affiliates include a 42.5% Class A ownership interest in Battleground Oil Specialty Terminal Company LLC ("BOSTCO") and a 50% ownership interest in Frontera Brownsville LLC ("Frontera"). BOSTCO is a terminal facility located on the Houston Ship Channel that encompasses approximately 7.1 million barrels of distillate, residual and other black oil product storage. Class A and Class B ownership interests share in cash distributions on a 96.5% and 3.5% basis, respectively. Class B ownership interests do not have voting rights and are not required to make capital investments. Frontera is a terminal facility located in Brownsville, Texas that encompasses approximately 1.5 million barrels of light petroleum product storage, as well as related ancillary facilities.

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (continued)

The following table summarizes our investments in unconsolidated affiliates:

	Percentage of ownership		Carrying value (in thousands)	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
BOSTCO	42.5 %	42.5 %	$ 212,518	$ 217,941
Frontera	50 %	50 %	24,188	23,152
Total investments in unconsolidated affiliates			$ 236,706	$ 241,093

At September 30, 2017 and December 31, 2016, our investment in BOSTCO includes approximately $7.1 million and $7.2 million, respectively, of excess investment related to a one time buy-in fee to acquire our 42.5% interest and capitalization of interest on our investment during the construction of BOSTCO amortized over the useful life of the assets. Excess investment is the amount by which our investment exceeds our proportionate share of the book value of the net assets of the BOSTCO entity.

Earnings from investments in unconsolidated affiliates were as follows (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
BOSTCO	$ 923	$ 1,885	$ 3,904	$ 4,794
Frontera	961	1,075	2,660	2,146
Total earnings from investments in unconsolidated affiliates	$ 1,884	$ 2,960	$ 6,564	$ 6,940

Additional capital investments in unconsolidated affiliates were as follows (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
BOSTCO	$ —	$ —	$ 145	$ 2,125
Frontera	—	—	2,000	100
Additional capital investments in unconsolidated affiliates	$ —	$ —	$ 2,145	$ 2,225

Cash distributions received from unconsolidated affiliates were as follows (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
BOSTCO	$ 3,074	$ 3,546	$ 9,472	$ 10,487
Frontera	1,127	911	3,624	2,176
Cash distributions received from unconsolidated affiliates	$ 4,201	$ 4,457	$ 13,096	$ 12,663

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (continued)

The summarized financial information of our unconsolidated affiliates was as follows (in thousands):

Balance sheets:

	BOSTCO		Frontera	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Current assets	$ 21,827	$ 23,237	$ 8,119	$ 5,779
Long-term assets	472,477	485,331	42,603	41,966
Current liabilities	(10,950)	(12,799)	(2,146)	(1,172)
Long-term liabilities	—	—	(200)	(269)
Net assets	$ 483,354	$ 495,769	$ 48,376	$ 46,304

Statements of operations:

	BOSTCO Three months ended September 30,		Frontera Three months ended September 30,	
	2017	2016	2017	2016
Revenue	$ 16,066	$ 17,033	$ 5,807	$ 5,232
Expenses	(13,517)	(12,178)	(3,885)	(3,082)
Net earnings	$ 2,549	$ 4,855	$ 1,922	$ 2,150

	BOSTCO Nine months ended September 30,		Frontera Nine months ended September 30,	
	2017	2016	2017	2016
Revenue	$ 49,724	$ 49,907	$ 16,398	$ 13,608
Expenses	(39,383)	(36,668)	(11,078)	(9,316)
Net earnings	$ 10,341	$ 13,239	$ 5,320	$ 4,292

(9) OTHER ASSETS, NET

Other assets, net are as follows (in thousands):

	September 30, 2017	December 31, 2016
Deferred financing costs, net of accumulated amortization of $5,648 and $4,763, respectively	$ 5,774	$ 1,298
Amounts due under long-term terminaling services agreements	470	656
Customer relationships, net of accumulated amortization of $2,244 and $2,092, respectively	186	338
Unrealized gain on derivative instruments	499	344
Deposits and other assets	236	286
	$ 7,165	$ 2,922

Deferred financing costs. Deferred financing costs are amortized using the effective interest method over the term of the related credit facility.

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (continued)

Amounts due under long-term terminaling services agreements. We have long-term terminaling services agreements with certain of our customers that provide for minimum payments that increase at stated amounts over the terms of the respective agreements. We recognize as revenue the minimum payments under the long-term terminaling services agreements on a straight-line basis over the terms of the respective agreements. At September 30, 2017 and December 31, 2016, we have recognized revenue in excess of the minimum payments that was due through those respective dates under the long-term terminaling services agreements resulting in an asset of approximately $0.5 million and $0.7 million, respectively.

Customer relationships. Other assets, net include certain customer relationships at our River terminals. These customer relationships are being amortized on a straight-line basis over twelve years.

(10) ACCRUED LIABILITIES

Accrued liabilities are as follows (in thousands):

	September 30, 2017	December 31, 2016
Customer advances and deposits	$ 8,720	$ 8,710
Accrued property taxes	4,120	1,061
Accrued environmental obligations	1,772	2,107
Interest payable	564	232
Accrued expenses and other	2,826	1,888
	$ 18,002	$ 13,998

Customer advances and deposits. We bill certain of our customers one month in advance for terminaling services to be provided in the following month. At both September 30, 2017 and December 31, 2016, we have billed and collected from certain of our customers approximately $8.7 million in advance of the terminaling services being provided.

Accrued environmental obligations. At September 30, 2017 and December 31, 2016, we have accrued environmental obligations of approximately $1.8 million and $2.1 million, respectively, representing our best estimate of our remediation obligations. During the nine months ended September 30, 2017, we made payments of approximately $1.0 million towards our environmental remediation obligations. During the nine months ended September 30, 2017, we increased our estimate of our future environmental remediation costs by approximately $0.7 million. Changes in our estimates of our future environmental remediation obligations may occur as a result of the passage of time and the occurrence of future events.

(11) OTHER LIABILITIES

Other liabilities are as follows (in thousands):

	September 30, 2017	December 31, 2016
Advance payments received under long-term terminaling services agreements	$ 1,255	$ 994
Deferred revenue—ethanol blending fees and other projects	2,156	2,240
	$ 3,411	$ 3,234

Advance payments received under long-term terminaling services agreements. We have long-term terminaling services agreements with certain of our customers that provide for advance minimum payments. We recognize the advance minimum payments as revenue either on a straight-line basis over the term of the respective agreements or when services have been provided based on volumes of product distributed. At September 30, 2017 and December 31, 2016, we have received advance minimum payments in excess of revenue recognized under these long-term terminaling services agreements resulting in a liability of approximately $1.3 million and $1.0 million, respectively.

Deferred revenue—ethanol blending fees and other projects. Pursuant to agreements with our customers, we agreed to undertake certain capital projects that primarily pertain to providing ethanol blending functionality at certain of our Southeast terminals. Upon completion of the projects, our customers have paid us lump-sum amounts that will be recognized as revenue on a straight-line basis over the remaining term of the agreements. At both September 30, 2017 and December 31, 2016, we have unamortized deferred revenue for completed projects of approximately $2.2 million. During the nine months ended September 30, 2017 and 2016, we recognized revenue for completed projects on a straight-line basis of approximately $0.2 million and $0.4 million, respectively.

(12) LONG-TERM DEBT

On March 13, 2017, we entered into the third amended and restated senior secured credit facility, or the "credit facility", that provides for a maximum borrowing line of credit equal to $600 million. At our request, the maximum borrowing line of credit may be increased by an additional $250 million, subject to the approval of the administrative agent and the receipt of additional commitments from one or more lenders. The terms of the credit facility include covenants that restrict our ability to make cash distributions, acquisitions and investments, including investments in joint ventures. We may make distributions of cash to the extent of our "available cash" as defined in our partnership agreement. We may make acquisitions and investments that meet the definition of "permitted acquisitions"; "other investments" which may not exceed 5% of "consolidated net tangible assets"; and additional future "permitted JV investments" up to $175 million, which may include additional investments in BOSTCO. The principal balance of loans and any accrued and unpaid interest are due and payable in full on the maturity date in March 2022. We were in compliance with all financial covenants as of and during the nine months ended September 30, 2017 and the year ended December 31, 2016.

We may elect to have loans under the credit facility bear interest either (i) at a rate of LIBOR plus a margin ranging from 1.75% to 2.75% depending on the total leverage ratio then in effect, or (ii) at the base rate plus a margin ranging from 0.75% to 1.75% depending on the total leverage ratio then in effect. We also pay a commitment fee on the unused amount of commitments, ranging from 0.375% to 0.5% per annum, depending on the total leverage ratio then in effect. Our obligations under the credit facility are secured by a first priority security interest in favor of the lenders in the majority of our assets, including our investments in unconsolidated affiliates. For the three months ended September 30, 2017 and 2016, the weighted average interest rate on borrowings under the credit facility was approximately 3.5% and 3.2%, respectively. For the nine months ended September 30, 2017 and 2016, the weighted average interest rate on borrowings under the credit facility was approximately 3.4% and 3.1%, respectively. At September 30, 2017 and December 31, 2016, our outstanding borrowings under the credit facility were $302.0 million and $291.8 million, respectively. At both September 30, 2017 and December 31, 2016 our outstanding letters of credit were $0.4 million.

We have an effective universal shelf-registration statement and prospectus on Form S-3 with the Securities and Exchange Commission that expires in September 2019. TLP Finance Corp., our 100% owned subsidiary, may act as a co-issuer of any debt securities issued pursuant to that registration statement. TransMontaigne Partners L.P. has no independent assets or operations. TLP Finance Corp. has no assets or operations. Our operations are conducted by subsidiaries of TransMontaigne Partners L.P. through our 100% owned operating company subsidiary, TransMontaigne Operating Company L.P. Each of TransMontaigne Operating Company L.P.s' and our other 100% owned subsidiaries (other than TLP Finance Corp., whose sole purpose is to act as co-issuer of any debt securities) may guarantee the debt securities. We expect that any guarantees will be full and unconditional and joint and several, subject to certain automatic customary releases, including sale, disposition, or transfer of the capital stock or substantially all of the assets of a subsidiary guarantor, exercise of legal defeasance option or covenant defeasance option, and designation of a subsidiary guarantor as unrestricted in accordance with the indenture. There are no significant restrictions on the ability of TransMontaigne Partners L.P. or any guarantor to obtain funds from its subsidiaries by dividend or loan. None of the assets of TransMontaigne Partners L.P. or a guarantor represent restricted net assets pursuant to the guidelines established by the Securities and Exchange Commission.

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (continued)

(13) PARTNERS' EQUITY

The number of units outstanding is as follows:

	Common units	General partner equivalent units
Units outstanding at December 31, 2016	16,137,650	329,339
Issuance of common units pursuant to our savings and retention program	33,205	—
TransMontaigne GP to maintain its 2% general partner interest	—	678
Units outstanding at September 30, 2017	16,170,855	330,017

(14) EQUITY-BASED COMPENSATION

TransMontaigne GP is our general partner and manages our operations and activities. Prior to February 1, 2016, TransMontaigne GP was a wholly owned subsidiary of TransMontaigne LLC, which is a wholly owned subsidiary of NGL. TransMontaigne Services LLC, which is a wholly owned subsidiary of TransMontaigne LLC, had a long-term incentive plan and a savings and retention program to compensate through bonus awards certain employees and independent directors of our general partner who provided services with respect to the business of our general partner.

Long-term incentive plan. On February 26, 2016, the board of our general partner approved, subject to the approval of our common unitholders, the TLP Management Services 2016 long-term incentive plan and the TLP Management Services savings and retention program (discussed further below) which constitutes a program under, and is subject to, the TLP Management Services long-term incentive plan, which replaced the TransMontaigne Services LLC long-term incentive plan and the TransMontaigne Services LLC savings and retention program. TLP Management Services is a wholly owned indirect subsidiary of ArcLight and employs all the officers and employees who provide services to the Partnership and such entity provides payroll and maintains all employee benefits programs on behalf of the Partnership. On July 12, 2016, we held a special meeting of our common unitholders at which time the TLP Management Services long-term incentive plan and savings and retention program were approved by the Partnership's unitholders.

The TLP Management Services long-term incentive plan operates in a manner similar to the TransMontaigne Services LLC long-term incentive plan used previously. The TLP Management Services long-term incentive plan reserves 750,000 common units to be granted as awards under the plan, with such amount subject to adjustment as provided for under the terms of the plan if there is a change in our common units, such as a unit split or other reorganization. The common units authorized to be granted under the TLP Management Services long-term incentive plan are registered pursuant to a registration statement on Form S-8.

The TLP Management Services long-term incentive plan is administered by the compensation committee of the board of directors of our general partner and is used for grants of units to the independent directors of our general partner. The grants to the independent directors of our general partner under the TransMontaigne Services LLC long-term incentive plan had historically vested and were payable annually in equal tranches over a four-year period, subject to accelerated vesting upon a change in control of TransMontaigne GP. Ownership in the awards was subject to forfeiture until the vesting date, but recipients had distribution and voting rights from the date of the grant. The grants to the independent directors of our general partner under the TLP Management Services long-term incentive plan are immediately vested and not subject to forfeiture. Accordingly there are no long-term incentive plan grants outstanding as of September 30, 2017.

Generally accepted accounting principles require us to measure the cost of board member services received in exchange for an award of equity instruments based on the grant-date fair value of the award. That cost is recognized over the vesting period on a straight line basis during which a board member is required to provide services in exchange for the award with the costs being accelerated upon the occurrence of accelerated vesting events, such as a change in control of our general partner. In connection with the ArcLight acquisition of our general partner, effective February 1, 2016, 15,750 restricted phantom units previously granted to the independent directors vested and were satisfied via the delivery of our common units.

Effective as of October 18, 2016, the board of directors of our general partner, with the concurrence of the compensation committee, adopted a revised independent director annual compensation program, which includes the grant of common units valued at $90,000 annually and issued pursuant to the TLP Management Services long-term incentive plan, which common units are immediately vested and are not subject to forfeiture. On October 20, 2017, we granted and issued 6,498 common units to our independent directors under the TLP Management Services long-term incentive plan. On October 21, 2016, we granted and issued 3,258 common units to our independent directors under the TLP Management Services long-term incentive plan. The annual common unit award for 2016 was prorated for Mr. Wiese and Mr. Welch, who were each appointed to the board in July 2016, based on their length of service on the board of our general partner.

For awards to the independent directors of our general partner, equity-based compensation of approximately $68,000 and $nil is included in equity-based compensation expense for the three months ended September 30, 2017 2016, respectively and approximately $203,000 and $520,000 is included in equity-based compensation expense for the nine months ended September 30, 2017 and 2016, respectively.

Savings and retention program. On February 26, 2016, the board of our general partner unanimously approved the TLP Management Services savings and retention program for employees who provide services with respect to our business. This plan is intended to constitute a program under, and be subject to, the TLP Management Services 2016 long-term incentive plan described above. The savings and retention program is used for awards to employees of TLP Management Services who provide services to the Partnership. The savings and retention program operates in a manner substantially similar to the TransMontaigne Services LLC savings and retention program used previously.

The restricted phantom units awarded and accrued under the savings and retention program are subject to forfeiture until the vesting date. Recipients have distribution equivalent rights from the date of grant that accrue additional restricted phantom units equivalent to the value of quarterly distributions paid by us on each of our outstanding common units. Recipients of restricted phantom units under the savings and retention program do not have voting rights.

The purpose of the savings and retention program is to provide for the reward and retention of participants by providing them with bonus awards that vest over future service periods. Awards under the program generally become vested as to 50% of a participant's annual award as of the first day of the month that falls closest to the second anniversary of the grant date, and the remaining 50% as of the first day of the month that falls closest to the third anniversary of the grant date, subject to earlier vesting upon a participant's attainment of the age and length of service thresholds, retirement, death or disability, involuntary termination without cause, or termination of a participant's employment following a change in control of the Partnership, our general partner or TLP Management Services, as specified in the program. For certain senior level employees, including the executive officers of our general partner, all prior grants under the TransMontaigne Services LLC savings and retention program vested upon the change in control of our general partner as a result of the ArcLight acquisition that occurred on February 1, 2016.

A person will satisfy the age and length of service thresholds of the program upon the attainment of the earliest of (a) age sixty, (b) age fifty five and ten years of service as an officer of TLP Management Services or any of its affiliates or predecessors, or (c) age fifty and twenty years of service as an employee of TLP Management Services or any of its affiliates or predecessors.

Under the omnibus agreement we have agreed to reimburse the owner of TransMontaigne GP for bonus awards made to key employees under the savings and retention program, provided the compensation committee and the conflicts committee of our general partner approve the annual awards granted under the program (see Note 2 of the Notes to consolidated financial statements). We have the option to provide the reimbursement in either a cash payment or the delivery of our common units to the savings and retention program or alternatively directly to the award recipients, with the reimbursement made in accordance with the underlying vesting and payment schedule of the savings and retention program. Our reimbursement for the bonus awards is reduced for forfeitures and is increased for the value of quarterly distributions accrued under the distribution equivalent rights. We have the intent and ability to settle our reimbursement for the bonus awards in our common units, and accordingly, we account for the bonus awards as an equity award.

Given that we do not have any employees to provide corporate and support services and instead we contract for such services under the omnibus agreement, generally accepted accounting principles require us to classify the savings and retention program awards as a non-employee award and measure the cost of services received in exchange for an award of equity instruments based on the vesting-date fair value of the award. That cost, or an estimate of that cost in the case of unvested restricted phantom units, is recognized over the period during which services are provided in exchange for the award. As of September 30, 2017, there was approximately $1.4 million of total unrecognized equity-based compensation expense related to unvested restricted phantom units, which is expected to be recognized over the remaining weighted average period of 1.41 years.

For bonus awards to employees of TLP Management Services, approximately $476,000 and $251,000, is included in equity-based compensation expense for the three months ended September 30, 2017 and 2016, respectively, and approximately $2,510,000 and $2,144,000 is included in equity-based compensation expense for the nine months ended September 30, 2017 and 2016, respectively.

Activity related to our equity-based awards granted under the savings and retention program for services performed under the omnibus agreement for the nine months ended September 30, 2017 is as follows:

	Vested	Weighted average price	Unvested	Weighted average price
Restricted phantom units outstanding at December 31, 2016	88,118	$ 35.82	38,438	$ 34.90
Issuance of units	(33,205)	$ 44.50	—	$ —
Units withheld for settlement of withholding taxes	(15,734)	$ 44.12	—	$ —
Unit accrual for distributions paid	4,334	$ 43.86	2,377	$ 43.85
Vesting of units	9,413	$ 44.35	(9,413)	$ 44.35
Grant of units	37,312	$ 45.02	21,875	$ 45.17
Restricted phantom units outstanding at September 30, 2017	90,238	$ 38.97	53,277	$ 38.71
Vested and expected to vest at September 30, 2017	143,515	$ 38.91		

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (continued)

(15) NET EARNINGS PER LIMITED PARTNER UNIT

The following table reconciles net earnings to net earnings allocable to limited partners and sets forth the computation of basic and diluted net earnings per limited partner unit (in thousands, except per unit amounts):

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Net earnings	$ 10,966	$ 11,885	$ 38,398	$ 30,905
Less:				
Distributions payable on behalf of incentive distribution rights	(3,113)	(2,236)	(8,622)	(6,234)
Distributions payable on behalf of general partner interest	(249)	(231)	(732)	(682)
Earnings allocable to general partner interest less than distributions payable to general partner interest	92	38	136	189
Earnings allocable to general partner interest including incentive distribution rights	(3,270)	(2,429)	(9,218)	(6,727)
Net earnings allocable to limited partners per the consolidated statements of operations	$ 7,696	$ 9,456	$ 29,180	$ 24,178
Basic weighted average units	16,263	16,217	16,257	16,204
Diluted weighted average units	16,286	16,232	16,279	16,221
Net earnings per limited partner unit—basic	$ 0.47	$ 0.58	$ 1.79	$ 1.49
Net earnings per limited partner unit—diluted	$ 0.47	$ 0.58	$ 1.79	$ 1.49

Pursuant to our partnership agreement we are required to distribute available cash (as defined by our partnership agreement) as of the end of the reporting period. Such distributions are declared within 45 days after period end. The following table sets forth the distribution declared per common unit attributable to the periods indicated:

	Distribution
January 1, 2016 through March 31, 2016	$ 0.680
April 1, 2016 through June 30, 2016	$ 0.690
July 1, 2016 through September 30, 2016	$ 0.700
October 1, 2016 through December 31, 2016	$ 0.710
January 1, 2017 through March 31, 2017	$ 0.725
April 1, 2017 through June 30, 2017	$ 0.740
July 1, 2017 through September 30, 2017	$ 0.755

(16) COMMITMENTS AND CONTINGENCIES

Contract commitments. At September 30, 2017, we have contractual commitments of approximately $14.0 million for the supply of services, labor and materials related to capital projects that currently are under development. We expect that these contractual commitments will be paid within the next twelve months.

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (continued)

Operating leases. We lease property and equipment under non-cancelable operating leases that extend through August 2061. At September 30, 2017, future minimum lease payments under these non-cancelable operating leases are as follows (in thousands):

Years ending December 31:	
2017 (remainder of the year)	$ 951
2018	1,663
2019	1,663
2020	1,513
2021	1,430
Thereafter	3,530
	$ 10,750

Included in the above non-cancelable operating lease commitments are amounts for property rentals that we have sublet under non-cancelable sublease agreements, for which we expect to receive minimum rentals of approximately $2.3 million in future periods.

Rental expense under operating leases was approximately $0.9 million for both the three months ended September 30, 2017 and 2016. Rental expense under operating leases was approximately $2.6 million for both the nine months ended September 30, 2017 and 2016.

Legal proceedings. We are party to various legal, regulatory and other matters arising from the day-to-day operations of our business that may result in claims against us. While the ultimate impact of any proceedings cannot be predicted with certainty, our management believes that the resolution of any of our pending legal proceedings will not have a material adverse effect on our business, financial position, results of operations or cash flows.

(17) DISCLOSURES ABOUT FAIR VALUE

"GAAP" defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. GAAP also establishes a fair value hierarchy that prioritizes the use of higher-level inputs for valuation techniques used to measure fair value. The three levels of the fair value hierarchy are: (1) Level 1 inputs, which are quoted prices (unadjusted) in active markets for identical assets or liabilities; (2) Level 2 inputs, which are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and (3) Level 3 inputs, which are unobservable inputs for the asset or liability.

The fair values of the following financial instruments represent our best estimate of the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Our fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects our judgments about the assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The following methods and assumptions were used to estimate the fair value of financial instruments at September 30, 2017 and December 31, 2016.

Cash equivalents. The carrying amount approximates fair value because of the short-term maturity of these instruments. The fair value is categorized in Level 1 of the fair value hierarchy.

Derivative instruments. The carrying amount of our interest rate swaps was determined using a pricing model based on the LIBOR swap rate and other observable market data. The fair value is categorized in Level 2 of the fair value hierarchy.

Debt. The carrying amount of our credit facility debt approximates fair value since borrowings under the facility bear interest at current market interest rates. The fair value is categorized in Level 2 of the fair value hierarchy.

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (continued)

(18) BUSINESS SEGMENTS

We provide integrated terminaling, storage, transportation and related services to companies engaged in the trading, distribution and marketing of refined petroleum products, crude oil, chemicals, fertilizers and other liquid products. Our chief operating decision maker is our general partner's chief executive officer. Our general partner's chief executive officer reviews the financial performance of our business segments using disaggregated financial information about "net margins" for purposes of making operating decisions and assessing financial performance. "Net margins" is composed of revenue less direct operating costs and expenses. Accordingly, we present "net margins" for each of our business segments: (i) Gulf Coast terminals, (ii) Midwest terminals and pipeline system, (iii) Brownsville terminals, (iv) River terminals and (v) Southeast terminals.

The financial performance of our business segments is as follows (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Gulf Coast Terminals:				
Terminaling services fees	$ 12,190	$ 11,259	$ 38,321	$ 33,958
Other	3,147	3,539	9,102	7,869
Revenue	15,337	14,798	47,423	41,827
Direct operating costs and expenses	(5,805)	(6,013)	(16,785)	(16,750)
Net margins	9,532	8,785	30,638	25,077
Midwest Terminals and Pipeline System:				
Terminaling services fees	1,772	2,207	6,176	6,427
Pipeline transportation fees	433	433	1,299	1,299
Other	110	200	574	697
Revenue	2,315	2,840	8,049	8,423
Direct operating costs and expenses	(718)	(858)	(2,123)	(2,422)
Net margins	1,597	1,982	5,926	6,001
Brownsville Terminals:				
Terminaling services fees	1,923	1,948	6,003	6,176
Pipeline transportation fees	658	1,223	3,304	3,691
Other	2,310	2,367	6,740	9,909
Revenue	4,891	5,538	16,047	19,776
Direct operating costs and expenses	(2,746)	(2,573)	(8,200)	(8,742)
Net margins	2,145	2,965	7,847	11,034
River Terminals:				
Terminaling services fees	2,550	2,591	7,501	7,053
Other	155	221	614	2,559
Revenue	2,705	2,812	8,115	9,612
Direct operating costs and expenses	(1,710)	(1,753)	(4,895)	(6,034)
Net margins	995	1,059	3,220	3,578
Southeast Terminals:				
Terminaling services fees	17,627	13,287	49,644	39,864
Other	2,574	1,363	6,385	2,898
Revenue	20,201	14,650	56,029	42,762
Direct operating costs and expenses	(6,740)	(5,851)	(18,211)	(16,709)
Net margins	13,461	8,799	37,818	26,053
Total net margins	27,730	23,590	85,449	71,743
General and administrative expenses	(5,247)	(3,605)	(13,298)	(10,929)
Insurance expenses	(999)	(969)	(3,007)	(2,776)
Equity-based compensation expense	(544)	(251)	(2,713)	(2,664)
Depreciation and amortization	(8,882)	(8,169)	(26,379)	(24,168)
Earnings from unconsolidated affiliates	1,884	2,960	6,564	6,940
Operating income	13,942	13,556	46,616	38,146
Other expenses	(2,976)	(1,671)	(8,218)	(7,241)
Net earnings	$ 10,966	$ 11,885	$ 38,398	$ 30,905

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (continued)

Supplemental information about our business segments is summarized below (in thousands):

	Three months ended September 30, 2017					
	Gulf Coast Terminals	Midwest Terminals and Pipeline System	Brownsville Terminals	River Terminals	Southeast Terminals	Total
Revenue:						
External customers	$ 15,337	$ 2,315	$ 2,954	$ 2,705	$ 20,201	$ 43,512
Frontera	—	—	1,937	—	—	1,937
Revenue	$ 15,337	$ 2,315	$ 4,891	$ 2,705	$ 20,201	$ 45,449
Capital expenditures	$ 1,208	$ —	$ 285	$ 389	$ 6,800	$ 8,682
Identifiable assets	$ 124,003	$ 20,877	$ 42,269	$ 50,232	$ 212,901	$ 450,282
Cash and cash equivalents						4,853
Investments in unconsolidated affiliates						236,706
Deferred financing costs						5,774
Other						4,280
Total assets						$ 701,895

	Three months ended September 30, 2016					
	Gulf Coast Terminals	Midwest Terminals and Pipeline System	Brownsville Terminals	River Terminals	Southeast Terminals	Total
Revenue:						
External customers	$ 14,798	$ 2,840	$ 4,228	$ 2,812	$ 14,650	$ 39,328
Frontera	—	—	1,310	—	—	1,310
Revenue	$ 14,798	$ 2,840	$ 5,538	$ 2,812	$ 14,650	$ 40,638
Capital expenditures	$ 1,465	$ 145	$ 126	$ 209	$ 8,194	$ 10,139

	Nine months ended September 30, 2017					
	Gulf Coast Terminals	Midwest Terminals and Pipeline System	Brownsville Terminals	River Terminals	Southeast Terminals	Total
Revenue:						
External customers	$ 47,423	$ 8,049	$ 10,826	$ 8,115	$ 56,029	$ 130,442
Frontera	—	—	5,221	—	—	5,221
Revenue	$ 47,423	$ 8,049	$ 16,047	$ 8,115	$ 56,029	$ 135,663
Capital expenditures	$ 3,794	$ 267	$ 657	$ 1,435	$ 31,174	$ 37,327

	Nine months ended September 30, 2016					
	Gulf Coast Terminals	Midwest Terminals and Pipeline System	Brownsville Terminals	River Terminals	Southeast Terminals	Total
Revenue:						
External customers	$ 41,703	$ 8,423	$ 15,907	$ 9,612	$ 39,925	$ 115,570
NGL Energy Partners LP	124	—	—	—	2,837	2,961
Frontera	—	—	3,869	—	—	3,869
Revenue	$ 41,827	$ 8,423	$ 19,776	$ 9,612	$ 42,762	$ 122,400
Capital expenditures	$ 4,894	$ 576	$ 759	$ 1,565	$ 26,311	$ 34,105

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (continued)

(19) SUBSEQUENT EVENT

West Coast Facilities Acquisition. On November 2, 2017, one of our wholly owned subsidiaries entered into an Asset Purchase Agreement (the "Purchase Agreement") pursuant to which we will purchase the Martinez Terminal and Richmond Terminal (collectively, the "West Coast Facilities") from Plains Products Terminals LLC, a wholly owned subsidiary of Plains All American Pipeline, L.P., for a total purchase price of $275 million. The West Coast Facilities include two waterborne refined product and crude oil terminals with a total of 64 storage tanks with approximately 5.4 million barrels of storage capacity. The facilities have extensive connectivity to domestic and international refined product and crude oil markets through significant marine, pipeline, truck and rail capabilities. The facilities are supported by multi-year, fee-based agreements with contract terms of up to 5 years. The acquisition will be financed with the proceeds of a common unit offering and cash available from other sources. The closing of the acquisition is expected to occur on or about January 1, 2018, subject to customary closing conditions.

Our obligation to consummate the West Coast Facilities Acquisition is subject to certain conditions, including, among others, (i) the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (ii) the absence of any order or legal restraint prohibiting the consummation of the West Coast Acquisition, (iii) delivery of certificates and certain ancillary transaction agreements (as described further below), (iv) the absence of a material adverse effect (as defined in the Purchase Agreement) and (v) receipt of certain governmental authorizations and third party consents.

Quarterly distribution. On October 13, 2017, we announced a distribution of $0.755 per unit for the period from July 1, 2017 through September 30, 2017. This distribution was paid on October 31, 2017 to unitholders of record on October 23, 2017.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RECENT DEVELOPMENTS

West Coast Facilities Acquisition. On November 2, 2017, one of our wholly owned subsidiaries entered into an Asset Purchase Agreement (the "Purchase Agreement") pursuant to which we will purchase the Martinez Terminal and Richmond Terminal (collectively, the "West Coast Facilities") from Plains Products Terminals LLC, a wholly owned subsidiary of Plains All American Pipeline, L.P., for a total purchase price of $275 million. The West Coast Facilities include two waterborne refined product and crude oil terminals with a total of 64 storage tanks with approximately 5.4 million barrels of storage capacity. The facilities have extensive connectivity to domestic and international refined product and crude oil markets through significant marine, pipeline, truck and rail capabilities. The facilities are supported by multi-year, fee-based agreements with contract terms of up to 5 years. The acquisition will be financed with the proceeds of a common unit offering and cash available from other sources. The closing of the acquisition is expected to occur on or about January 1, 2018, subject to customary closing conditions.

Our obligation to consummate the West Coast Facilities Acquisition is subject to certain conditions, including, among others, (i) the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (ii) the absence of any order or legal restraint prohibiting the consummation of the West Coast Acquisition, (iii) delivery of certificates and certain ancillary transaction agreements (as described further below), (iv) the absence of a material adverse effect (as defined in the Purchase Agreement) and (v) receipt of certain governmental authorizations and third party consents.

Eighth consecutive increase in quarterly distribution. On October 13, 2017, we announced a quarterly distribution of $0.755 per unit for the three months ended September 30, 2017. This $0.015 increase over the previous quarter reflects the eighth consecutive increase in our distribution and represents annual growth of 7.9% over the third quarter of last year. This distribution was paid on October 31, 2017 to unitholders of record on October 23, 2017.

Commercial activity. On September 12, 2017 we entered into a right of first Offer Agreement (the "Olympic ROFO Agreement") with Pike West Coast Holdings, LLC, or Pike, a subsidiary of ArcLight. Pike owns 100% of the outstanding membership interests of SeaPort Pipeline Holdings, LLC, or SPH. Previously, on September 1, 2017, SPH and ARCO Midcon LLC, an affiliate of BP Pipelines (North America) Inc., or BP, entered into an agreement whereby SPH purchased a 30% interest in Olympic Pipe Line Company LLC from BP. The Olympic Pipeline is a regulated interstate refined products pipeline system that spans approximately 400 miles across the states of Washington and Oregon. Pursuant to the Olympic ROFO Agreement, and in exchange for $100 and other good and valuable consideration, Pike granted us a right of first offer to acquire the SPH membership interests held by Pike. In the event that Pike intends to sell, assign, transfer or convey, by merger, consolidation or otherwise, all or any portion of the SPH membership interests to any third party, then Pike shall give written notice thereof to us. For a period of 30 days after delivery of such notice to us, we shall have the right, but not the obligation, to submit a written offer to purchase the subject SPH membership interests. In the event that Pike elects to accept our purchase offer, then Pike shall be bound to transfer to us, and we shall be bound to purchase from Pike, the subject SPH membership interests on the terms and conditions set forth in our offer notice, with such modifications as may be mutually agreed upon by us and Pike. In the event that either (i) an offer is made and Pike rejects such offer or (ii) no offer is made by us within the 30-day period, then for a 120-day period after the date on which Pike rejects our offer or the first date after the last day on which we were permitted to make an offer, as applicable, Pike may solicit an offer to purchase the subject SPH membership interests from one or more third parties as Pike may determine in its discretion, subject to the terms and conditions in the Olympic ROFO Agreement.

Our rights under the Olympic ROFO Agreement shall expire on September 3, 2021. In addition, Pike shall have the right, but not the obligation, to terminate the Olympic ROFO Agreement upon written notice to us at any time after we cease to be controlled by ArcLight.

On August 4, 2017 we entered into a right of first offer agreement with Pike. Pike owns 100% of the outstanding membership interests in SeaPort Midstream Holdings, LLC, or SMH, and SMH owns an equity interest in SeaPort Midstream Partners, LLC, or SMP. SMH previously signed definitive agreements with BP West Coast Products LLC as a result of which they agreed to form SMP, a joint venture between SMH and BP West Coast Products LLC across refined product logistics infrastructure assets in the US Pacific Northwest; including as of the date hereof, the acquisition of two refined product terminals in Seattle, Washington and Portland, Oregon. The transaction closed on November 1, 2017. TLP Management Services, LLC an ArcLight subsidiary, will operate the terminals under a multi-year operating agreement.

Pursuant to the right of first offer agreement and in exchange for $100 and other good and valuable consideration, Pike granted us a right of first offer to acquire the SMH membership interests held by Pike, subject to the closing of the joint venture transaction between SMH and BP West Coast Products LLC. In the event that Pike intends to sell, assign, transfer or convey, by merger, consolidation or otherwise, all or any portion of the SMH membership interests to any third party, then Pike shall give written notice thereof to us. For a period of 30 days after delivery of such notice to us, we shall have the right, but not the obligation, to submit a written offer to purchase the subject SMH membership interests. In the event that Pike elects to accept our purchase offer, then Pike shall be bound to transfer to us, and we shall be bound to purchase from Pike, the subject SMH membership interests on the terms and conditions set forth in our offer notice, with such modifications as may be mutually agreed upon by us and Pike. In the event that either (i) an offer is made and Pike rejects such offer or (ii) no offer is made by us within the 30-day period, then for a 120-day period after the date on which Pike rejects our offer or the first date after the last day on which we were permitted to make an offer, as applicable, Pike may solicit an offer to purchase the subject SMH membership interests from one or more third parties as Pike may determine in its discretion, subject to the terms and conditions in the right of first offer agreement.

The right of first offer agreement will automatically terminate without action by either party if the SMP joint venture transaction is terminated in accordance with its terms prior to closing. Our rights under the right of first offer agreement shall expire on the fourth anniversary of the closing of the SMP joint venture transaction. In addition, Pike shall have the right, but not the obligation, to terminate the right of first offer agreement upon written notice to us at any time after we cease to be controlled by ArcLight.

Expansion of the Collins bulk storage terminal. We previously entered into long-term terminaling services agreements with various customers for approximately 2.0 million barrels of new tank capacity at our Collins, Mississippi bulk storage terminal. The revenue associated with these agreements came on-line upon completion of the construction of the new tank capacity. We placed approximately 2.0 million barrels of new tank capacity into service in various stages beginning in the fourth quarter of 2016 through the second quarter of 2017. The anticipated aggregate cost of the approximately 2.0 million barrels of new tank capacity is approximately $75 million. Construction of the new tank capacity commenced in the first quarter of 2016, and through the end of the third quarter 2017, we have spent a total of approximately $62 million on the project. While the new tank capacity has been placed into service and is generating revenue, completion of certain items associated with the new tank capacity remains and will be completed between now and the end of the first quarter of 2018.

Our Collins/Purvis terminal complex is strategically located for the bulk storage market and is the only independent terminal capable of receiving from, delivering to, and transferring refined petroleum products between the Colonial and Plantation pipeline systems. Our facility has current active storage capacity of approximately 5.4 million barrels, and we previously obtained an air permit for an additional 5.0 million barrels of capacity for future construction at our Collins terminal. We are currently in active discussions with several prospective customers regarding this potential future capacity.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

A summary of the significant accounting policies that we have adopted and followed in the preparation of our consolidated financial statements is detailed in our consolidated financial statements for the year ended December 31, 2016, included in our Annual Report on Form 10-K, filed on March 14, 2017. Certain of these accounting policies require the use of estimates. The following estimates, in management’s opinion, are subjective in nature, require the exercise of judgment, and involve complex analyses: useful lives of our plant and equipment and accrued environmental obligations. These estimates are based on our knowledge and understanding of current conditions and actions we may take in the future. Changes in these estimates will occur as a result of the passage of time and the occurrence of future events. Subsequent changes in these estimates may have a significant impact on our financial condition and results of operations (see Note 1 of Notes to consolidated financial statements).

RESULTS OF OPERATIONS—THREE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016

The following discussion and analysis of the results of operations and financial condition should be read in conjunction with the accompanying unaudited consolidated financial statements.

ANALYSIS OF REVENUE

Total revenue. We derive revenue from our terminal and pipeline transportation operations by charging fees for providing integrated terminaling, transportation and related services. Our total revenue by category was as follows (in thousands):

Total Revenue by Category

	Three months ended September 30, 2017	Three months ended September 30, 2016
Terminaling services fees	$ 36,062	$ 31,292
Pipeline transportation fees	1,091	1,656
Management fees and reimbursed costs	2,378	2,340
Other	5,918	5,350
Revenue	$ 45,449	$ 40,638

See discussion below for a detailed analysis of terminaling services fees, pipeline transportation fees, management fees and reimbursed costs, and other revenue included in the table above.

We operate our business and report our results of operations in five principal business segments: (i) Gulf Coast terminals, (ii) Midwest terminals and pipeline system, (iii) Brownsville terminals, (iv) River terminals and (v) Southeast terminals. The aggregate revenue of each of our business segments was as follows (in thousands):

Total Revenue by Business Segment

	Three months ended September 30, 2017	Three months ended September 30, 2016
Gulf Coast terminals	$ 15,337	$ 14,798
Midwest terminals and pipeline system	2,315	2,840
Brownsville terminals	4,891	5,538
River terminals	2,705	2,812
Southeast terminals	20,201	14,650
Revenue	$ 45,449	$ 40,638

Total revenue by business segment is presented and further analyzed below by category of revenue.

Terminaling services fees. Pursuant to terminaling services agreements with our customers, which range from one month to approximately ten years in duration, we generate fees by distributing and storing products for our customers. Terminaling services fees include throughput fees based on the volume of product distributed from the facility, injection fees based on the volume of product injected with additive compounds and storage fees based on a rate per barrel of storage capacity per month. The terminaling services fees by business segments were as follows (in thousands):

Terminaling Services Fees by Business Segment

	Three months ended September 30, 2017	Three months ended September 30, 2016
Gulf Coast terminals	$ 12,190	$ 11,259
Midwest terminals and pipeline system	1,772	2,207
Brownsville terminals	1,923	1,948
River terminals	2,550	2,591
Southeast terminals	17,627	13,287
Terminaling services fees	$ 36,062	$ 31,292

The increase in terminaling services fees at our Southeast terminals includes an increase of approximately $4.1 million resulting from us entering into long-term agreements with third party customers for approximately 2.0 million barrels of new tank capacity at our Collins, Mississippi bulk storage terminal that was placed into service in various stages beginning in the fourth quarter of 2016 through the second quarter of 2017.

Included in terminaling services fees for the three months ended September 30, 2017 and 2016 are fees charged to affiliates of approximately $0.5 million and $0.1 million, respectively.

Our terminaling services agreements are structured as either throughput agreements or storage agreements. Most of our throughput agreements contain provisions that require our customers to throughput a minimum volume of product at our facilities over a stipulated period of time, which results in a minimum amount of revenue. Our storage agreements require our customers to make minimum payments based on the volume of storage capacity made available to the customer under the agreement, which results in a minimum amount of revenue. We refer to these minimum amounts of revenue recognized pursuant to our terminaling services agreements as being “firm commitments.” Revenue recognized in excess of firm commitments and revenue recognized based solely on the volume of product distributed or injected are referred to as “variable.” The “firm commitments” and “variable” revenue included in terminaling services fees were as follows (in thousands):

Firm Commitments and Variable Revenue

	Three months ended September 30, 2017	Three months ended September 30, 2016
Firm commitments	$ 33,857	$ 29,274
Variable	2,205	2,018
Terminaling services fees	$ 36,062	$ 31,292

The remaining terms on the terminaling services agreements that generated “firm commitments” for the three months ended September 30, 2017 are as follows (in thousands):

Less than 1 year remaining	$ 4,371
1 year or more, but less than 3 years remaining	6,292
3 years or more, but less than 5 years remaining	14,533
5 years or more remaining	8,661
Total firm commitments for the three months ended September 30, 2017	$ 33,857

Pipeline transportation fees. We earn pipeline transportation fees at our Diamondback and Ella-Brownsville pipelines based on the volume of product transported and the distance from the origin point to the delivery point. In Missouri and Arkansas we own and operate the Razorback pipeline and terminals in Mount Vernon, Missouri, at the origin of the pipeline and in Rogers, Arkansas, at the terminus of the pipeline. We refer to these terminals and the related pipeline as the Razorback system. We earn pipeline transportation fees at our Razorback pipeline based on an allocation of the aggregate fees charged under the capacity agreement with our customer who has contracted for 100% of our Razorback system. We own the Razorback and Diamondback pipelines, and we lease the Ella-Brownsville pipeline from a third party. The Federal Energy Regulatory Commission regulates the tariff on our pipelines. The pipeline transportation fees by business segments were as follows (in thousands):

Pipeline Transportation Fees by Business Segment

	Three months ended September 30,	
	2017	2016
Gulf Coast terminals	$ —	$ —
Midwest terminals and pipeline system	433	433
Brownsville terminals	658	1,223
River terminals	—	—
Southeast terminals	—	—
Pipeline transportation fees	$ 1,091	$ 1,656

Management fees and reimbursed costs. We manage and operate for a major oil company certain tank capacity at our Port Everglades (South) terminal and receive reimbursement of their proportionate share of operating and maintenance costs. We manage and operate for an affiliate of Mexico’s state-owned petroleum company a bi-directional products pipeline connected to our Brownsville, Texas terminal facility and receive a management fee and reimbursement of costs. We manage and operate the Frontera terminal facility located in Brownsville, Texas for a management fee based on our costs incurred. Frontera is an unconsolidated affiliate for which we have a 50% ownership interest. We manage and operate rail sites at certain Southeast terminals on behalf of a major oil company and receive reimbursement for operating and maintenance costs. The management fees and reimbursed costs by business segments were as follows (in thousands):

Management Fees and Reimbursed Costs by Business Segment

	Three months ended September 30,	
	2017	2016
Gulf Coast terminals	$ 261	$ 261
Midwest terminals and pipeline system	—	—
Brownsville terminals	1,934	1,835
River terminals	—	—
Southeast terminals	183	244
Management fees and reimbursed costs	$ 2,378	$ 2,340

Included in management fees and reimbursed costs for the three months ended September 30, 2017 and 2016 are fees charged to affiliates of approximately $1.3 million and $1.2 million, respectively.

Other revenue. We provide ancillary services including heating and mixing of stored products, product transfer, railcar handling, butane blending, wharfage and vapor recovery. Pursuant to terminaling services agreements with certain throughput customers, we are entitled to the volume of product gained resulting from differences in the measurement of product volumes received and distributed at our terminaling facilities. Consistent with recognized industry practices, measurement differentials occur as the result of the inherent variances in measurement devices and methodology. We recognize as revenue the net proceeds from the sale of the product gained. Other revenue is composed of the following (in thousands):

Principal Components of Other Revenue

	Three months ended September 30,	
	2017	2016
Product gains	$ 2,369	$ 1,586
Steam heating fees	719	583
Product transfer services	207	336
Butane blending fees	1,333	583
Railcar handling	77	69
Other	1,213	2,193
Other revenue	$ 5,918	$ 5,350

For the three months ended September 30, 2017 and 2016, we sold approximately 41,200 and 26,950 barrels, respectively, of product gained resulting from differences in the measurement of product volumes received and distributed at our terminaling facilities at average prices of approximately $73 and $59 per barrel, respectively. Pursuant to our terminaling services agreement related to the Southeast terminals, we agreed to rebate our customer 50% of the proceeds we receive annually in excess of $4.2 million from the sale of product gains at our Southeast terminals. For the three months ended September 30, 2017 and 2016, we have accrued a liability due to our customer of approximately $0.6 million and $nil, respectively, representing our rebate liability.

For the three months ended September 30, 2016 other, included in other revenue, includes an approximately $0.9 million one-time payment to us at our Gulf Coast terminals related to property damage caused by a customer.

Included in other revenue for the three months ended September 30, 2017 and 2016 are amounts charged to affiliates of approximately $0.1 million and $nil, respectively.

The other revenue by business segments were as follows (in thousands):

Other Revenue by Business Segment

	Three months ended September 30,	
	2017	2016
Gulf Coast terminals	$ 2,886	$ 3,278
Midwest terminals and pipeline system	110	200
Brownsville terminals	376	532
River terminals	155	221
Southeast terminals	2,391	1,119
Other revenue	$ 5,918	$ 5,350

ANALYSIS OF COSTS AND EXPENSES

The direct operating costs and expenses of our operations include the directly related wages and employee benefits, utilities, communications, repairs and maintenance, rent, property taxes, vehicle expenses, environmental compliance costs, materials and supplies. Consistent with historical trends across our terminaling and transportation facilities we anticipate an increase in repairs and maintenance expenses in the later months of the year as the weather becomes more conducive to these types of projects. The direct operating costs and expenses of our operations were as follows (in thousands):

Direct Operating Costs and Expenses

	Three months ended September 30,	
	2017	2016
Wages and employee benefits	$ 6,163	$ 6,197
Utilities and communication charges	2,059	1,870
Repairs and maintenance	3,409	3,005
Office, rentals and property taxes	2,531	2,375
Vehicles and fuel costs	201	218
Environmental compliance costs	855	1,712
Other	2,501	1,671
Direct operating costs and expenses	$ 17,719	$ 17,048

The direct operating costs and expenses of our business segments were as follows (in thousands):

Direct Operating Costs and Expenses by Business Segment

	Three months ended September 30,	
	2017	2016
Gulf Coast terminals	$ 5,805	$ 6,013
Midwest terminals and pipeline system	718	858
Brownsville terminals	2,746	2,573
River terminals	1,710	1,753
Southeast terminals	6,740	5,851
Direct operating costs and expenses	$ 17,719	$ 17,048

General and administrative expenses include an administrative fee paid to the owner of TransMontaigne GP under the omnibus agreement for indirect corporate overhead to cover costs of centralized corporate functions such as legal, accounting, treasury, insurance administration and claims processing, health, safety and environmental, information technology, human resources, credit, payroll, taxes, engineering and other corporate services. The administrative fee paid to the owner of TransMontaigne GP was approximately $3.4 million and $2.8 million for the three months ended September 30, 2017 and 2016, respectively. General and administrative expenses also include direct general and administrative expenses for third party accounting costs associated with annual and quarterly reports and tax return and Schedule K-1 preparation and distribution, legal fees and independent director fees. The direct general and administrative expenses were approximately $1.8 million and $0.8 million for the three months ended September 30, 2017 and 2016, respectively.

Insurance expenses include charges for insurance premiums to cover costs of insuring activities such as property, casualty, pollution, automobile, directors' and officers' liability, and other insurable risks. Prior to October 31, 2016, we paid the owner of TransMontaigne GP for insurance policies purchased on our behalf pursuant to the omnibus agreement to cover our facilities and operations. For the three months ended September 30, 2017 and 2016, the insurance expense paid to the owner of TransMontaigne GP was approximately $nil and $1.0 million, respectively. On October 31, 2016, we contracted directly with insurance carriers for the majority of our insurance requirements. For the three months ended September 30, 2017 and 2016, the expense associated with insurance contracted directly by us was approximately $1.0 million and $nil, respectively.

Equity-based compensation expense includes expense associated with our partnership reimbursing an affiliate of TransMontaigne GP for awards granted by them to the independent directors of our general partner and to certain key officers and employees who provide service to us that vest over future service periods. We have the intent and ability to settle our reimbursement for the bonus awards by issuing additional common units, and accordingly, we account for the bonus awards as an equity award. The expenses associated with these reimbursements were approximately $0.5 million and $0.3 million for the three months ended September 30, 2017 and 2016, respectively.

For the three months ended September 30, 2017 and 2016, depreciation and amortization expense was approximately $8.9 million and $8.2 million, respectively.

For the three months ended September 30, 2017 and 2016, interest expense was approximately $2.7 million and $1.5 million, respectively. The increase in interest expense is primarily attributable to unrealized gains in the fair value of our interest rate swap agreements in the prior year three months ended September 30, 2016.

ANALYSIS OF INVESTMENTS IN UNCONSOLIDATED AFFILIATES

Our investments in unconsolidated affiliates include a 42.5% Class A ownership interest in BOSTCO and a 50% ownership interest in Frontera. BOSTCO is a terminal facility located on the Houston Ship Channel that encompasses approximately 7.1 million barrels of distillate, residual and other black oil product storage. Class A and Class B ownership interests share in cash distributions on a 96.5% and 3.5% basis, respectively. Class B ownership interests do not have voting rights and are not required to make capital investments. Frontera is a terminal facility located in Brownsville, Texas that encompasses approximately 1.5 million barrels of light petroleum product storage, as well as related ancillary facilities.

Earnings from investments in unconsolidated affiliates were as follows (in thousands):

	Three months ended September 30,	
	2017	2016
BOSTCO	$ 923	$ 1,885
Frontera	961	1,075
Total earnings from investments in unconsolidated affiliates	$ 1,884	$ 2,960

Additional capital investments in unconsolidated affiliates were as follows (in thousands):

	Three months ended September 30,	
	2017	2016
BOSTCO	$ —	$ —
Frontera	—	—
Additional capital investments in unconsolidated affiliates	$ —	$ —

Cash distributions received from unconsolidated affiliates were as follows (in thousands):

	Three months ended September 30,	
	2017	2016
BOSTCO	$ 3,074	$ 3,546
Frontera	1,127	911
Cash distributions received from unconsolidated affiliates	$ 4,201	$ 4,457

RESULTS OF OPERATIONS—NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016

The following discussion and analysis of the results of operations and financial condition should be read in conjunction with the accompanying unaudited consolidated financial statements.

ANALYSIS OF REVENUE

Total revenue. We derive revenue from our terminal and pipeline transportation operations by charging fees for providing integrated terminaling, transportation and related services. Our total revenue by category was as follows (in thousands):

	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Terminaling services fees	$ 107,645	$ 93,478
Pipeline transportation fees	4,603	4,990
Management fees and reimbursed costs	6,830	6,560
Other	16,585	17,372
Revenue	$ 135,663	$ 122,400

See discussion below for a detailed analysis of terminaling services fees, pipeline transportation fees, management fees and reimbursed costs, and other revenue included in the table above.

We operate our business and report our results of operations in five principal business segments: (i) Gulf Coast terminals, (ii) Midwest terminals and pipeline system, (iii) Brownsville terminals, (iv) River terminals and (v) Southeast terminals. The aggregate revenue of each of our business segments was as follows (in thousands):

Total Revenue by Business Segment

	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Gulf Coast terminals	$ 47,423	$ 41,827
Midwest terminals and pipeline system	8,049	8,423
Brownsville terminals	16,047	19,776
River terminals	8,115	9,612
Southeast terminals	56,029	42,762
Revenue	$ 135,663	$ 122,400

Total revenue by business segment is presented and further analyzed below by category of revenue.

Terminaling services fees. Pursuant to terminaling services agreements with our customers, which range from one month to approximately ten years in duration, we generate fees by distributing and storing products for our customers. Terminaling services fees include throughput fees based on the volume of product distributed from the facility, injection fees based on the volume of product injected with additive compounds and storage fees based on a rate per barrel of storage capacity per month. The terminaling services fees by business segments were as follows (in thousands):

Terminaling Services Fees by Business Segment

	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Gulf Coast terminals	$ 38,321	$ 33,958
Midwest terminals and pipeline system	6,176	6,427
Brownsville terminals	6,003	6,176
River terminals	7,501	7,053
Southeast terminals	49,644	39,864
Terminaling services fees	$ 107,645	$ 93,478

The increase in terminaling services fees at our Gulf Coast terminals includes an increase of approximately $1.8 million resulting from us re-contracting our bunker fuel capacity at Port Manatee, vacant since May 31, 2014, to third party customers in June and July 2016.

The increase in terminaling services fees at our Southeast terminals includes an increase of approximately $9.3 million resulting from us entering into long-term agreements with third party customers for approximately 2.0 million barrels of new tank capacity at our Collins, Mississippi bulk storage terminal that was placed into service in various stages beginning in the fourth quarter of 2016 through the second quarter of 2017.

Included in terminaling services fees for the nine months ended September 30, 2017 and 2016 are fees charged to affiliates of approximately $1.1 million and $2.7 million, respectively.

Our terminaling services agreements are structured as either throughput agreements or storage agreements. Most of our throughput agreements contain provisions that require our customers to throughput a minimum volume of product at our facilities over a stipulated period of time, which results in a minimum amount of revenue. Our storage agreements require our customers to make minimum payments based on the volume of storage capacity made available to the customer under the agreement, which results in a minimum amount of revenue. We refer to these minimum amounts of revenue recognized pursuant to our terminaling services agreements as being “firm commitments.” Revenue recognized in excess of firm commitments and revenue recognized based solely on the volume of product distributed or injected are referred to as “variable.” The “firm commitments” and “variable” revenue included in terminaling services fees were as follows (in thousands):

Firm Commitments and Variable Revenue

	Nine months ended September 30,	
	2017	**2016**
Firm commitments	$ 99,590	$ 86,134
Variable	8,055	7,344
Terminaling services fees	$ 107,645	$ 93,478

The remaining terms on the terminaling services agreements that generated “firm commitments” for the nine months ended September 30, 2017 are as follows (in thousands):

Less than 1 year remaining	$ 14,058
1 year or more, but less than 3 years remaining	18,835
3 years or more, but less than 5 years remaining	40,169
5 years or more remaining	26,528
Total firm commitments for the nine months ended September 30, 2017	$ 99,590

Pipeline transportation fees. We earn pipeline transportation fees at our Diamondback and Ella-Brownsville pipelines based on the volume of product transported and the distance from the origin point to the delivery point. We earn pipeline transportation fees at our Razorback pipeline based on an allocation of the aggregate fees charged under the capacity agreement with our customer who has contracted for 100% of our Razorback system. We own the Razorback and Diamondback pipelines, and we lease the Ella-Brownsville pipeline from a third party. The Federal Energy Regulatory Commission regulates the tariff on our pipelines. The pipeline transportation fees by business segments were as follows (in thousands):

Pipeline Transportation Fees by Business Segment

	Nine months ended September 30,	
	2017	2016
Gulf Coast terminals	$ —	$ —
Midwest terminals and pipeline system	1,299	1,299
Brownsville terminals	3,304	3,691
River terminals	—	—
Southeast terminals	—	—
Pipeline transportation fees	$ 4,603	$ 4,990

Management fees and reimbursed costs. We manage and operate for a major oil company certain tank capacity at our Port Everglades (South) terminal and receive reimbursement of their proportionate share of operating and maintenance costs. We manage and operate for an affiliate of Mexico's state-owned petroleum company a bi-directional products pipeline connected to our Brownsville, Texas terminal facility and receive a management fee and reimbursement of costs. We manage and operate the Frontera terminal facility located in Brownsville, Texas for a management fee based on our costs incurred. Frontera is an unconsolidated affiliate for which we have a 50% ownership interest. We manage and operate rail sites at certain Southeast terminals on behalf of a major oil company and receive reimbursement for operating and maintenance costs. The management fees and reimbursed costs by business segments were as follows (in thousands):

Management Fees and Reimbursed Costs by Business Segment

	Nine months ended September 30,	
	2017	2016
Gulf Coast terminals	$ 807	$ 861
Midwest terminals and pipeline system	—	—
Brownsville terminals	5,472	5,455
River terminals	—	—
Southeast terminals	551	244
Management fees and reimbursed costs	$ 6,830	$ 6,560

Included in management fees and reimbursed costs for the nine months ended September 30, 2017 and 2016 are fees charged to affiliates of approximately $3.9 million and $3.8 million, respectively.

Other revenue. We provide ancillary services including heating and mixing of stored products, product transfer, railcar handling, butane blending, wharfage and vapor recovery. Pursuant to terminaling services agreements with certain throughput customers, we are entitled to the volume of product gained resulting from differences in the measurement of product volumes received and distributed at our terminaling facilities. Consistent with recognized industry practices, measurement differentials occur as the result of the inherent variances in measurement devices and methodology. We recognize as revenue the net proceeds from the sale of the product gained. Other revenue is composed of the following (in thousands):

Principal Components of Other Revenue

	Nine months ended September 30,	
	2017	2016
Product gains	$ 7,513	$ 4,173
Steam heating fees	2,385	2,030
Product transfer services	652	880
Butane blending fees	2,037	940
Railcar handling	218	229
Other	3,780	9,120
Other revenue	$ 16,585	$ 17,372

For the nine months ended September 30, 2017 and 2016, we sold approximately 120,340 and 77,650 barrels, respectively, of product gained resulting from differences in the measurement of product volumes received and distributed at our terminaling facilities at average prices of approximately $67 and $54 per barrel, respectively. Pursuant to our terminaling services agreement related to the Southeast terminals, we agreed to rebate our customer 50% of the proceeds we receive annually in excess of $4.2 million from the sale of product gains at our Southeast terminals. For the nine months ended September 30, 2017 and 2016, we have accrued a liability due to our customer of approximately $0.6 million and $nil, respectively, representing our rebate liability.

For the nine months ended September 30, 2016 other, included in other revenue, includes an approximately $1.9 million one-time payment to us at our Brownsville terminals related to the settlement of litigation with our LPG customer, an approximately $1.7 million one-time payment to us at our River terminals related to property damage caused by a customer and an approximately $0.9 million one-time payment to us at our Gulf Coast terminals related to property damage caused by a customer.

Included in other revenue for the nine months ended September 30, 2017 and 2016 are amounts charged to affiliates of approximately $0.2 million and $0.3 million, respectively.

The other revenue by business segments were as follows (in thousands):

Other Revenue by Business Segment

	Nine months ended September 30,	
	2017	2016
Gulf Coast terminals	$ 8,295	$ 7,008
Midwest terminals and pipeline system	574	697
Brownsville terminals	1,268	4,454
River terminals	614	2,559
Southeast terminals	5,834	2,654
Other revenue	$ 16,585	$ 17,372

ANALYSIS OF COSTS AND EXPENSES

The direct operating costs and expenses of our operations include the directly related wages and employee benefits, utilities, communications, repairs and maintenance, rent, property taxes, vehicle expenses, environmental compliance costs, materials and supplies. Consistent with historical trends across our terminaling and transportation facilities we anticipate an increase in repairs and maintenance expenses in the later months of the year as the weather becomes more conducive to these types of projects. The direct operating costs and expenses of our operations were as follows (in thousands):

Direct Operating Costs and Expenses

	Nine months ended September 30,	
	2017	2016
Wages and employee benefits	$ 18,433	$ 17,877
Utilities and communication charges	6,288	5,719
Repairs and maintenance	8,991	11,118
Office, rentals and property taxes	7,640	7,093
Vehicles and fuel costs	534	610
Environmental compliance costs	2,098	2,951
Other	6,230	5,289
Direct operating costs and expenses	$ 50,214	$ 50,657

The direct operating costs and expenses of our business segments were as follows (in thousands):

Direct Operating Costs and Expenses by Business Segment

	Nine months ended September 30,	
	2017	2016
Gulf Coast terminals	$ 16,785	$ 16,750
Midwest terminals and pipeline system	2,123	2,422
Brownsville terminals	8,200	8,742
River terminals	4,895	6,034
Southeast terminals	18,211	16,709
Direct operating costs and expenses	$ 50,214	$ 50,657

General and administrative expenses include an administrative fee paid to the owner of TransMontaigne GP under the omnibus agreement for indirect corporate overhead to cover costs of centralized corporate functions such as legal, accounting, treasury, insurance administration and claims processing, health, safety and environmental, information technology, human resources, credit, payroll, taxes, engineering and other corporate services. The administrative fee paid to the owner of TransMontaigne GP was approximately $9.4 million and $8.5 million for the nine months ended September 30, 2017 and 2016, respectively. General and administrative expenses also include direct general and administrative expenses for third party accounting costs associated with annual and quarterly reports and tax return and Schedule K-1 preparation and distribution, legal fees and independent director fees. The direct general and administrative expenses were approximately $3.9 million and $2.4 million for the nine months ended September 30, 2017 and 2016, respectively.

Insurance expenses include charges for insurance premiums to cover costs of insuring activities such as property, casualty, pollution, automobile, directors' and officers' liability, and other insurable risks. Prior to October 31, 2016, we paid the owner of TransMontaigne GP for insurance policies purchased on our behalf pursuant to the omnibus agreement to cover our facilities and operations. For the nine months ended September 30, 2017 and 2016, the insurance expense paid to the owner of TransMontaigne GP was approximately $nil and $2.8 million, respectively. On October 31, 2016, we contracted directly with insurance carriers for the majority of our insurance requirements. For the nine months ended September 30, 2017 and 2016, the expense associated with insurance contracted directly by us was approximately $3.0 million and $nil, respectively.

Equity-based compensation expense includes expense associated with our partnership reimbursing an affiliate of TransMontaigne GP for awards granted by them to the independent directors of our general partner and to certain key officers and employees who provide service to us that vest over future service periods. We have the intent and ability to settle our reimbursement for the bonus awards by issuing additional common units, and accordingly, we account for the bonus awards as an equity award. The expenses associated with these reimbursements were approximately $2.7 million for both the nine months ended September 30, 2017 and 2016.

For the nine months ended September 30, 2017 and 2016, depreciation and amortization expense was approximately $26.4 million and $24.2 million, respectively. The increase in depreciation and amortization expense is primarily attributable to the new tanks placed into service at the Collins, Mississippi bulk storage terminal.

For the nine months ended September 30, 2017 and 2016, interest expense was approximately $7.3 million and $6.6 million, respectively.

ANALYSIS OF INVESTMENTS IN UNCONSOLIDATED AFFILIATES

Our investments in unconsolidated affiliates include a 42.5% interest in BOSTCO and a 50% interest in Frontera. BOSTCO is a terminal facility located on the Houston Ship Channel that encompasses approximately 7.1 million barrels of distillate, residual and other black oil product storage. Frontera is a terminal facility located in Brownsville, Texas that encompasses approximately 1.5 million barrels of light petroleum product storage, as well as related ancillary facilities.

Earnings from investments in unconsolidated affiliates were as follows (in thousands):

	Nine months ended September 30,	
	2017	2016
BOSTCO	$ 3,904	$ 4,794
Frontera	2,660	2,146
Total earnings from investments in unconsolidated affiliates	$ 6,564	$ 6,940

Additional capital investments in unconsolidated affiliates were as follows (in thousands):

	Nine months ended September 30,	
	2017	2016
BOSTCO	$ 145	$ 2,125
Frontera	2,000	100
Additional capital investments in unconsolidated affiliates	$ 2,145	$ 2,225

Cash distributions received from unconsolidated affiliates were as follows (in thousands):

	Nine months ended September 30,	
	2017	2016
BOSTCO	$ 9,472	$ 10,487
Frontera	3,624	2,176
Cash distributions received from unconsolidated affiliates	$ 13,096	$ 12,663

LIQUIDITY AND CAPITAL RESOURCES

Our primary liquidity needs are to fund our working capital requirements, distributions to unitholders, approved investments, approved capital projects and approved future expansion, development and acquisition opportunities. We expect to initially fund any investments, capital projects and future expansion, development and acquisition opportunities with undistributed cash flows from operations and additional borrowings under our credit facility. After initially funding expenditures with borrowings under our credit facility, we may raise funds through additional equity offerings and debt financings. The proceeds of such equity offerings and debt financings may then be used to reduce our outstanding borrowings under our credit facility.

Net cash provided by (used in) operating activities, investing activities and financing activities were as follows (in thousands):

	Nine months ended September 30,	
	2017	2016
Net cash provided by operating activities	$ 83,789	$ 65,809
Net cash used in investing activities	$ (39,472)	$ (48,330)
Net cash used in financing activities	$ (40,057)	$ (17,719)

The increase in net cash provided by operating activities is primarily attributable to increased revenue related to placing 2.0 million barrels of new tank capacity at our Collins, Mississippi bulk storage terminal into service in various stages beginning in the fourth quarter of 2016 through the second quarter of 2017, recontracting of available storage capacity throughout the past year and the timing of working capital requirements.

The decrease in net cash used in investing activities includes a decrease of $12.0 million for the acquisition of the Port Everglades, Florida hydrant system in the prior period. Management and the board of directors of our general partner have approved additional investments and expansion capital projects at our terminals that currently are, or will be, under construction with estimated completion dates that extend through the first quarter of 2018. At September 30, 2017, the remaining expenditures to complete the approved projects are estimated to be approximately $15 million, which primarily relates to the remaining construction costs associated with the approximately 2.0 million barrels of new tank capacity at our Collins, Mississippi bulk storage terminal.

The increase in net cash used in financing activities includes a decrease of $12.1 million in net borrowings under our credit facility primarily related to the acquisition of the Port Everglades, Florida hydrant system in the prior period, an increase of $4.7 million in deferred financing costs related to upsizing and extending our credit facility in March 2017 and an increase of $4.4 million in distributions paid as a result of increasing our distribution 7.9% over the third quarter of last year.

Third amended and restated senior secured credit facility. On March 13, 2017, we entered into the third amended and restated senior secured credit facility, or the "credit facility", that provides for a maximum borrowing line of credit equal to $600 million. At our request, the maximum borrowing line of credit may be increased by an additional $250 million, subject to the approval of the administrative agent and the receipt of additional commitments from one or more lenders. The terms of the credit facility include covenants that restrict our ability to make cash distributions, acquisitions and investments, including investments in joint ventures. We may make distributions of cash to the extent of our "available cash" as defined in our partnership agreement. We may make acquisitions and investments that meet the definition of "permitted acquisitions"; "other investments" which may not exceed 5% of "consolidated net tangible assets"; and additional future "permitted JV investments" up to $175 million, which may include additional investments in BOSTCO. The principal balance of loans and any accrued and unpaid interest are due and payable in full on the maturity date in March 2022.

We may elect to have loans under the credit facility bear interest either (i) at a rate of LIBOR plus a margin ranging from 1.75% to 2.75% depending on the total leverage ratio then in effect, or (ii) at the base rate plus a margin ranging from 0.75% to 1.75% depending on the total leverage ratio then in effect. We also pay a commitment fee on the unused amount of commitments, ranging from 0.375% to 0.5% per annum, depending on the total leverage ratio then in effect. Our obligations under the credit facility are secured by a first priority security interest in favor of the lenders in the majority of our assets, including our investments in unconsolidated affiliates. At September 30, 2017, our outstanding borrowings under the credit facility were $302.0 million.

The credit facility also contains customary representations and warranties (including those relating to organization and authorization, compliance with laws, absence of defaults, material agreements and litigation) and customary events of default (including those relating to monetary defaults, covenant defaults, cross defaults and bankruptcy events). The primary financial covenants contained in the credit facility are (i) a total leverage ratio test (not to exceed 4.75 times), (ii) a senior secured leverage ratio test (not to exceed 3.75 times) in the event we issue senior unsecured notes, and (iii) a minimum interest coverage ratio test (not less than 3.0 times). These financial covenants are based on a non-GAAP, defined financial performance measure within the credit facility known as “Consolidated EBITDA.” The calculation of the “total leverage ratio” and “interest coverage ratio” contained in the credit facility is as follows (in thousands, except ratios):

	Three months ended				Twelve months ended
	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017	September 30, 2017
Financial performance debt covenant test:					
Consolidated EBITDA for the total leverage ratio, as stipulated in the credit facility	$ 25,488	$ 27,329	$ 28,819	$ 25,381	$ 107,017
Consolidated funded indebtedness					$ 302,000
Total leverage ratio					2.82 x
Consolidated EBITDA for the interest coverage ratio	$ 25,488	$ 27,329	$ 28,819	$ 25,381	$ 107,017
Consolidated interest expense, as stipulated in the credit facility (1)	$ 2,061	$ 2,410	$ 2,487	$ 2,591	$ 9,549
Interest coverage ratio					11.21 x
Reconciliation of consolidated EBITDA to cash flows provided by operating activities:					
Consolidated EBITDA	$ 25,488	$ 27,329	$ 28,819	$ 25,381	$ 107,017
Consolidated interest expense	(1,160)	(2,152)	(2,525)	(2,656)	(8,493)
Unrealized loss (gain) on derivative instruments	(901)	(258)	38	65	(1,056)
Amortization of deferred revenue	180	(51)	10	(170)	(31)
Settlement of tax withholdings on equity-based compensation	—	382	25	304	711
Change in operating assets and liabilities	(10,309)	5,113	(342)	4,477	(1,061)
Cash flows provided by operating activities	$ 13,298	$ 30,363	$ 26,025	$ 27,401	$ 97,087

(1) Consolidated interest expense, used in the calculation of the interest coverage ratio, excludes unrealized gains and losses recognized on our derivative instruments.

If we were to fail either financial performance covenant, or any other covenant contained in the credit facility, we would seek a waiver from our lenders under such facility. If we were unable to obtain a waiver from our lenders and the default remained uncured after any applicable grace period, we would be in breach of the credit facility, and the lenders would be entitled to declare all outstanding borrowings immediately due and payable. We were in compliance with all financial covenants as of and during the nine months ended September 30, 2017 and the year ended December 31, 2016.

Common unit offering program. On September 2, 2016, the Securities and Exchange Commission declared effective a new shelf registration statement, which replaced our prior shelf registration statement that previously expired. As with the prior shelf registration statement, the new shelf registration statement allows us to issue common units and debt securities. In connection with the shelf registration statement, we established a common unit offering program under which we may issue and sell common units from time to time, representing limited partner interests, up to an aggregate gross sales amount of $50 million. We intend to use the net proceeds from any equity sales pursuant to the common unit offering program, after deducting the agent’s commissions and the Partnership’s offering expenses, for general partnership purposes, which may include, among other things, repayment of indebtedness, capital expenditures, working capital or acquisitions. To date we have issued no common units or debt securities under the common unit offering program or the registration statement.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information contained in this Item 3 updates, and should be read in conjunction with, information set forth in Part II, Item 7A of our Annual Report on Form 10-K, filed on March 14, 2017, in addition to the interim unaudited consolidated financial statements, accompanying notes and Management's Discussion and Analysis of Financial Condition and Results of Operations presented in Part 1, Items 1 and 2 of this Quarterly Report on Form 10-Q. There are no material changes in the market risks faced by us from those reported in our Annual Report on Form 10-K for the year ended December 31, 2016.

Market risk is the risk of loss arising from adverse changes in market rates and prices. A principal market risk to which we are exposed is interest rate risk associated with borrowings under our credit facility. Borrowings under our credit facility bear interest at a variable rate based on LIBOR or the lender's base rate. We manage a portion of our interest rate risk with interest rate swaps, which reduce our exposure to changes in interest rates by converting variable interest rates to fixed interest rates. At September 30, 2017, we are party to interest rate swap agreements with an aggregate notional amount of $125.0 million that expire between March 25, 2018 and March 11, 2019. Pursuant to the terms of the interest rate swap agreements, we pay a blended fixed rate of approximately 1.01% and receive interest payments based on the one-month LIBOR. The net difference to be paid or received under the interest rate swap agreements is settled monthly and is recognized as an adjustment to interest expense. At September 30, 2017, we had outstanding borrowings of $302.0 million under our credit facility. Based on the outstanding balance of our variable-interest-rate debt at September 30, 2017, the terms of our interest rate swap agreements and assuming market interest rates increase or decrease by 100 basis points, the potential annual increase or decrease in interest expense is approximately $1.8 million.

We do not purchase or market products that we handle or transport and, therefore, we do not have material direct exposure to changes in commodity prices, except for the value of product gains arising from certain of our terminaling services agreements with our customers. We do not use derivative commodity instruments to manage the commodity risk associated with the product we may own at any given time. Generally, to the extent we are entitled to retain product pursuant to terminaling services agreements with our customers, we sell the product to our customers on a contractually established periodic basis; the sales price is based on industry indices. For the nine months ended September 30, 2017 and 2016, we sold approximately 120,340 and 77,650 barrels, respectively, of product gained resulting from differences in the measurement of product volumes received and distributed at our terminaling facilities at average prices of approximately $67 and $54 per barrel, respectively.

ITEM 4. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit to the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified by the Commission's rules and forms, and that information is accumulated and communicated to the management of our general partner, including our general partner's principal executive and principal financial officer (whom we refer to as the Certifying Officers), as appropriate to allow timely decisions regarding required disclosure. The management of our general partner evaluated, with the participation of the Certifying Officers, the effectiveness of our disclosure controls and procedures as of September 30, 2017, pursuant to Rule 13a-15(b) under the Exchange Act. Based upon that evaluation, the Certifying Officers concluded that, as of September 30, 2017, our disclosure controls and procedures were effective. There were no changes in our internal control over financial reporting that occurred during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

ITEM 1. LEGAL PROCEEDINGS

See Part I, Item 1 Note 16 to our consolidated financial statements entitled “Legal proceedings” which is incorporated into this item by reference.

ITEM 1A. RISK FACTORS

The following risk factors, discussed in more detail below and in “Item 1A. Risk Factors,” in our Annual Report on Form 10-K, filed on March 14, 2017, are expressly incorporated into this report by reference, are important factors that could cause actual results to differ materially from our expectations and may adversely affect our business and results of operations, include, but are not limited to:

- whether we are able to generate sufficient cash from operations to enable us to maintain or grow the amount of the quarterly distribution to our unitholders;
- Gulf TLP Holdings, LLC, a wholly-owned subsidiary of ArcLight, controls our general partner, which has sole responsibility for conducting our business and managing our operations. ArcLight and its affiliates have conflicts of interest and limited fiduciary duties, which may permit them to favor their own interests to our detriment;
- the expiration of our omnibus agreement occurs on the earlier of ArcLight ceasing to control our general partner or following at least 24 months prior written notice;
- upon the expiration or earlier termination of the omnibus agreement, we may incur additional costs to replicate the services currently provided thereunder, in which event our financial condition and results of operations could be materially adversely affected;
- affiliates of our general partner, including Gulf TLP Holdings, LLC and ArcLight, may compete with us and do not have any obligation to present business opportunities to us;
- failure by any of our significant customers to continue to engage us to provide services after the expiration of existing terminaling services agreements or our failure to secure comparable alternative arrangements;
- a reduction in revenue from any of our significant customers upon which we rely for a substantial majority of our revenue;
- a material portion of our operations are conducted through joint ventures, over which we do not maintain full control and which have unique risks;
- many of our terminal facilities are connected to, and rely on, pipelines owned and operated by third parties for the receipt and distribution of refined petroleum products, and such pipeline operators may compete with us, make changes to their transportation service offerings or their pipeline tariffs, or suffer outages or reduced product transportation;
- competition from other terminals and pipelines that may be able to supply our significant customers with terminaling services on a more competitive basis;
- the continued creditworthiness of, and performance by, our significant customers;
- we are exposed to the credit risks of our significant customers which could affect our creditworthiness. Any material nonpayment or nonperformance by such customers could also adversely affect our financial condition and results of operations;

- a lack of access to new capital would impair our ability to expand our operations;
- the lack of availability of acquisition opportunities, constraints on our ability to make acquisitions, failure to successfully integrate acquired facilities and future performance of acquired facilities, could limit our ability to grow our business successfully and could adversely affect the price of our common units;
- a decrease in demand for products due to high prices, alternative fuel sources, new technologies or adverse economic conditions;
- our debt levels and restrictions in our debt agreement that may limit our operational flexibility;
- the ability of our significant customers to secure financing arrangements adequate to purchase their desired volume of product;
- the impact on our facilities or operations of extreme weather conditions, such as hurricanes, and other events, such as terrorist attacks or war and costs associated with environmental compliance and remediation;
- the control of our general partner being transferred to a third party without our consent or unitholder consent;
- the failure of our existing and future insurance policies to fully cover all risks incident to our business;
- cyber-attacks or other breaches of our information security measures could disrupt our operations and result in increased costs;
- timing, cost and other economic uncertainties related to the construction of new tank capacity or facilities;
- the impact of current and future laws and governmental regulations, general economic, market or business conditions;
- we may have to refinance our existing debt in unfavorable market conditions;
- the age and condition of many of our pipeline and storage assets may result in increased maintenance and repair expenditures;
- fees paid to our general partner and its affiliates for services will continue to be substantial;
- our general partner’s limited call right may require unitholders to sell their common units at an undesirable time or price;
- our ability to issue additional units without your approval would dilute your existing ownership interest;
- the issuance and sale of substantial amounts of common units, including issuances and sales pursuant to the outstanding sales agreement, or announcement that such issuances and sales may occur, could adversely affect the market price of our common units;
- the possibility that our unitholders could be held liable under some circumstances for our obligations to the same extent as a general partner;
- our failure to avoid federal income taxation as a corporation or the imposition of state level taxation;
- our inability to make acquisitions and investments to increase our capital asset base may result in future declines in our tax depreciation;

- the impact of new IRS regulations or a challenge of our current allocation of income, gain, loss and deductions among our unitholders;
- unitholders will be required to pay taxes on their respective share of our taxable income regardless of the amount of cash distributions;
- investment in common partnership units by tax-exempt entities and non-United States persons raises tax issues unique to them;
- unitholders will likely be subject to state and local taxes and return filing requirements in states where they do not live as a result of investing in our units; and
- the sale or exchange of 50% or more of our capital and profits interests within a 12-month period would result in a deemed technical termination of the Partnership for income tax purposes.

There have been no material changes from risk factors as previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2016, filed on March 14, 2017.

ITEM 6. EXHIBITS

Exhibit number	Description of exhibits
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial information from the Quarterly Report on Form 10-Q of TransMontaigne Partners L.P. and subsidiaries for the quarter ended September 30, 2017, formatted in XBRL (eXtensible Business Reporting Language): (i) consolidated balance sheets, (ii) consolidated statements of operations, (iii) consolidated statements of partners' equity, (iv) consolidated statements of cash flows and (v) notes to consolidated financial statements.

EXHIBIT INDEX

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 8, 2017

TransMontaigne Partners L.P.
(Registrant)

TransMontaigne GP L.L.C., its General Partner

By: /s/ Frederick W. Boutin
Frederick W. Boutin
Chief Executive Officer

By: /s/ Robert T. Fuller
Robert T. Fuller
Chief Financial Officer

Exhibit 31.1

Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Frederick W. Boutin, Chief Executive Officer of TransMontaigne GP L.L.C., a Delaware limited liability company and general partner of TransMontaigne Partners L.P. (the "Company"), certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of TransMontaigne Partners L.P. for the fiscal quarter ended September 30, 2017;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2017

/s/ Frederick W. Boutin
Frederick W. Boutin
Chief Executive Officer

Exhibit 31.2

Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Robert T. Fuller, Chief Financial Officer of TransMontaigne GP L.L.C., a Delaware limited liability company and general partner of TransMontaigne Partners L.P. (the “Company”), certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of TransMontaigne Partners L.P. for the fiscal quarter ended September 30, 2017;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 8, 2017

/s/ Robert T. Fuller
Robert T. Fuller
Chief Financial Officer

Exhibit 32.1

Certification of Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002
(18 U.S.C. Section 1350)

The undersigned, the Chief Executive Officer of TransMontaigne GP L.L.C., a Delaware limited liability company and general partner of TransMontaigne Partners L.P. (the “Company”), hereby certifies that, to his knowledge on the date hereof:

(a) the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended September 30, 2017, filed on the date hereof with the Securities and Exchange Commission (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Frederick W. Boutin
Frederick W. Boutin
Chief Executive Officer
November 8, 2017

Exhibit 32.2

Certification of Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002
(18 U.S.C. Section 1350)

The undersigned, the Chief Financial Officer of TransMontaigne GP L.L.C., a Delaware limited liability company and general partner of TransMontaigne Partners L.P. (the “Company”), hereby certifies that, to his knowledge on the date hereof:

(a) the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended September 30, 2017, filed on the date hereof with the Securities and Exchange Commission (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert T. Fuller
Robert T. Fuller
Chief Financial Officer
November 8, 2017