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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended September 30, 2013

OR

o **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 o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No o

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

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

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

As of October 31, 2013, there were 16,124,566 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, 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;
- 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, 2013 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, 2012, 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 12, 2013 with the Securities and Exchange Commission (File No. 001-32505).

TransMontaigne Partners L.P. is a holding company with the following active wholly-owned operating subsidiaries as of September 30, 2013:

- 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.
- TPME L.L.C.

The above omits non-operating subsidiaries that, considered in the aggregate, do not constitute significant subsidiaries as of September 30, 2013. 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, 2013	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	$ 8,622	$ 6,745
Trade accounts receivable, net	6,630	5,035
Due from affiliates	1,760	3,035
Other current assets	4,107	4,579
Total current assets	21,119	19,394
Property, plant and equipment, net	411,757	427,701
Goodwill	8,485	8,736
Investments in unconsolidated affiliates	198,925	105,164
Other assets, net	6,475	8,806
	$ 646,761	$ 569,801
LIABILITIES AND EQUITY		
Current liabilities:		
Trade accounts payable	$ 5,409	$ 10,810
Accrued liabilities	15,395	15,606
Total current liabilities	20,804	26,416
Other liabilities	7,263	10,648
Long-term debt	207,000	184,000
Total liabilities	235,067	221,064
Partners' equity:		
Common unitholders (16,124,566 and 14,457,066 units issued and outstanding at September 30, 2013 and December 31, 2012, respectively)	353,669	292,648
General partner interest (2% interest with 329,073 and 295,042 equivalent units outstanding at September 30, 2013 and December 31, 2012, respectively)	58,025	56,564
Accumulated other comprehensive loss	—	(475)
Total partners' equity	411,694	348,737
	$ 646,761	$ 569,801

See accompanying notes to consolidated financial statements.

TransMontaigne Partners L.P. and subsidiaries

Consolidated statements of comprehensive income (unaudited)

(In thousands, except per unit amounts)

	Three months ended September 30, 2013	Three months ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012
Revenue:				
External customers	$ 12,645	$ 11,292	$ 39,216	$ 34,102
Affiliates	25,729	27,582	79,454	82,047
Total revenue	38,374	38,874	118,670	116,149
Operating costs and expenses and other:				
Direct operating costs and expenses	(17,843)	(16,170)	(51,865)	(46,323)
Direct general and administrative expenses, net	(1,201)	(1,204)	(2,952)	(3,607)
Allocated general and administrative expenses	(2,741)	(2,695)	(8,222)	(8,085)
Allocated insurance expense	(935)	(897)	(2,828)	(2,692)
Reimbursement of bonus awards	(313)	(313)	(938)	(938)
Depreciation and amortization	(7,392)	(7,112)	(22,191)	(20,982)
Loss on disposition of assets	(1,398)	—	(1,398)	—
Earnings from unconsolidated affiliates	234	217	270	652
Total operating costs and expenses and other	(31,589)	(28,174)	(90,124)	(81,975)
Operating income	6,785	10,700	28,546	34,174
Other income (expenses):				
Interest expense	(532)	(692)	(2,035)	(2,021)
Foreign currency transaction gain (loss)	(5)	32	(13)	58
Amortization of deferred financing costs	(244)	(187)	(732)	(562)
Total other expenses, net	(781)	(847)	(2,780)	(2,525)
Net earnings	6,004	9,853	25,766	31,649
Other comprehensive income—foreign currency translation adjustments	81	130	83	223
Comprehensive income	$ 6,085	$ 9,983	$ 25,849	$ 31,872
Net earnings	$ 6,004	$ 9,853	$ 25,766	$ 31,649
Less—earnings allocable to general partner interest including incentive distribution rights	(1,536)	(1,328)	(4,333)	(3,888)
Net earnings allocable to limited partners	$ 4,468	$ 8,525	$ 21,433	$ 27,761
Net earnings per limited partner unit—basic	$ 0.28	$ 0.59	$ 1.44	$ 1.92
Net earnings per limited partner unit—diluted	$ 0.28	$ 0.59	$ 1.44	$ 1.92
Weighted average limited partner units outstanding—basic	15,676	14,442	14,857	14,442
Weighted average limited partner units outstanding—diluted	15,679	14,447	14,860	14,447

See accompanying notes to consolidated financial statements.

TransMontaigne Partners L.P. and subsidiaries

Consolidated statements of partners' equity (unaudited)

Year ended December 31, 2012 and nine months ended September 30, 2013

(In thousands, except unit amounts)

	Common unitholders	General partner interest	Accumulated other comprehensive loss	Total
Balance December 31, 2011	**$ 296,052**	**$ 56,490**	**$ (666)**	**$ 351,876**
Distributions to unitholders	(36,763)	(5,083)	—	(41,846)
Deferred equity-based compensation related to restricted phantom units	398	—	—	398
Purchase of 12,716 common units by our long-term incentive plan and from affiliate	(454)	—	—	(454)
Issuance of 11,980 common units by our long-term incentive plan due to vesting of restricted phantom units	—	—	—	—
Net earnings for year ended December 31, 2012	33,415	5,157	—	38,572
Other comprehensive income	—	—	191	191
Balance December 31, 2012	**292,648**	**56,564**	**(475)**	**348,737**
Proceeds from offering of 1,667,500 common units, net of underwriters' discounts and offering expenses of $3,444	68,792	—	—	68,792
Contribution of cash by TransMontaigne GP to maintain its 2% general partner interest	—	1,474	—	1,474
Distributions to unitholders	(28,988)	(4,346)	—	(33,334)
Deferred equity-based compensation related to restricted phantom units	285	—	—	285
Purchase of 11,068 common units by our long-term incentive plan and from affiliate	(501)	—	—	(501)
Issuance of 10,608 common units by our long-term incentive plan due to vesting of restricted phantom units	—	—	—	—
Net earnings for nine months ended September 30, 2013	21,433	4,333	—	25,766
Other comprehensive income—foreign currency translation adjustments	—	—	83	83
Foreign currency translation adjustments reclassified into loss on disposition assets upon the sale of the Mexico operations	—	—	392	392
Balance September 30, 2013	**$ 353,669**	**$ 58,025**	**$ —**	**$ 411,694**

See accompanying notes to consolidated financial statements.

TransMontaigne Partners L.P. and subsidiaries

Consolidated statements of cash flows (unaudited)

(In thousands)

	Three months ended September 30, 2013	Three months ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012
Cash flows from operating activities:				
Net earnings	$ 6,004	$ 9,853	$ 25,766	$ 31,649
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization	7,392	7,112	22,191	20,982
Loss on disposition of assets	1,398	—	1,398	—
Earnings from unconsolidated affiliates	(234)	(217)	(270)	(652)
Distributions from unconsolidated affiliates	328	361	877	1,192
Deferred equity-based compensation	81	114	285	321
Amortization of deferred financing costs	244	187	732	562
Utility deposits returned	135	—	135	—
Amortization of deferred revenue	(793)	(1,173)	(2,978)	(3,451)
Amounts due under long-term terminaling services agreements, net	353	179	996	447
Changes in operating assets and liabilities:				
Trade accounts receivable, net	(812)	397	(1,824)	(597)
Due from affiliates	890	(726)	1,275	(84)
Other current assets	112	1,712	(157)	(79)
Trade accounts payable	596	695	(2,256)	(1,973)
Due to affiliates	(387)	—	(40)	—
Accrued liabilities	(1,571)	4,186	88	337
Net cash provided by operating activities	13,736	22,680	46,218	48,654
Cash flows from investing activities:				
Proceeds from sale of assets	2,109	—	2,109	18,000
Investments in unconsolidated affiliates	(23,412)	(500)	(94,368)	(500)
Capital expenditures—expansion of facilities	—	(4,987)	(5,291)	(12,853)
Capital expenditures—maintain existing facilities	(1,186)	(1,296)	(6,271)	(3,932)
Net cash provided by (used in) investing activities	(22,489)	(6,783)	(103,821)	715
Cash flows from financing activities:				
Proceeds from issuance of common units	69,190	—	69,190	—
Deferred issuance costs	—	—	(398)	—
Contribution of cash by TransMontaigne GP	1,474	—	1,474	—
Borrowings of debt under credit facility	26,500	10,000	146,000	44,500
Repayments of debt under credit facility	(73,500)	(14,500)	(123,000)	(62,500)
Distributions paid to unitholders	(12,133)	(10,604)	(33,334)	(31,246)
Purchase of common units by our long-term incentive plan and from affiliate	(335)	(276)	(501)	(391)
Net cash provided by (used in) financing activities	11,196	(15,380)	59,431	(49,637)
Increase (decrease) in cash and cash equivalents	2,443	517	1,828	(268)
Foreign currency translation effect on cash	3	56	49	68
Cash and cash equivalents at beginning of period	6,176	6,365	6,745	7,138
Cash and cash equivalents at end of period	$ 8,622	$ 6,938	$ 8,622	$ 6,938
Supplemental disclosures of cash flow information:				
Cash paid for interest	$ 579	$ 679	$ 1,933	$ 2,046
Property, plant and equipment acquired with accounts payable	$ 381	$ 1,240	$ 381	$ 1,240

See accompanying notes to consolidated financial statements.

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. ("Partners") was formed in February 2005 as a Delaware limited partnership initially to own and operate refined petroleum products terminaling and transportation facilities. 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 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 are controlled by our general partner, TransMontaigne GP L.L.C. ("TransMontaigne GP"), which is a wholly-owned subsidiary of TransMontaigne Inc. Morgan Stanley Capital Group Inc. ("Morgan Stanley Capital Group"), a wholly-owned subsidiary of Morgan Stanley, owns all of the issued and outstanding capital stock of TransMontaigne Inc., and, as a result, Morgan Stanley is the indirect owner of our general partner. Morgan Stanley Capital Group is the principal commodities trading arm of Morgan Stanley. At September 30, 2013, TransMontaigne Inc. and Morgan Stanley have a significant interest in our partnership through their indirect ownership of a 19.7% limited partner interest, a 2% general partner interest and the incentive distribution rights.

(b) Basis of presentation and use of estimates

Our accounting and financial reporting policies conform to accounting principles and practices generally accepted in the United States of America. The accompanying consolidated financial statements include the accounts of TransMontaigne Partners L.P., a Delaware limited partnership, 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, 2013, our results of operations for the three and nine months ended September 30, 2013 and 2012 and our cash flows for the three and nine months ended September 30, 2013 and 2012.

The preparation of financial statements in conformity with generally accepted accounting principles 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 involve complex analyses: useful lives of our plant and equipment, accrued environmental obligations and determining the fair value of our reporting units when analyzing goodwill. 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.

The accompanying consolidated financial statements include allocated general and administrative charges from TransMontaigne Inc. for indirect corporate overhead to cover costs of functions such as legal, accounting, treasury, engineering, environmental safety, information technology, and other corporate services (see Note 2 of Notes to consolidated financial statements). The allocated general and administrative expenses were approximately $2.7 million and $2.7 million for the three months

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ended September 30, 2013 and 2012, respectively. The allocated general and administrative expenses were approximately $8.2 million and $8.1 million for the nine months ended September 30, 2013 and 2012, respectively. The accompanying consolidated financial statements also include allocated insurance charges from TransMontaigne Inc. for insurance premiums to cover costs of insuring activities such as property, casualty, pollution, automobile, directors' and officers' liability, and other insurable risks. The allocated insurance charges were approximately $0.9 million and $0.9 million for the three months ended September 30, 2013 and 2012, respectively. The allocated insurance charges were approximately $2.8 million and $2.7 million for the nine months ended September 30, 2013 and 2012, respectively. The accompanying consolidated financial statements also include reimbursement of bonus awards paid to TransMontaigne Services Inc. (a wholly-owned subsidiary of TransMontaigne Inc.) towards bonus awards granted by TransMontaigne Services Inc. to certain key officers and employees who provide services to Partners that vest over future periods. The reimbursement of bonus awards was approximately $0.3 million and $0.3 million for the three months ended September 30, 2013 and 2012, respectively. The reimbursement of bonus awards was approximately $0.9 million and $0.9 million for the nine months ended September 30, 2013 and 2012, respectively.

(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 in our terminal and pipeline operations 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 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 revenue from the sale of product gains is 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, 2013 and 2012, we recognized revenue of approximately $3.3 million and $4.1 million, respectively, for net product gained. Within these amounts, approximately $2.9 million and $3.4 million, respectively, were pursuant to terminaling services agreements with affiliate customers. For the nine months ended September 30, 2013 and 2012, we recognized revenue of approximately $11.0 million and $12.5 million, respectively, for net product gained. Within these amounts, approximately $9.8 million and $10.5 million, 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.

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 our 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 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). 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).

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

TransMontaigne Inc. 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 terminal facilities prior to May 27, 2005, up to a maximum liability not to exceed $15.0 million for this indemnification obligation (see Note 2 of Notes to consolidated financial statements). TransMontaigne Inc. agreed to indemnify us against certain 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, up to a maximum liability not to exceed $15.0 million for this indemnification obligation (see Note 2 of Notes to consolidated financial statements). TransMontaigne Inc. agreed to indemnify us against certain 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, up to a maximum liability not to exceed $15.0 million for this indemnification obligation (see Note 2 of Notes to consolidated financial statements). TransMontaigne Inc. has agreed to indemnify us against certain potential environmental claims, losses and expenses that are 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, up to a maximum liability not to exceed $2.5 million for this indemnification obligation (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 plan

Generally accepted accounting principles require us to measure the cost of services received in exchange for an award of equity instruments based on the grant-date fair value of the award. That cost will be recognized over the period during which a board member or employee is required to provide service in exchange for the award. We are required to estimate the number of equity instruments that are expected to vest in measuring the total compensation cost to be recognized over the related service period. Compensation cost is recognized over the service period on a straight-line basis.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Foreign currency translation and transactions

The functional currency of Partners and its U.S.-based subsidiaries is the U.S. Dollar. The functional currency of our Mexico operations, which we sold effective August 8, 2013 (see Note 3 of Notes to consolidated financial statements), was the Mexican Peso. The assets and liabilities of our foreign subsidiaries were translated at period-end rates of exchange, and revenue and expenses were translated at average exchange rates prevailing for the period. The resulting translation adjustments, net of related income taxes, were recorded as a component of other comprehensive income in the consolidated statements of comprehensive income. Gains and losses from the re-measurement of foreign currency transactions (transactions denominated in a currency other than the entity's functional currency) were included in other income (expenses) in the consolidated statements of comprehensive income.

(k) Income taxes

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

Partners is a taxable entity under certain U.S. state jurisdictions, primarily Texas. Certain of our Mexican subsidiaries were corporations for Mexican tax purposes and, therefore, were subject to Mexican federal and provincial income taxes. Effective August 8, 2013, we sold our Mexico operations, including the Mexican corporations (see Note 3 of Notes to consolidated financial statements).

Partners accounts for U.S. state income taxes and Mexican federal and provincial income taxes under the asset and liability method pursuant to generally accepted accounting principles. Mexican federal and provincial income taxes and U.S. state income taxes are not material.

(l) Net earnings per limited partner unit

Generally accepted accounting principles address the computation of earnings per limited partnership unit for master limited partnerships that consist of publicly traded common units held by limited partners, a general partner interest, and incentive distribution rights that are accounted for as equity interests. Partners' incentive distribution rights are owned by our general partner. Distributions are declared from available cash (as defined by our partnership agreement) and the incentive distribution rights are not entitled to distributions other than from available cash. Any excess of distributions over earnings are allocated to the limited partners and general partner interest based on their respective sharing of losses specified in the partnership agreement, which is based on their ownership percentages of 98% and 2%, respectively. Incentive distribution rights do not share in losses under our partnership agreement. The earnings allocable to the general partner interest for the period represents distributions attributable to the period on behalf of the general partner interest and any incentive distribution rights less the excess of distributions over earnings allocated to the limited partners (see Note 16 of Notes to consolidated financial statements). Basic earnings per limited partner unit are computed by dividing net earnings allocable to limited partners by the weighted average number of limited partnership units outstanding during the period, excluding restricted phantom units. Diluted earnings per limited partner unit are computed by dividing net earnings allocable to limited partners by the weighted average number of limited partnership units outstanding during the period

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

and, when dilutive, restricted phantom units. Net earnings allocable to limited partners are net of the earnings allocable to the general partner interest including incentive distribution rights.

(2) TRANSACTIONS WITH AFFILIATES

Constraints on expansion. Morgan Stanley informed us in October 2011 that, for the foreseeable future, it does not expect to approve any "significant" acquisition or investment that we may propose. Morgan Stanley's decision is the result of the uncertain regulatory environment relating to Morgan Stanley's status as a financial holding company subject to the Bank Holding Company Act and consolidated supervision by the Board of Governors of the Federal Reserve System. Morgan Stanley indicated that it has not established a specific definition of what constitutes a "significant" investment and significance may be determined on either a quantitative or qualitative basis, depending on the facts and circumstances and relevant legal and regulatory considerations. Morgan Stanley has informed us they will review on a case by case basis each proposed transaction to determine its significance, whether an acquisition of, or investment in, assets or legal entities and that an acquisition of, or investment in, a noncontrolling interest or joint venture interest may be "significant" without respect to the size of the transaction. The practical effect of these limitations is to significantly constrain our ability to expand our asset base and operations through acquisitions from third parties. These constraints will reduce the potential for increasing our distributions to unitholders in the future. In addition, these constraints will limit additions to our capital assets primarily to additions and improvements that we construct or add to our existing facilities, although some acquisitions of assets from third parties may be possible to the extent approved by Morgan Stanley. For example, our December 2012 investment in Battleground Oil Specialty Terminal Company LLC, or "BOSTCO", was approved by Morgan Stanley based on the specific facts and circumstances of the BOSTCO project and the structure of our investment in BOSTCO, and is not indicative of whether Morgan Stanley will approve any other acquisition or investment that we may propose in the future (see Note 3 of Notes to consolidated financial statements).

Omnibus agreement. We have an omnibus agreement with TransMontaigne Inc. that will continue in effect until the earlier to occur of (i) TransMontaigne Inc. ceasing to control our general partner or (ii) the election of either us or TransMontaigne Inc., following at least 24 months' prior written notice to the other parties.

Under the omnibus agreement we pay TransMontaigne Inc. an administrative fee for the provision of various general and administrative services for our benefit. Effective January 1, 2013, the annual administrative fee payable to TransMontaigne Inc. will be approximately $11.0 million. If we acquire or construct additional facilities, TransMontaigne Inc. will propose a revised administrative fee covering the provision of services for such additional facilities. If the conflicts committee of our general partner agrees to the revised administrative fee, TransMontaigne Inc. will provide services for the additional facilities pursuant to the agreement. The administrative fee includes expenses incurred by TransMontaigne Inc. 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 and engineering and other corporate services, to the extent such services are not outsourced by TransMontaigne Inc.

The omnibus agreement further provides that we pay TransMontaigne Inc. an insurance reimbursement for premiums on insurance policies covering our facilities and operations. Effective

(2) TRANSACTIONS WITH AFFILIATES (Continued)

January 1, 2013, the annual insurance reimbursement payable to TransMontaigne Inc. will be approximately $3.8 million. We also reimburse TransMontaigne Inc. for direct operating costs and expenses that TransMontaigne Inc. incurs on our behalf, 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.

We also agreed to reimburse TransMontaigne Inc. and its affiliates for a portion of the incentive payment grants to key employees of TransMontaigne Inc. and its affiliates under the TransMontaigne Services Inc. savings and retention plan, provided the compensation committee of our general partner determines that an adequate portion of the incentive payment grants are allocated to an investment fund indexed to the performance of our common units. For the year ending December 31, 2013, we have agreed to reimburse TransMontaigne Inc. and its affiliates approximately $1.3 million.

The omnibus agreement also provides TransMontaigne Inc. a right of first refusal to purchase our assets, provided that TransMontaigne Inc. agrees to pay no less than 105% of the purchase price offered by the third party bidder. Before we enter into any contract to sell such terminal or pipeline facilities, we must give written notice of all material terms of such proposed sale to TransMontaigne Inc. TransMontaigne Inc. will then have the sole and exclusive option, for a period of 45 days following receipt of the notice, to purchase the subject facilities for no less than 105% of the purchase price on the terms specified in the notice. TransMontaigne Inc. also has a right of first refusal to contract for the use of any petroleum product storage capacity that (i) is put into commercial service after January 1, 2008, or (ii) was subject to a terminaling services agreement that expires or is terminated (excluding a contract renewable solely at the option of our customer), provided that TransMontaigne Inc. agrees to pay no less than 105% of the fees offered by the third party customer. In the event TransMontaigne Inc. or Morgan Stanley elects to terminate any existing terminaling services agreement (or storage capacity therein) or in the event an existing agreement expires and is not renewed, then the rights of first refusal with respect to the applicable storage capacity and associated assets thereunder terminates.

Environmental indemnification. In connection with our acquisition of the Florida and Midwest terminals, TransMontaigne Inc. 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 Inc.'s maximum liability for this indemnification obligation is $15.0 million. TransMontaigne Inc. has no obligation to indemnify us for losses until such aggregate losses exceed $250,000. TransMontaigne Inc. 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, TransMontaigne Inc. 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 Inc.'s maximum liability for this indemnification obligation is $15.0 million. TransMontaigne Inc. 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 Inc. 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.

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(2) TRANSACTIONS WITH AFFILIATES (Continued)

In connection with our acquisition of the Southeast terminals, TransMontaigne Inc. 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 Inc.'s maximum liability for this indemnification obligation is $15.0 million. TransMontaigne Inc. 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 Inc. 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, TransMontaigne Inc. has agreed to indemnify us against potential environmental claims, losses and expenses that are identified on or before March 1, 2016, and that are associated with the ownership or operation of the Pensacola terminal prior to March 1, 2011. Our environmental losses must first exceed $200,000 and TransMontaigne Inc.'s indemnification obligations are capped at $2.5 million. 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 Inc. 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.

Terminaling services agreement—Florida and Midwest terminals. We have a terminaling services agreement with Morgan Stanley Capital Group relating to our Florida, Mount Vernon, Missouri and Rogers, Arkansas terminals. We refer to our Mount Vernon, Missouri and Rogers, Arkansas terminals as the Razorback terminals.

The terminaling services agreement provisions covering the Florida light-oil terminaling capacity will continue in effect unless and until Morgan Stanley Capital Group provides us at least 18 months' prior notice of its intent to terminate the agreement in its entirety or terminate the agreement with respect to one or more Florida terminals. We have the right to terminate the terminaling services agreement effective at any time after July 31, 2023 by providing at least 18 months' prior notice to Morgan Stanley Capital Group.

Effective May 31, 2014, the Razorback terminals and the Florida tanks presently dedicated to bunker fuels will no longer be subject to the terminaling services agreement, and we will no longer receive the revenue related to those tanks under this terminaling services agreement.

Under the Florida and Midwest terminaling services agreement, Morgan Stanley Capital Group agreed to throughput a volume that, at the fee and tariff schedule contained in the agreement, resulted in minimum throughput payments to us of approximately $37.3 million for the contract year ended May 31, 2013 and will result in minimum throughput payments to us of approximately $37.6 million for the contract year ending May 31, 2014. Morgan Stanley Capital Group's 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, Morgan Stanley Capital Group's 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 to Morgan Stanley Capital Group, Morgan

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(2) TRANSACTIONS WITH AFFILIATES (Continued)

Stanley Capital Group 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.

Terminaling services agreement—Fisher Island terminal. We have a terminaling services agreement with TransMontaigne Inc. that will expire on December 31, 2013. Under this agreement, TransMontaigne Inc. agreed to throughput at our Fisher Island terminal in the Gulf Coast region a volume of fuel oils that will, at the fee schedule contained in the agreement, result in minimum revenue to us of approximately $1.8 million for the contract year ending December 31, 2013. In exchange for its minimum throughput commitment, we agreed to provide TransMontaigne Inc. with approximately 185,000 barrels of fuel oil capacity.

Terminaling services agreement—Cushing terminal. In July 2011, we entered into a terminaling services agreement with Morgan Stanley Capital Group relating to our Cushing, Oklahoma facility that will expire in July 2019, subject to a five-year automatic renewal unless terminated by either party upon 180 days' prior notice. In exchange for its minimum revenue commitment, we agreed to construct storage tanks and associated infrastructure to provide approximately 1.0 million barrels of crude oil capacity. These capital projects were completed and placed into service on August 1, 2012. Under this agreement, Morgan Stanley Capital Group agreed to throughput a volume of crude oil products at our terminal that will, at the fee schedule contained in the agreement, result in minimum throughput payments to us of approximately $4.3 million for each one-year period following the in-service date of August 1, 2012.

If a force majeure event occurs that renders us unable to perform our obligations with respect to an asset, Morgan Stanley Capital Group's obligations would be temporarily suspended with respect to that asset. If a force majeure event continues for 120 consecutive days or more and results in a diminution in the storage capacity we make available to Morgan Stanley Capital Group, Morgan Stanley Capital Group 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.

Terminaling services agreement—Brownsville LPG. We had a terminaling services agreement with TransMontaigne Inc. relating to our Brownsville, Texas facilities that terminated on December 31, 2012. The storage capacity under this agreement is now under contract with a third party beginning January 1, 2013. Under this agreement, TransMontaigne Inc. agreed to throughput at our Brownsville facilities certain minimum volumes of natural gas liquids that resulted in minimum revenue to us of approximately $1.3 million for the contract year ended December 31, 2012. In exchange for TransMontaigne Inc.'s minimum throughput commitment, we agreed to provide TransMontaigne Inc. approximately 33,000 barrels of storage capacity at our Brownsville facilities.

Operations and reimbursement agreement—Frontera. Effective as of April 1, 2011, we entered into the Frontera Brownsville LLC joint venture, or "Frontera", in which we have a 50% ownership interest. In conjunction with us entering into the joint venture, we agreed to 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

(2) TRANSACTIONS WITH AFFILIATES (Continued)

failure to adhere to good industry practice regarding health, safety or environmental matters. For the three months ended September 30, 2013 and 2012, we recognized approximately $1.0 million and $0.9 million, respectively, of revenue related to this operations and reimbursement agreement. For the nine months ended September 30, 2013 and 2012, we recognized approximately $2.8 million and $2.5 million, respectively, of revenue related to this operations and reimbursement agreement.

Terminaling services agreement—Southeast terminals. We have a terminaling services agreement with Morgan Stanley Capital Group relating to our Southeast terminals. The terminaling services agreement will continue in effect unless and until Morgan Stanley Capital Group provides us at least 24 months' prior notice of its intent to terminate the agreement. We have the right to terminate the terminaling services agreement effective at any time after July 31, 2023 by providing at least 24 months' prior notice to Morgan Stanley Capital Group.

Under this agreement, Morgan Stanley Capital Group agreed to throughput a volume of refined product at our Southeast terminals that will, at the fee schedule contained in the agreement, result in minimum throughput payments to us of approximately $36.1 million for the contract year ending December 31, 2013; with stipulated annual increases in throughput payments through July 31, 2015, and for each contract year thereafter the throughput payments will adjust based on increases in the United States Consumer Price Index. Morgan Stanley Capital Group's minimum annual throughput payment is reduced proportionately for any decrease in storage capacity due to out-of-service tank capacity. In exchange for its minimum throughput commitment, we agreed to provide Morgan Stanley Capital Group approximately 8.9 million barrels of light oil storage capacity at our Southeast terminals.

If a force majeure event occurs that renders us unable to perform our obligations with respect to an asset, Morgan Stanley Capital Group's 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 to Morgan Stanley Capital Group, Morgan Stanley Capital Group 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.

Terminaling services agreement—Collins/Purvis terminal. In January 2010, we entered into a terminaling services agreement with Morgan Stanley Capital Group relating to our Collins, Mississippi facility that will expire in July 2018, after which the terminaling services agreement will continue in effect unless and until Morgan Stanley Capital Group provides us at least 24 months' prior notice of its intent to terminate the agreement. In exchange for its minimum revenue commitment, we agreed to undertake certain capital projects to provide approximately 700,000 barrels of additional light oil capacity and other improvements at the Collins terminal. These capital projects were completed and placed into service in July 2011. Under this agreement, Morgan Stanley Capital Group has agreed to throughput a volume of light oil products at our terminal that will, at the fee schedule contained in the agreement, result in minimum throughput payments to us of approximately $4.1 million for the one-year period following the in-service date of July 2011 for the aforementioned capital projects, and for each contract year thereafter, subject to increases based on increases in the United States Consumer Price Index beginning July 1, 2018.

If a force majeure event occurs that renders us unable to perform our obligations with respect to an asset, Morgan Stanley Capital Group's 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

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(2) TRANSACTIONS WITH AFFILIATES (Continued)

diminution in the storage capacity we make available to Morgan Stanley Capital Group, Morgan Stanley Capital Group 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.

Barge dock services agreement—Baton Rouge dock. Effective May 2013, we entered into a barge dock services agreement with Morgan Stanley Capital Group relating to our Baton Rouge, LA dock facility that will expire in May 2023, subject to a five-year automatic renewal unless terminated by either party upon 180 days' prior notice. Under this agreement, Morgan Stanley Capital Group agreed to throughput a volume of refined product at our Baton Rouge dock facility that will, at the fee schedule contained in the agreement, result in minimum throughput payments to us of approximately $1.2 million for the first three years ending May 12, 2016 and approximately $0.9 million for the remaining seven years ending May 12, 2023. In exchange for its minimum throughput commitment, we agreed to provide Morgan Stanley Capital Group with exclusive access to our dock facility.

If a force majeure event occurs that renders us unable to perform our obligations, Morgan Stanley Capital Group's obligations would be temporarily suspended. If a force majeure event continues for 120 consecutive days, Morgan Stanley Capital Group may terminate its obligations under this agreement.

(3) TERMINAL ACQUISITIONS AND DISPOSITIONS

Investment in BOSTCO project. On December 20, 2012, we acquired a 42.5% interest in BOSTCO, for approximately $79 million, from Kinder Morgan Energy Partners, L.P. ("Kinder Morgan"). BOSTCO is a new black oil terminal facility on the Houston Ship Channel designed to handle residual fuel, feedstocks, distillates and other black oils. The initial phase of the BOSTCO project involves construction of 50 storage tanks with approximately 6.1 million barrels of storage capacity at an estimated cost of approximately $431 million. The BOSTCO facility began initial commercial operation in the fourth quarter of 2013. Completion of the full 6.1 million barrels of storage capacity and related infrastructure is scheduled for early 2014.

On June 5, 2013, we announced an expansion of BOSTCO that is estimated to cost approximately $54 million. The expansion is supported by a long-term leased storage and handling services contract with Morgan Stanley Capital Group and includes six, 150,000-barrel, ultra-low sulphur diesel tanks, additional pipeline and deepwater vessel dock access and high-speed loading at a rate of 30,000 barrels per hour. Work on the approximately 900,000-barrel expansion started in the second quarter of 2013, with commercial operations expected to begin in the fourth quarter of 2014. With the addition of this expansion project, BOSTCO will have fully subscribed capacity of approximately 7.0 million barrels at an estimated overall construction cost of approximately $485 million. Assuming we maintain our 42.5% interest in BOSTCO, we expect our total payments for the initial and the expansion projects to be approximately $215 million, which we plan to fund utilizing borrowings under our credit facility.

Our investment in BOSTCO entitles us to appoint a member to the Board of Managers of BOSTCO to vote our proportionate ownership share on general governance matters and to certain rights of approval over significant changes in, or expansion of, BOSTCO's business. Kinder Morgan will be responsible for managing BOSTCO's day-to-day operations. Our 42.5% interest does not allow us to control BOSTCO, but does allow us to exercise significant influence over its operations. Accordingly, as of December 20, 2012 we account for our investment in BOSTCO under the equity method of accounting.

(3) TERMINAL ACQUISITIONS AND DISPOSITIONS (Continued)

We originally initiated the BOSTCO project by acquiring approximately 190 acres of undeveloped land on the Houston Ship Channel in November 2010. During 2010 and 2011, we undertook the design, permitting and initial development of BOSTCO. On October 18, 2011, as part of our original plan to involve one or more strategic partners, we sold 50% of our interest in the BOSTCO project to Kinder Morgan for approximately $10.8 million.

On December 29, 2011, as a result of Morgan Stanley's October 2011 determination that we cannot continue to pursue any "significant" acquisition or investment, we sold our remaining 50% interest in BOSTCO to Kinder Morgan for $18 million plus a transferrable option to buy up to 50% of Kinder Morgan's interest in the project at any time prior to January 20, 2013. The $18 million was received by us January 3, 2012.

Our December 20, 2012 reentry into the BOSTCO project was approved by Morgan Stanley based on the specific facts and circumstances of the BOSTCO project and the structure of our investment in BOSTCO, and is not indicative of whether Morgan Stanley will approve any other acquisition or investment that we may propose in the future.

Disposition of Mexico operations. Effective August 8, 2013, we sold our Mexico operations to an unaffiliated third party for cash proceeds of approximately $2.1 million, net of $0.2 million in bank accounts sold related to the Mexico operations. The Mexico operations consisted of a 7,000 barrel liquefied petroleum gas storage terminal in Matamoros, Mexico and a seven mile pipeline system connecting the Matamoros terminal to our Diamondback pipeline system at the U.S. border, which connects to our Brownville, Texas terminals. The net carrying amount of the Mexico operations was approximately $3.5 million, which was in excess of the net cash proceeds, resulting in an approximate $1.4 million loss on disposition of assets. The accompanying consolidated financial statements exclude the assets, liabilities and results of the Mexico operations subsequent to August 8, 2013.

(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 and the United States government. 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, 2013	December 31, 2012
Trade accounts receivable	$ 6,830	$ 5,235
Less allowance for doubtful accounts	(200)	(200)
	$ 6,630	$ 5,035

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(4) CONCENTRATION OF CREDIT RISK AND TRADE ACCOUNTS RECEIVABLE (Continued)

The following customer 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,	
	2013	2012	2013	2012
Morgan Stanley Capital Group	63%	64%	63%	64%

(5) OTHER CURRENT ASSETS

Other current assets are as follows (in thousands):

	September 30, 2013	December 31, 2012
Amounts due from insurance companies	$ 2,076	$ 2,631
Additive detergent	1,939	1,603
Deposits and other assets	92	345
	$ 4,107	$ 4,579

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, 2013 and December 31, 2012, we have recognized amounts due from insurance companies of approximately $2.1 million and $2.6 million, respectively, representing our best estimate of our probable insurance recoveries. During the three and nine months ended September 30, 2013, we received reimbursements from insurance companies of approximately $0.1 million and $0.5 million, respectively.

(6) PROPERTY, PLANT AND EQUIPMENT, NET

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

	September 30, 2013	December 31, 2012
Land	$ 52,519	$ 52,652
Terminals, pipelines and equipment	560,396	552,232
Furniture, fixtures and equipment	1,746	1,716
Construction in progress	1,911	4,652
	616,572	611,252
Less accumulated depreciation	(204,815)	(183,551)
	$ 411,757	$ 427,701

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(7) GOODWILL

Goodwill is as follows (in thousands):

	September 30, 2013	December 31, 2012
Brownsville terminals	$ 8,485	$ 8,736

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, 2013 and December 31, 2012, our only reporting unit that contained goodwill was our Brownsville terminals. Our estimate of the fair value of our Brownsville terminals at December 31, 2012 exceeded its carrying amount. Accordingly, we did not recognize any goodwill impairment charges during the year ended December 31, 2012 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.

Effective August 8, 2013, we sold our Mexico operations (see Note 3 of Notes to consolidated financial statements). These operations constituted a business that was part of our Brownsville reporting unit. As a result of the sale, approximately $0.3 million of goodwill was disposed. The carrying amount of goodwill disposed was based on the relative fair values of the assets sold and the portion of the Brownsville assets retained independent of the Mexico operations. The fair value of the assets sold was determined based on the cash payment received by us from the buyer. The fair value of the Brownsville assets, independent of the Mexico operations, was estimated using a discounted cash flow model, similar to the model we use to evaluate the recovery of goodwill on at least an annual basis.

(8) INVESTMENTS IN UNCONSOLIDATED AFFILIATES

At September 30, 2013 and December 31, 2012, our investments in unconsolidated affiliates include a 42.5% interest in BOSTCO and a 50% interest in Frontera. BOSTCO is a terminal facility construction project for approximately 7.0 million barrels of storage capacity at an estimated cost of approximately $485 million. BOSTCO is located on the Houston Ship Channel and began commercial operations in the fourth quarter of 2013 (see Note 3 of Notes to consolidated financial statements). Frontera is a terminal facility located in Brownsville, Texas that encompasses approximately 1.4 million barrels of light petroleum product storage capacity, as well as related ancillary facilities.

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(8) INVESTMENTS IN UNCONSOLIDATED AFFILIATES (Continued)

The following table summarizes our investments in unconsolidated affiliates:

	Percentage of ownership		Carrying value (in thousands)	
	September 30, 2013	December 31, 2012	September 30, 2013	December 31, 2012
BOSTCO	42.5%	42.5%	$ 173,146	$ 78,930
Frontera	50%	50%	25,779	26,234
Investments in unconsolidated affiliates			$ 198,925	$ 105,164

At September 30, 2013 and December 31, 2012, our investment in BOSTCO includes approximately $5.5 million and $2.9 million, respectively, of excess investment related to a one time buy-in fee paid to Kinder Morgan to acquire our 42.5% interest and capitalization of interest on our investment during the construction of BOSTCO. 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,	
	2013	2012	2013	2012
BOSTCO	$ —	$ —	$ —	$ —
Frontera	234	217	270	652
Earnings from unconsolidated affiliates	$ 234	$ 217	$ 270	$ 652

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

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
BOSTCO	$ 23,412	$ —	$ 94,216	$ —
Frontera	—	500	152	500
Additional capital investments in unconsolidated affiliates	$ 23,412	$ 500	$ 94,368	$ 500

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

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
BOSTCO	$ —	$ —	$ —	$ —
Frontera	328	361	877	1,192
Cash distributions from unconsolidated affiliates	$ 328	$ 361	$ 877	$ 1,192

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(8) INVESTMENTS IN UNCONSOLIDATED AFFILIATES (Continued)

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

Balance sheets:

	BOSTCO		Frontera	
	September 30, 2013	December 31, 2012	September 30, 2013	December 31, 2012
Current assets	$ 49,335	$ —	$ 4,433	$ 4,209
Long-term assets	388,309	234,520	48,495	50,013
Current liabilities	(43,120)	(55,541)	(1,370)	(1,754)
Long-term liabilities	—	—	—	—
Net assets	$ 394,524	$ 178,979	$ 51,558	$ 52,468

Statements of comprehensive income:

	BOSTCO Three months ended September 30,		Frontera Three months ended September 30,	
	2013	2012	2013	2012
Operating revenue	$ —	$ —	$ 3,231	$ 3,014
Operating expenses	—	—	(2,763)	(2,580)
Net earnings and comprehensive income	$ —	$ —	$ 468	$ 434

	BOSTCO Nine months ended September 30,		Frontera Nine months ended September 30,	
	2013	2012	2013	2012
Operating revenue	$ —	$ —	$ 8,946	$ 8,785
Operating expenses	—	—	(8,406)	(7,481)
Net earnings and comprehensive income	$ —	$ —	$ 540	$ 1,304

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(9) OTHER ASSETS, NET

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

	September 30, 2013	December 31, 2012
Amounts due under long-term terminaling services agreements:		
External customers	$ 606	$ 652
Morgan Stanley Capital Group	2,438	3,648
	3,044	4,300
Deferred financing costs, net of accumulated amortization of $2,059 and $1,328, respectively	2,357	3,088
Customer relationships, net of accumulated amortization of $1,434 and $1,283, respectively	996	1,147
Deposits and other assets	78	271
	$ 6,475	$ 8,806

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 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 term of the respective agreements. At September 30, 2013 and December 31, 2012, we have recognized revenue in excess of the minimum payments that are due through those respective dates under the long-term terminaling services agreements resulting in an asset of approximately $3.0 million and $4.3 million, respectively.

Deferred financing costs. Deferred financing costs are amortized using the effective interest method over the term of the related credit facility (see Note 12 of Notes to consolidated financial statements).

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, 2013	December 31, 2012
Customer advances and deposits:		
External customers	$ 447	$ 1,205
Morgan Stanley Capital Group	3,731	3,470
	4,178	4,675
Accrued property taxes	3,409	658
Accrued environmental obligations	2,242	3,116
Interest payable	155	39
Rebate due to Morgan Stanley Capital Group	2,712	3,402
Accrued expenses and other	2,699	3,716
	$ 15,395	$ 15,606

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(10) ACCRUED LIABILITIES (Continued)

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 September 30, 2013 and December 31, 2012, we have billed and collected from certain of our customers approximately $4.2 million and $4.7 million, respectively, in advance of the terminaling services being provided.

Accrued environmental obligations. At September 30, 2013 and December 31, 2012, we have accrued environmental obligations of approximately $2.2 million and $3.1 million, respectively, representing our best estimate of our remediation obligations. During the three and nine months ended September 30, 2013, we made payments of approximately $0.2 million and $0.9 million, respectively, towards our environmental remediation obligations.

Rebate due to Morgan Stanley Capital Group. Pursuant to our terminaling services agreement related to the Southeast terminals, we agreed to rebate to Morgan Stanley Capital Group 50% of the proceeds we receive annually in excess of $4.2 million from the sale of product gains at our Southeast terminals. At September 30, 2013 and December 31, 2012, we have accrued a liability due to Morgan Stanley Capital Group of approximately $2.7 million and $3.4 million, respectively. During the three months ended March 31, 2013, we paid Morgan Stanley Capital Group approximately $3.4 million for the rebate due to Morgan Stanley Capital Group for the year ended December 31, 2012.

(11) OTHER LIABILITIES

Other liabilities are as follows (in thousands):

	September 30, 2013	December 31, 2012
Advance payments received under long-term terminaling services agreements	$ 807	$ 1,067
Deferred revenue—ethanol blending fees and other projects	6,456	9,581
	$ 7,263	$ 10,648

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, 2013 and December 31, 2012, we have received advance minimum payments in excess of revenue recognized under these long-term terminaling services agreements resulting in a liability of approximately $0.8 million and $1.1 million, respectively.

Deferred revenue—ethanol blending fees and other projects. Pursuant to agreements with Morgan Stanley Capital Group and others, 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, Morgan Stanley Capital Group and others 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 September 30, 2013 and December 31, 2012, we have unamortized deferred revenue of approximately $6.5 million and $9.6 million, respectively, for completed projects. During the three

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(11) OTHER LIABILITIES (Continued)

months ended September 30, 2013 and 2012, we recognized revenue on a straight-line basis of approximately $0.8 million and $1.2 million, respectively, for completed projects. During the nine months ended September 30, 2013 and 2012, we recognized revenue on a straight-line basis of approximately $3.0 million and $3.5 million, respectively, for completed projects.

(12) LONG-TERM DEBT

On March 9, 2011, we entered into an amended and restated senior secured credit facility, or "credit facility", which has been subsequently amended from time to time. The credit facility replaced in its entirety the senior secured credit facility that was in place as of December 31, 2010. The credit facility provides for a maximum borrowing line of credit equal to the lesser of (i) $350 million and (ii) 4.75 times Consolidated EBITDA (as defined: $326.2 million at September 30, 2013). We may elect to have loans under the credit facility bear interest either (i) at a rate of LIBOR plus a margin ranging from 2% to 3% depending on the total leverage ratio then in effect, or (ii) at the base rate plus a margin ranging from 1% to 2% 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.

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 "permitted JV investments". Permitted JV investments include up to $225 million of investments in BOSTCO, the "Specified BOSTCO Investment". In addition to the Specified BOSTCO Investment, under the terms of the credit facility, we may make an additional $75 million of other permitted JV investments (including 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, March 9, 2016.

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).

If we were to fail any 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 of the financial covenants under the credit facility as of September 30, 2013.

For the three months ended September 30, 2013 and 2012, the weighted average interest rate on borrowings under the credit facility was approximately 2.7% and 2.2%, respectively. For the nine months ended September 30, 2013 and 2012, the weighted average interest rate on borrowings under

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(12) LONG-TERM DEBT (Continued)

the credit facility was approximately 2.5% and 2.3%, respectively. At September 30, 2013 and December 31, 2012, our outstanding borrowings under the credit facility were $207 million and $184 million, respectively. At September 30, 2013 and December 31, 2012, our outstanding letters of credit were approximately $nil at both dates.

We have an effective universal shelf-registration statement and prospectus on Form S-3 with the Securities and Exchange Commission that expires in June 2016. TLP Finance Corp., a 100% owned subsidiary of Partners, may act as a co-issuer of any debt securities issued pursuant to that registration statement. Partners and TLP Finance Corp. have no independent assets or operations. Our operations are conducted by subsidiaries of Partners through Partners' 100% owned operating company subsidiary, TransMontaigne Operating Company L.P. Each of TransMontaigne Operating Company L.P. and Partners' other 100% owned subsidiaries (other than TLP Finance Corp., whose sole purpose is to act as co-issuer of any debt securities, and subsidiaries that are minor) 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 Partners or any guarantor to obtain funds from its subsidiaries by dividend or loan. None of the assets of Partners or a guarantor represent restricted net assets pursuant to the guidelines established by the Securities and Exchange Commission.

(13) PARTNERS' EQUITY

The number of units outstanding is as follows:

	Common units	General partner units
Units outstanding at December 31, 2012	14,457,066	295,042
Public offering of common units	1,667,500	—
TransMontaigne GP to maintain its 2% general partner interest	—	34,031
Units outstanding at September 30, 2013	16,124,566	329,073

At September 30, 2013 and December 31, 2012, common units outstanding include 18,095 and 17,635 common units, respectively, held on behalf of TransMontaigne Services Inc.'s long-term incentive plan.

On July 24, 2013, we issued, pursuant to an underwritten public offering, 1,450,000 common units representing limited partner interests at a public offering price of $43.32 per common unit. On July 30, 2013, the underwriters of our secondary offering exercised in full their over-allotment option to purchase an additional 217,500 common units representing limited partnership interests at a price of $43.32 per common unit. The net proceeds from the offering were approximately $68.8 million, after deducting underwriting discounts, commissions, and offering expenses. Additionally, TransMontaigne GP L.L.C., our general partner, made a cash contribution of approximately $1.5 million to us to maintain its 2% general partner interest.

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(14) LONG-TERM INCENTIVE PLAN

TransMontaigne GP is our general partner and manages our operations and activities. TransMontaigne GP is an indirect wholly owned subsidiary of TransMontaigne Inc. TransMontaigne Services Inc. is an indirect wholly owned subsidiary of TransMontaigne Inc. TransMontaigne Services Inc. employs the personnel who provide support to TransMontaigne Inc.'s operations, as well as our operations. TransMontaigne Services Inc. adopted a long-term incentive plan for its employees and consultants and the independent directors of our general partner. The long-term incentive plan currently permits the grant of awards covering an aggregate of 2,105,886 units, which amount will automatically increase on an annual basis by 2% of the total outstanding common and subordinated units, if any, at the end of the preceding fiscal year. At September 30, 2013, 1,871,966 units are available for future grant under the long-term incentive plan. Ownership in the awards is subject to forfeiture until the vesting date, but recipients have distribution and voting rights from the date of grant. Pursuant to the terms of the long-term incentive plan, all restricted phantom units and restricted common units vest upon a change in control of TransMontaigne Inc. The long-term incentive plan is administered by the compensation committee of the board of directors of our general partner. TransMontaigne GP purchases outstanding common units on the open market for purposes of making grants of restricted phantom units to independent directors of our general partner.

TransMontaigne GP, on behalf of the long-term incentive plan, has purchased 5,727 and 5,100 common units pursuant to the program during the nine months ended September 30, 2013 and 2012, respectively. In addition to the foregoing purchases, upon the vesting of 10,000 restricted phantom units on August 10, 2013 and 2012, we purchased 5,341 and 5,891 common units, respectively, from TransMontaigne Services Inc. for the purpose of delivering these units to Charles L. Dunlap, the Chief Executive Officer ("CEO") of our general partner. These units were a component of 40,000 restricted phantom units granted to Mr. Dunlap on August 10, 2009 under the long-term incentive plan that vested ratably over a four year vesting period. The amount of the units purchased for delivery to Mr. Dunlap varied based upon the method used to fund the related withholding taxes.

(14) LONG-TERM INCENTIVE PLAN (Continued)

Information about restricted phantom unit activity for the year ended December 31, 2012 and the nine months ended September 30, 2013 is as follows:

	Available for future grant	Restricted phantom units	NYSE closing price
Units outstanding at December 31, 2011	1,293,772	37,000	
Automatic increase in units available for future grant on January 1, 2012	289,141	—	
Grant on March 31, 2012	(8,000)	8,000	$ 34.76
Vesting on March 31, 2012	—	(6,500)	$ 34.76
Units withheld for taxes on March 31, 2012	411	—	
Units forfeited on July 18, 2012	4,500	(4,500)	
Vesting on August 10, 2012	—	(10,000)	$ 36.48
Units withheld for taxes on August 10, 2012	4,109	—	
Units outstanding at December 31, 2012	1,583,933	24,000	
Automatic increase in units available for future grant on January 1, 2013	289,141	—	
Grant on March 31, 2013	(6,000)	6,000	$ 50.74
Vesting on March 31, 2013	—	(5,500)	$ 50.74
Units withheld for taxes on March 31, 2013	233	—	
Vesting on August 10, 2013	—	(10,000)	$ 41.38
Units withheld for taxes on August 10, 2013	4,659	—	
Units outstanding at September 30, 2013	1,871,966	14,500	

On March 31, 2013 and 2012, TransMontaigne Services Inc. granted 6,000 and 8,000 restricted phantom units, respectively, to the independent directors of our general partner. Over their respective four-year vesting periods, we will recognize deferred equity-based compensation of approximately $0.3 million and $0.3 million, associated with the March 2013 and March 2012 grants, respectively.

Deferred equity-based compensation of approximately $81,000 and $114,000 is included in direct general and administrative expenses for the three months ended September 30, 2013 and 2012, respectively. Deferred equity-based compensation of approximately $285,000 and $321,000 is included in direct general and administrative expenses for the nine months ended September 30, 2013 and 2012, respectively.

On July 18, 2012, Mr. Henry M. Kuchta forfeited the vesting of 4,500 restricted phantom units as a result of his resignation as a member of the board of directors of our general partner.

(15) COMMITMENTS AND CONTINGENCIES

Contract commitments. At September 30, 2013, we have contractual commitments of approximately $9.2 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 during the remainder of the year ending December 31, 2013.

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(15) COMMITMENTS AND CONTINGENCIES (Continued)

Operating leases. We lease property and equipment under non- cancelable operating leases that extend through August 2030. At September 30, 2013, future minimum lease payments under these non-cancelable operating leases are as follows (in thousands):

Years ending December 31:	Property and equipment
2013 (remainder of the year)	$ 752
2014	3,713
2015	3,841
2016	3,953
2017	2,983
Thereafter	4,479
	$ 19,721

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 $1.8 million in future periods.

Rental expense under operating leases was approximately $0.9 million and $0.4 million for the three months ended September 30, 2013 and 2012, respectively. Rental expense under operating leases was approximately $2.6 million and $1.0 million for the nine months ended September 30, 2013 and 2012, respectively.

(16) NET EARNINGS PER LIMITED PARTNER UNIT

The following table reconciles net earnings to net earnings allocable to limited partners (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
Net earnings	$ 6,004	$ 9,853	$ 25,766	$ 31,649
Less:				
Distributions payable on behalf of incentive distribution rights	(1,445)	(1,154)	(3,895)	(3,320)
Distributions payable on behalf of general partner interest	(214)	(189)	(595)	(564)
Earnings allocable to the general partner interest less than (in excess of) distributions payable to the general partner interest	123	15	157	(4)
Earnings allocable to general partner interest including incentive distribution rights	(1,536)	(1,328)	(4,333)	(3,888)
Net earnings allocable to limited partners	$ 4,468	$ 8,525	$ 21,433	$ 27,761

Earnings allocated to the general partner interest include amounts attributable to the incentive distribution rights. 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 net earnings allocated to the general partner interest in

(16) NET EARNINGS PER LIMITED PARTNER UNIT (Continued)

the consolidated statements of partners' equity reflect the earnings allocation included in the table above.

The following table sets forth the distribution declared per common unit attributable to the periods indicated:

	Distribution
January 1, 2012 through March 31, 2012	$ 0.63
April 1, 2012 through June 30, 2012	$ 0.64
July 1, 2012 through September 30, 2012	$ 0.64
October 1, 2012 through December 31, 2012	$ 0.64
January 1, 2013 through March 31, 2013	$ 0.64
April 1, 2013 through June 30, 2013	$ 0.65
July 1, 2013 through September 30, 2013	$ 0.65

The following table reconciles the computation of basic and diluted weighted average units (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
Basic weighted average units	15,676	14,442	14,857	14,442
Dilutive effect of restricted phantom units	3	5	3	5
Diluted weighted average units	15,679	14,447	14,860	14,447

For the three and nine months ended September 30, 2013, we included the dilutive effect of approximately 4,500, 3,000 and 1,000 restricted phantom units granted March 31, 2012, March 31, 2011 and March 31, 2010, respectively, in the computation of diluted earnings per limited partner unit because the average closing market price of our common units exceeded the related remaining deferred compensation per unvested restricted phantom units. For the three and nine months ended September 30, 2012, we included the dilutive effect of approximately 2,000, 10,000 and 1,500 restricted phantom units granted March 31, 2010, August 10, 2009 and March 31, 2009, respectively, in the computation of diluted earnings per limited partner unit because the average closing market price of our common units exceeded the related remaining deferred compensation per unvested restricted phantom units.

We exclude potentially dilutive securities from our computation of diluted earnings per limited partner unit when their effect would be anti-dilutive. For the three and nine months ended September 30, 2013, we excluded the dilutive effect of approximately 6,000 restricted phantom units granted March 31, 2013 in the computation of diluted earnings per limited partner unit because the related remaining deferred compensation per unvested restricted phantom units exceeded the average closing market price of our common units for the period. For the three and nine months ended September 30, 2012, we excluded the dilutive effect of approximately 6,000 and 4,500 restricted phantom units granted March 31, 2012 and March 31, 2011, respectively, in the computation of diluted earnings per limited partner unit because the related remaining deferred compensation per unvested restricted phantom units exceeded the average closing market price of our common units for the period.

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(17) DISCLOSURES ABOUT FAIR VALUE

Generally accepted accounting principles defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Generally accepted accounting principles 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, 2013 and December 31, 2012.

Cash and 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.

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.

We also used fair value measurements to determine the amount of goodwill attributable to the sale of our Mexico operations, which we sold effective August 8, 2013. These operations constituted a business that was part of our Brownsville reporting unit. As a result of the sale, approximately $0.3 million of goodwill was disposed. The carrying amount of goodwill disposed was based on the relative fair values of the assets sold and the portion of the Brownsville assets retained independent of the Mexico operations. The Level 1 input associated with the fair value of the assets sold was determined based on the cash payment received by us from the buyer. The fair value of the Brownsville assets, independent of the Mexico operations, was estimated using a discounted cash flow model, similar to the model we use to evaluate the recovery of goodwill on at least an annual basis. Significant Level 3 assumptions associated with the calculation of the discounted cash flows include our future estimates of revenue, operating costs, and capital maintenance expenditures at our Brownsville reporting unit and an appropriate market participant weighted average cost of capital to discount the future estimated cash flows to their present value.

(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 CEO. Our general partner's CEO 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.

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(18) BUSINESS SEGMENTS (Continued)

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

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
Gulf Coast Terminals:				
Terminaling services fees, net	$ 11,515	$ 11,959	$ 35,018	$ 35,871
Other	1,973	2,302	6,802	7,822
Revenue	13,488	14,261	41,820	43,693
Direct operating costs and expenses	(5,180)	(5,407)	(15,642)	(15,452)
Net margins	8,308	8,854	26,178	28,241
Midwest Terminals and Pipeline System:				
Terminaling services fees, net	1,992	1,605	5,927	3,415
Pipeline transportation fees	365	463	1,082	1,451
Other	691	947	1,871	2,671
Revenue	3,048	3,015	8,880	7,537
Direct operating costs and expenses	(841)	(551)	(2,305)	(1,328)
Net margins	2,207	2,464	6,575	6,209
Brownsville Terminals:				
Terminaling services fees, net	1,631	1,576	5,390	4,481
Pipeline transportation fees	1,712	805	5,173	2,543
Other	2,950	2,201	7,803	6,224
Revenue	6,293	4,582	18,366	13,248
Direct operating costs and expenses	(4,303)	(3,232)	(11,712)	(8,006)
Net margins	1,990	1,350	6,654	5,242
River Terminals:				
Terminaling services fees, net	2,188	3,292	7,604	9,913
Other	112	173	599	751
Revenue	2,300	3,465	8,203	10,664
Direct operating costs and expenses	(2,121)	(2,113)	(5,931)	(6,764)
Net margins	179	1,352	2,272	3,900
Southeast Terminals:				
Terminaling services fees, net	11,356	11,735	34,792	35,097
Other	1,889	1,816	6,609	5,910
Revenue	13,245	13,551	41,401	41,007
Direct operating costs and expenses	(5,398)	(4,867)	(16,275)	(14,773)
Net margins	7,847	8,684	25,126	26,234
Total net margins	20,531	22,704	66,805	69,826
Direct general and administrative expenses, net	(1,201)	(1,204)	(2,952)	(3,607)
Allocated general and administrative expenses	(2,741)	(2,695)	(8,222)	(8,085)
Allocated insurance expense	(935)	(897)	(2,828)	(2,692)
Reimbursement of bonus awards	(313)	(313)	(938)	(938)
Depreciation and amortization	(7,392)	(7,112)	(22,191)	(20,982)
Loss on disposition of assets	(1,398)	—	(1,398)	—
Earnings from unconsolidated affiliates	234	217	270	652
Operating income	6,785	10,700	28,546	34,174
Other expenses, net	(781)	(847)	(2,780)	(2,525)
Net earnings	$ 6,004	$ 9,853	$ 25,766	$ 31,649

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(18) BUSINESS SEGMENTS (Continued)

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

	Three months ended September 30, 2013					
	Gulf Coast Terminals	Midwest Terminals and Pipeline System	Brownsville Terminals	River Terminals	Southeast Terminals	Total
Revenue:						
External customers	$ 3,872	$ 472	$ 5,341	$ 2,023	$ 937	$ 12,645
Morgan Stanley Capital Group	9,166	2,576	—	277	12,259	24,278
Frontera	—	—	952	—	—	952
TransMontaigne Inc.	450	—	—	—	49	499
Total revenue	$ 13,488	$ 3,048	$ 6,293	$ 2,300	$ 13,245	$ 38,374
Capital expenditures	$ 40	$ 50	$ 274	$ 223	$ 599	$ 1,186
Identifiable assets as of September 30, 2013	$ 129,844	$ 25,648	$ 47,136	$ 57,032	$ 176,845	$ 436,505
Cash and cash equivalents						8,622
Investments in unconsolidated affiliates						198,925
Deferred financing costs						2,357
Other						352
Total assets						$ 646,761

	Three months ended September 30, 2012					
	Gulf Coast Terminals	Midwest Terminals and Pipeline System	Brownsville Terminals	River Terminals	Southeast Terminals	Total
Revenue:						
External customers	$ 3,758	$ 645	$ 2,530	$ 3,461	$ 898	$ 11,292
Morgan Stanley Capital Group	10,035	2,370	—	4	12,641	25,050
Frontera	—	—	930	—	—	930
TransMontaigne Inc.	468	—	1,122	—	12	1,602
Total revenue	$ 14,261	$ 3,015	$ 4,582	$ 3,465	$ 13,551	$ 38,874
Capital expenditures	$ 172	$ 4,629	$ 343	$ 558	$ 581	$ 6,283

TransMontaigne Partners L.P. and subsidiaries

Notes to consolidated financial statements (unaudited) (Continued)

(18) BUSINESS SEGMENTS (Continued)

	Nine months ended September 30, 2013					
	Gulf Coast Terminals	Midwest Terminals and Pipeline System	Brownsville Terminal	River Terminals	Southeast Terminals	Total
Revenue:						
External customers	$ 11,689	$ 1,406	$ 15,561	$ 7,723	$ 2,837	$ 39,216
Morgan Stanley Capital Group	28,769	7,474	—	456	38,455	75,154
Frontera	—	—	2,805	—	—	2,805
TransMontaigne Inc.	1,362	—	—	24	109	1,495
Total revenue	$ 41,820	$ 8,880	$ 18,366	$ 8,203	$ 41,401	$ 118,670
Capital expenditures	$ 1,495	$ 1,446	$ 1,172	$ 1,175	$ 6,274	$ 11,562

	Nine months ended September 30, 2012					
	Gulf Coast Terminals	Midwest Terminals and Pipeline System	Brownsville Terminal	River Terminals	Southeast Terminals	Total
Revenue:						
External customers	$ 11,519	$ 2,121	$ 7,303	$ 10,646	$ 2,513	$ 34,102
Morgan Stanley Capital Group	30,771	5,416	—	18	38,456	74,661
Frontera	—	—	2,484	—	—	2,484
TransMontaigne Inc.	1,403	—	3,461	—	38	4,902
Total revenue	$ 43,693	$ 7,537	$ 13,248	$ 10,664	$ 41,007	$ 116,149
Capital expenditures	$ 743	$ 11,172	$ 945	$ 2,445	$ 1,480	$ 16,785

(19) SUBSEQUENT EVENTS

On October 14, 2013, we announced a distribution of $0.65 per unit for the period from July 1, 2013 through September 30, 2013, payable on November 7, 2013 to unitholders of record on October 31, 2013.

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

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, 2012, included in our Annual Report on Form 10-K, filed on March 12, 2013 (see Note 1 of Notes to consolidated financial statements). 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, accrued environmental obligations and determining the fair value of our reporting units when analyzing goodwill. 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.

DEVELOPMENTS DURING THE THREE MONTHS ENDED SEPTEMBER 30, 2013

On July 15, 2013, we announced a distribution of $0.65 per unit for the period from April 1, 2013 through June 30, 2013, payable on August 8, 2013 to unitholders of record on July 31, 2013.

On July 16, 2013, we entered into amendments to our terminaling services agreements with Morgan Stanley Capital Group covering our Southeast terminals and Florida and Midwest terminals. The termination date of the terminaling services agreement covering our Southeast terminals was extended from December 31, 2014, and will now continue in effect unless and until Morgan Stanley Capital Group provides us at least 24 months' prior notice of its intent to terminate the agreement. The Southeast terminaling services agreement was renewed at the same throughput rates and minimum throughput commitment as the existing agreement.

The terminaling services agreement covering our Florida and Midwest terminals was amended to extend the original termination date from May 31, 2014, and will now continue in effect unless and until Morgan Stanley Capital Group provides us at least 18 months' prior notice of its intent to terminate the agreement in its entirety or terminate the agreement with respect to one or more Florida terminals, subject to certain early termination rights granted to us. The portion of our existing agreement relating to the Florida tanks presently dedicated to bunker fuels and our Mount Vernon, Missouri and Rogers, Arkansas terminals, which we refer to as our Razorback terminals, will not be renewed and will terminate on May 31, 2014. For the year ended December 31, 2012, the revenues attributable to the Florida bunker fuels tanks as well as the Razorback terminals were approximately 14% of our total revenue. We are currently in discussions with various third parties to re-contract this capacity, however, at this time we are unsure what the outcome of these negotiations will be. See "Item 1A. Risk Factors," in our Annual Report on Form 10 K, filed with the SEC on March 12, 2013, which sets forth important factors that could adversely affect our business and results of operations. The Florida light oil terminaling capacity was renewed at the same throughput rates and minimum throughput commitment as our existing agreement. In addition, Morgan Stanley Capital Group and TransMontaigne Inc. agreed to surrender their rights of first refusal under the Florida and Midwest terminaling services agreement with respect to any storage capacity under the agreement that terminates or is not renewed following the effective date of the amendment.

On July 16, 2013, we entered into an amendment to our omnibus agreement with TransMontaigne Inc., our general partner and our subsidiaries, TransMontaigne Operating GP L.L.C. and TransMontaigne Operating Company L.P. The amendment extended the termination date of the omnibus agreement from December 31, 2014 to the earlier to occur of (i) TransMontaigne Inc. ceasing to control our general partner or (ii) at the election of either us or TransMontaigne Inc., following at least 24 months' prior written notice to the other parties. The amendment did not change the fee structure and reimbursement provisions payable by us under the omnibus agreement. Under the amendment, TransMontaigne Inc. agreed to waive its existing right of first refusal on Partners' assets and terminaling capacity such that in the event TransMontaigne Inc. or Morgan Stanley Capital Group elects to terminate any existing terminaling services agreement (or storage capacity therein) or in the event an existing agreement expires and is not renewed, then the right of first refusal with respect to the applicable storage capacity thereunder terminates.

On July 24, 2013, we issued, pursuant to an underwritten public offering, 1,450,000 common units representing limited partner interests at a public offering price of $43.32 per common unit. On July 30, 2013, the underwriters of our secondary offering exercised in full their over-allotment option to purchase an additional 217,500 common units representing limited partnership interests at a price of $43.32 per common unit. The net proceeds from the offering were approximately $68.8 million, after deducting underwriting discounts, commissions, and offering expenses. Additionally, TransMontaigne GP L.L.C., our general partner, made a cash contribution of approximately $1.5 million to us to maintain its 2% general partner interest. The net proceeds from the offering and cash contribution were used to repay outstanding borrowings under our credit facility.

Effective August 8, 2013, we sold our Mexico operations to an unaffiliated third party for cash proceeds of approximately $2.1 million, net of $0.2 million in bank accounts sold related to the Mexico operations. The Mexico operations consisted of a 7,000 barrel liquefied petroleum gas storage terminal in Matamoros, Mexico and a seven mile pipeline system connecting the Matamoros terminal to our Diamondback pipeline system at the U.S. border, which connects to our Brownville, Texas terminals. The net carrying amount of the Mexico operations was approximately $3.5 million, which was in excess of the net cash proceeds, resulting in an approximate $1.4 million loss on disposition of assets. We anticipate that the sale will allow the third party buyer to increase its operations in Northern Mexico, which will then enhance the volume throughputed at our Brownsville terminals and transported over our U.S. Diamondback pipeline system.

We have recently received communication from TransMontaigne Inc. that it will not renew its terminaling services agreement at our Fisher Island terminal that expires December 31, 2013. This agreement committed approximately 185,000 barrels of fuel oil capacity and resulted in minimum annual revenue to us of approximately $1.8 million. We are currently in the process of identifying other parties to re-contract this capacity, however, at this time we are unsure if we will be successful in re-contracting this capacity.

Effective September 17, 2013, we entered into a new five year terminaling services agreement with a third party customer for all 760,000 barrels of product storage capacity at our Tampa, Florida terminal. The agreement provides the third party customer the option to extend for two additional five year renewal terms. The agreement replaced Morgan Stanley Capital Group as the customer at our Tampa terminal, is anticipated to generate a similar amount of annual revenue, and diversifies our customer base in the Florida region.

RECENT DEVELOPMENTS

On October 7, 2013, we announced the commencement of commercial operations of BOSTCO. During October, approximately 20 of the 50 initial phase storage tanks were placed into service, and the remaining tanks are expected to come online during the next six months. A two-berth ship dock and 12 barge berths were also placed into service. Work on the 900,000 barrel ultra-low sulphur diesel expansion started in the second quarter of 2013, with commercial operations expected to begin in the fourth quarter of 2014. We expect to receive our first distribution from BOSTCO during the first quarter of 2014, and we expect our distributions from BOSTCO to increase throughout 2014 as tanks come on-line.

On October 14, 2013, we announced a distribution of $0.65 per unit for the period from July 1, 2013 through September 30, 2013, payable on November 7, 2013 to unitholders of record on October 31, 2013.

RESULTS OF OPERATIONS—THREE MONTHS ENDED SEPTEMBER 30, 2013 AND 2012

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, 2013	Three months ended September 30, 2012
Terminaling services fees, net	$ 28,682	$ 30,167
Pipeline transportation fees	2,077	1,268
Management fees and reimbursed costs	1,506	1,531
Other	6,109	5,908
Revenue	$ 38,374	$ 38,874

See discussion below for a detailed analysis of terminaling services fees, net, 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, 2013	Three months ended September 30, 2012
Gulf Coast terminals	$ 13,488	$ 14,261
Midwest terminals and pipeline system	3,048	3,015
Brownsville terminals	6,293	4,582
River terminals	2,300	3,465
Southeast terminals	13,245	13,551
Revenue	$ 38,374	$ 38,874

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

Terminaling Services Fees, Net. Pursuant to terminaling services agreements with our customers, which range from one month to ten years in duration, we generate fees by distributing and storing products for our customers. Terminaling services fees, net 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, net by business segments were as follows (in thousands):

Terminaling Services Fees, Net, by Business Segment

	Three months ended September 30,	
	2013	2012
Gulf Coast terminals	$ 11,515	$ 11,959
Midwest terminals and pipeline system	1,992	1,605
Brownsville terminals	1,631	1,576
River terminals	2,188	3,292
Southeast terminals	11,356	11,735
Terminaling services fees, net	$ 28,682	$ 30,167

Terminaling services fees, net includes a decrease in terminaling service fees, net of approximately $1.4 million at our River terminals resulting from a new terminaling services agreement with a third-party customer. Effective April 1, 2013 we entered into a new three-year terminaling services agreement with a third-party customer for minimum monthly throughput commitments of approximately 0.6 million barrels of light refined product storage capacity at certain of our River terminals. The new agreement provides for additional revenues to be earned for excess throughput amounts and for ancillary services. Our previous agreement with the same third-party customer, which expired March 31, 2013, committed to that customer approximately 1.1 million barrels of light refined product storage capacity.

Included in terminaling services fees, net for the three months ended September 30, 2013 and 2012 are amounts recognized from agreements with Morgan Stanley Capital Group of approximately $20.2 million and $20.5 million, respectively, and TransMontaigne Inc. of approximately $0.5 million and $0.8 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 fixed amount of revenue to be recognized by us. Our storage agreements require our customers to make minimum payments based on the volume of storage capacity available to the customer under the agreement, which results in a fixed amount of revenue to be recognized by us. We refer to the fixed amount 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, net were as follows (in thousands):

Firm Commitments and Variable Revenue

	Three months ended September 30, 2013	Three months ended September 30, 2012
Firm commitments:		
External customers	$ 7,142	$ 8,300
Affiliates	20,709	21,345
Total	27,851	29,645
Variable:		
External customers	803	562
Affiliates	28	(40)
Total	831	522
Terminaling services fees, net	$ 28,682	$ 30,167

At September 30, 2013, the remaining minimum terms on the terminaling services agreements that generated "firm commitments" for the three months ended September 30, 2013 were as follows (in thousands):

	At September 30, 2013
Remaining minimum terms on terminaling services agreements that generated "firm commitments":	
Less than 1 year remaining	$ 5,700
1 year or more, but less than 3 years remaining	18,259
3 years or more, but less than 5 years remaining	2,590
5 years or more remaining	1,302
Total firm commitments for the three months ended September 30, 2013	$ 27,851

Pipeline Transportation Fees. We earn pipeline transportation fees at our Razorback, Diamondback and Ella-Brownsville pipelines based on the volume of product transported and the distance from the origin point to the delivery point. We own the Razorback and Diamondback pipelines, and we began leasing the Ella-Brownsville pipeline from a third party in January 2013. 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, 2013	Three months ended September 30, 2012
Gulf Coast terminals	$ —	$ —
Midwest terminals and pipeline system	365	463
Brownsville terminals	1,712	805
River terminals	—	—
Southeast terminals	—	—
Pipeline transportation fees	$ 2,077	$ 1,268

Included in pipeline transportation fees for the three months ended September 30, 2013 and 2012 are fees charged to Morgan Stanley Capital Group of approximately $0.4 million and $0.5 million, respectively, and TransMontaigne Inc. of $nil and approximately $0.8 million, respectively.

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. 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, 2013	Three months ended September 30, 2012
Gulf Coast terminals	$ 64	$ 65
Midwest terminals and pipeline system	—	—
Brownsville terminals	1,442	1,466
River terminals	—	—
Southeast terminals	—	—
Management fees and reimbursed costs	$ 1,506	$ 1,531

Included in management fees and reimbursed costs for the three months ended September 30, 2013 and 2012 are fees charged to Frontera of approximately $1.0 million and $0.9 million, respectively.

Other Revenue. We provide ancillary services including heating and mixing of stored products, product transfer services, railcar handling, wharfage fees and vapor recovery fees. 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, 2013	Three months ended September 30, 2012
Product gains, net	$ 3,328	$ 4,053
Steam heating fees	719	700
Product transfer services	491	233
Railcar handling	213	152
Other	1,358	770
Other revenue	$ 6,109	$ 5,908

For the three months ended September 30, 2013 and 2012, we sold approximately 32,600 and 37,700 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 $120 and $125 per barrel, respectively. Pursuant to our terminaling services agreement related to the Southeast terminals, we agreed to rebate to Morgan Stanley Capital Group 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, 2013 and 2012, we accrued a liability due to Morgan Stanley Capital Group of approximately $0.6 million and $0.7 million, respectively.

Included in other revenue for the three months ended September 30, 2013 and 2012 are amounts charged to Morgan Stanley Capital Group of approximately $3.7 million and $4.0 million, respectively.

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

Other Revenue by Business Segment

	Three months ended September 30, 2013	Three months ended September 30, 2012
Gulf Coast terminals	$ 1,909	$ 2,237
Midwest terminals and pipeline system	691	947
Brownsville terminals	1,508	735
River terminals	112	173
Southeast terminals	1,889	1,816
Other revenue	$ 6,109	$ 5,908

ANALYSIS OF COSTS AND EXPENSES

The direct operating costs and expenses of our operations include the directly related wages and employee benefits, utilities, communications, maintenance and repairs, property taxes, rent, vehicle expenses, environmental compliance costs, materials and supplies. The direct operating costs and expenses of our operations were as follows (in thousands):

Direct Operating Costs and Expenses

	Three months ended September 30, 2013	Three months ended September 30, 2012
Wages and employee benefits	$ 5,770	$ 5,818
Utilities and communication charges	1,838	1,582
Repairs and maintenance	5,425	4,156
Office, rentals and property taxes	2,237	1,700
Vehicles and fuel costs	329	302
Environmental compliance costs	882	926
Other	1,362	1,686
Direct operating costs and expenses	$ 17,843	$ 16,170

Office, rentals and property taxes includes an increase in rental expense of approximately $0.5 million at our Brownsville terminals due to a new lease for the Ella Brownsville pipeline beginning in January 2013.

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, 2013	Three months ended September 30, 2012
Gulf Coast terminals	$ 5,180	$ 5,407
Midwest terminals and pipeline system	841	551
Brownsville terminals	4,303	3,232
River terminals	2,121	2,113
Southeast terminals	5,398	4,867
Direct operating costs and expenses	$ 17,843	$ 16,170

Direct general and administrative expenses of our operations primarily include accounting and legal costs associated with annual and quarterly reports and tax return and Schedule K-1 preparation and distribution, independent director fees and deferred equity-based compensation. The direct general and administrative expenses were approximately $1.2 million and $1.2 million for the three months ended September 30, 2013 and 2012, respectively.

Allocated general and administrative expenses include charges from TransMontaigne Inc. 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 allocated general and administrative expenses were approximately $2.7 million and $2.7 million for the three months ended September 30, 2013 and 2012, respectively.

Allocated insurance expenses include charges from TransMontaigne Inc. for allocations of insurance premiums to cover costs of insuring activities such as property, casualty, pollution, automobile, directors' and officers' liability, and other insurable risks. The allocated insurance expenses were approximately $0.9 million and $0.9 million for the three months ended September 30, 2013 and 2012, respectively.

The accompanying consolidated financial statements also include amounts paid to TransMontaigne Services Inc. as a partial reimbursement of bonus awards granted by TransMontaigne Services Inc. to certain key officers and employees that vest over future service periods. The reimbursements were approximately $0.3 million and $0.3 million for the three months ended September 30, 2013 and 2012, respectively.

For the three months ended September 30, 2013 and 2012, depreciation and amortization expense was approximately $7.4 million and $7.1 million, respectively.

RESULTS OF OPERATIONS—NINE MONTHS ENDED SEPTEMBER 30, 2013 AND 2012

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

	Nine months ended September 30,	
	2013	2012
Terminaling services fees, net	$ 88,731	$ 88,777
Pipeline transportation fees	6,255	3,994
Management fees and reimbursed costs	4,732	4,274
Other	18,952	19,104
Revenue	$ 118,670	$ 116,149

The aggregate revenue of each of our business segments was as follows (in thousands):

Total Revenue by Business Segment

	Nine months ended September 30,	
	2013	2012
Gulf Coast terminals	$ 41,820	$ 43,693
Midwest terminals and pipeline system	8,880	7,537
Brownsville terminals	18,366	13,248
River terminals	8,203	10,664
Southeast terminals	41,401	41,007
Revenue	$ 118,670	$ 116,149

Terminaling Services Fees, Net. Pursuant to terminaling services agreements with our customers, which range from one month to seven years in duration, we generate fees by distributing and storing products for our customers. Terminaling services fees, net 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, net by business segments were as follows (in thousands):

Terminaling Services Fees, Net, by Business Segment

	Nine months ended September 30,	
	2013	**2012**
Gulf Coast terminals	$ 35,018	$ 35,871
Midwest terminals and pipeline system	5,927	3,415
Brownsville terminals	5,390	4,481
River terminals	7,604	9,913
Southeast terminals	34,792	35,097
Terminaling services fees, net	$ 88,731	$ 88,777

The increase in terminaling services fees, net includes an increase of approximately $2.5 million at our Midwest terminals resulting from newly constructed tank capacity placed into service during August of 2012 at our Cushing, Oklahoma facility. This increase has been offset by a decrease in terminaling service fees, net of approximately $2.7 million at our River terminals resulting from a new terminaling services agreement with a third-party customer. Effective April 1, 2013 we entered into a new three-year terminaling services agreement with a third-party customer for minimum monthly throughput commitments of approximately 0.6 million barrels of light refined product storage capacity at certain of our River terminals. The new agreement provides for additional revenues to be earned for excess throughput amounts and for ancillary services. Our previous agreement with the same third-party customer, which expired March 31, 2013, committed to that customer approximately 1.1 million barrels of light refined product storage capacity.

Included in terminaling services fees, net for the nine months ended September 30, 2013 and 2012 are amounts recognized from agreements with Morgan Stanley Capital Group of approximately $61.8 million and $60.4 million, respectively, and TransMontaigne Inc. of approximately $1.5 million and $2.4 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 fixed amount of revenue to be recognized by us. Our storage agreements require our customers to make minimum payments based on the volume of storage capacity available to the customer under the agreement, which results in a fixed amount of revenue to be recognized by us. We refer to the fixed amount 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, net were as follows (in thousands):

Firm Commitments and Variable Revenue

	Nine months ended September 30, 2013	Nine months ended September 30, 2012
Firm commitments:		
External customers	$ 23,117	$ 24,104
Affiliates	63,317	62,788
Total	86,434	86,892
Variable:		
External customers	2,304	1,985
Affiliates	(7)	(100)
Total	2,297	1,885
Terminaling services fees, net	$ 88,731	$ 88,777

At September 30, 2013, the remaining minimum terms on the terminaling services agreements that generated "firm commitments" for the nine months ended September 30, 2013 were as follows (in thousands):

	At September 30, 2013
Remaining minimum terms on terminaling services agreements that generated "firm commitments":	
Less than 1 year remaining	$ 18,030
1 year or more, but less than 3 years remaining	57,372
3 years or more, but less than 5 years remaining	7,408
5 years or more remaining	3,624
Total firm commitments for the nine months ended September 30, 2013	$ 86,434

Pipeline Transportation Fees. We earn pipeline transportation fees at our Razorback, Diamondback and Ella-Brownsville pipelines based on the volume of product transported and the distance from the origin point to the delivery point. We own the Razorback and Diamondback pipelines, and we began leasing the Ella-Brownsville pipeline from a third party in January 2013. 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, 2013	Nine months ended September 30, 2012
Gulf Coast terminals	$ —	$ —
Midwest terminals and pipeline system	1,082	1,451
Brownsville terminals	5,173	2,543
River terminals	—	—
Southeast terminals	—	—
Pipeline transportation fees	$ 6,255	$ 3,994

Included in pipeline transportation fees for the nine months ended September 30, 2013 and 2012 are fees charged to Morgan Stanley Capital Group of approximately $1.1 million and $1.5 million, respectively, and TransMontaigne Inc. of $nil and approximately $2.5 million, respectively.

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. 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, 2013	Nine months ended September 30, 2012
Gulf Coast terminals	$ 221	$ 153
Midwest terminals and pipeline system	—	—
Brownsville terminals	4,511	4,121
River terminals	—	—
Southeast terminals	—	—
Management fees and reimbursed costs	$ 4,732	$ 4,274

Included in management fees and reimbursed costs for the nine months ended September 30, 2013 and 2012 are fees charged to Frontera of approximately $2.8 million and $2.5 million, respectively.

Other Revenue. We provide ancillary services including heating and mixing of stored products, product transfer services, railcar handling, wharfage fees and vapor recovery fees. 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,	
	2013	2012
Product gains, net	$ 11,031	$ 12,515
Steam heating fees	2,797	2,546
Product transfer services	1,037	715
Railcar handling	471	386
Other	3,616	2,942
Other revenue	$ 18,952	$ 19,104

For the nine months ended September 30, 2013 and 2012, we sold approximately 114,600 and 120,400 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 $120 and $124 per barrel, respectively. Pursuant to our terminaling services agreement related to the Southeast terminals, we agreed to rebate to Morgan Stanley Capital Group 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, 2013 and 2012, we accrued a liability due to Morgan Stanley Capital Group of approximately $2.7 million and $2.4 million, respectively.

Included in other revenue for the nine months ended September 30, 2013 and 2012 are amounts charged to Morgan Stanley Capital Group of approximately $12.3 million and $12.8 million, respectively.

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

Other Revenue by Business Segment

	Nine months ended September 30,	
	2013	2012
Gulf Coast terminals	$ 6,581	$ 7,669
Midwest terminals and pipeline system	1,871	2,671
Brownsville terminals	3,292	2,103
River terminals	599	751
Southeast terminals	6,609	5,910
Other revenue	$ 18,952	$ 19,104

ANALYSIS OF COSTS AND EXPENSES

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

Direct Operating Costs and Expenses

	Nine months ended September 30,	
	2013	2012
Wages and employee benefits	$ 18,362	$ 17,127
Utilities and communication charges	5,758	5,272
Repairs and maintenance	14,713	12,947
Office, rentals and property taxes	6,889	5,072
Vehicles and fuel costs	1,013	953
Environmental compliance costs	2,018	2,104
Other	3,112	2,848
Direct operating costs and expenses	$ 51,865	$ 46,323

Office, rentals and property taxes includes an increase in rental expense of approximately $1.6 million at our Brownsville terminals due to a new lease for the Ella Brownsville pipeline beginning in January 2013.

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,	
	2013	2012
Gulf Coast terminals	$ 15,642	$ 15,452
Midwest terminals and pipeline system	2,305	1,328
Brownsville terminals	11,712	8,006
River terminals	5,931	6,764
Southeast terminals	16,275	14,773
Direct operating costs and expenses	$ 51,865	$ 46,323

The direct general and administrative expenses were approximately $3.0 million and $3.6 million for the nine months ended September 30, 2013 and 2012, respectively.

The allocated general and administrative expenses were approximately $8.2 million and $8.1 million for the nine months ended September 30, 2013 and 2012, respectively.

The allocated insurance expenses were approximately $2.8 million and $2.7 million for the nine months ended September 30, 2013 and 2012, respectively.

The reimbursement of bonus awards was approximately $0.9 million and $0.9 million for the nine months ended September 30, 2013 and 2012, respectively.

For the nine months ended September 30, 2013 and 2012, depreciation and amortization expense was approximately $22.2 million and $21.0 million, respectively.

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. Future expansion, development and acquisition expenditures will depend on numerous factors, including approval by Morgan Stanley; the availability, economics and cost of appropriate acquisitions which we identify and evaluate; the economics, cost and required regulatory approvals with respect to the expansion and enhancement of existing systems and facilities; customer demand for the services we provide; local, state and federal governmental regulations; environmental compliance requirements; and the availability of debt financing and equity capital on acceptable terms. Further discussion of Morgan Stanley's current position with respect to approval of any proposed acquisitions and investments and the potential impact of such decision is set forth under the captions "Item 1.A. Risk Factors" and "Regulatory Matters" in Item 7 of our Annual Report on Form 10-K, filed on March 12, 2013 and Note 2 of Notes to consolidated financial statements.

We expect to initially fund our approved investments, approved capital projects and our approved future expansion, development and acquisition opportunities, if any, with additional borrowings under our credit facility (see Note 12 of Notes to consolidated financial statements). After initially funding these 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.

Our capital expenditures for the nine months ended September 30, 2013 were approximately $11.6 million for terminal and pipeline facilities and assets to support these facilities. In addition, we made cash investments during the nine months ended September 30, 2013 of approximately $94.4 million in unconsolidated affiliates. Management and the board of directors of our general partner have approved additional investments in BOSTCO and expansion capital projects at our existing terminals that currently are, or will be, under construction with estimated completion dates that extend through the fourth quarter of 2014. At September 30, 2013, the remaining expenditures to complete the approved additional investments and expansion capital projects are estimated to be approximately $45 million. We expect to fund our future investments and expansion capital expenditures with additional borrowings under our credit facility.

Amended and restated senior secured credit facility. On March 9, 2011, we entered into an amended and restated senior secured credit facility, or "credit facility", which has been subsequently amended from time to time. The credit facility provides for a maximum borrowing line of credit equal to the lesser of (i) $350 million and (ii) 4.75 times Consolidated EBITDA (as defined: $326.2 million at September 30, 2013). 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 "permitted JV investments". Permitted JV investments include up to $225 million of investments in BOSTCO (the "Specified BOSTCO Investment"). In addition to the Specified BOSTCO Investment, under the terms of the credit facility, we may make an additional $75 million of other permitted JV investments (including 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, March 9, 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 2% to 3% depending on the total leverage ratio then in effect, or (ii) at the base rate plus a margin ranging from 1% to 2% 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, 2013, our outstanding borrowings under the credit facility were $207 million.

On July 24, 2013, we issued, pursuant to an underwritten public offering, 1,450,000 common units representing limited partner interests at a public offering price of $43.32 per common unit. On July 30, 2013, the underwriters of our secondary offering exercised in full their over-allotment option to purchase an additional 217,500 common units representing limited partnership interests at a price of $43.32 per common unit. The net proceeds from the offering were approximately $68.8 million, after deducting underwriting discounts, commissions, and offering expenses. Additionally, TransMontaigne GP L.L.C., our general partner, made a cash contribution of approximately $1.5 million to us to maintain its 2% general partner interest. The net proceeds from the offering and cash contribution were used to repay outstanding borrowings under our credit facility.

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 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, 2012	March 31, 2013	June 30, 2013	September 30, 2013	September 30, 2013
Financial performance debt covenant test:					
Consolidated EBITDA for the total leverage ratio, as stipulated in the credit facility	$ 15,654	$ 20,067	$ 17,202	$ 15,745	$ 68,668
Consolidated funded indebtedness					$ 207,000
Total leverage ratio					3.01x
Consolidated EBITDA for the interest coverage ratio	$ 15,654	$ 20,067	$ 17,202	$ 15,745	$ 68,668
Consolidated interest expense, as stipulated in the credit facility	$ 834	$ 719	$ 784	$ 532	$ 2,869
Interest coverage ratio					23.93x
Reconciliation of consolidated EBITDA to cash flows provided by operating activities:					
Consolidated EBITDA	$ 15,654	$ 20,067	$ 17,202	$ 15,745	$ 68,668
Consolidated interest expense	(834)	(719)	(784)	(532)	(2,869)
Utility deposits returned	—	—	—	135	135
Amortization of deferred revenue	(1,173)	(1,106)	(1,079)	(793)	(4,151)
Amounts due under long-term terminaling services agreements, net	105	294	349	353	1,101
Changes in operating assets and liabilities	1,905	(7,293)	5,551	(1,172)	(1,009)
Cash flows provided by operating activities	$ 15,657	$ 11,243	$ 21,239	$ 13,736	$ 61,875

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 believe that our future cash expected to be provided by operating activities, available borrowing capacity under our credit facility, and our relationship with institutional lenders and equity investors should enable us to meet our committed capital and our essential liquidity requirements for the next twelve months.

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 12, 2013, 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, 2012.

Market risk is the risk of loss arising from adverse changes in market rates and prices. The 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. At September 30, 2013, we had outstanding borrowings of $207 million under our credit facility. Based on the outstanding balance of our variable-interest-rate debt at September 30, 2013 and assuming market interest rates increase or decrease by 100 basis points, the potential annual increase or decrease in interest payments is approximately $2.1 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. Pursuant to our terminaling services agreement related to the Southeast terminals, we agreed to rebate to Morgan Stanley Capital Group 50% of the proceeds we receive annually in excess of $4.2 million from the sale of product gains at our Southeast terminals. 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 Morgan Stanley Capital Group and other marketing and distribution companies on a monthly basis; the sales price is based on industry indices. For the nine months ended September 30, 2013 and 2012, we sold approximately 114,600 and 120,400 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 $120 and $124 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, 2013, pursuant to Rule 13a-15(b) under the Exchange Act. Based upon that evaluation, the Certifying Officers concluded that, as of September 30, 2013, 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 1A. RISK FACTORS

The following risk factors, discussed in more detail in "Item 1A. Risk Factors," in our Annual Report on Form 10-K, filed on March 12, 2013, which risk factors 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:

- 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;
- the impact of Morgan Stanley's status as a bank holding company on its ability to conduct certain nonbanking activities or retain certain investments, including control of our general partner;
- our ability to grow our business will be severely constrained by Morgan Stanley's determination that it will not approve any "significant" acquisition or investment that we may propose for the foreseeable future;
- changes that Morgan Stanley may make in the manner it conducts its commodities business could materially and adversely affect our business;
- 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;
- a reduction in revenue from any of our significant customers upon which we rely for a substantial majority of our revenue;
- the continued creditworthiness of, and performance by, our significant customers;
- 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 limited partnership 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 agreements that may limit our operational flexibility;
- competition from other terminals and pipelines that may be able to supply our significant customers with terminaling services on a more competitive basis;
- 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;
- we may have to refinance our existing debt in unfavorable market conditions;
- the failure of our existing and future insurance policies to fully cover all risks incident to our business;
- 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;
- the age and condition of many of our pipelines and storage assets may result in increased maintenance and remediation expenditures;
- conflicts of interest and the limited fiduciary duties of our general partner, which is indirectly controlled by Morgan Stanley Capital Group;
- cost reimbursements, which are determined by our general partner, and fees paid to our general partner and its affiliates for services will continue to be substantial;
- the control of our general partner being transferred to a third party without unitholder consent;
- 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 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;
- constraints on our ability 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 constructive termination of our partnership for income tax purposes.

On July 23, 2013, the United States Senate Banking Subcommittee on Financial Institutions and Consumer Protection held a hearing on the ownership by financial holding companies of physical commodity trading assets. As noted above and in the risk factors and Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Regulatory Matters set forth in our annual report on Form 10-K, Morgan Stanley is a financial holding company subject to the bank holding company act, and its ownership and control of commodities activities including TransMontaigne Partners L.P. may become subject to legislative scrutiny. 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, 2012, filed on March 12, 2013.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of securities. The following table covers the purchases of our common units by, or on behalf of, Partners during the three months ended September 30, 2013 covered by this report.

Period	Total number of common units purchased	Average price paid per common unit	Total number of common units purchased as part of publicly announced plans or programs	Maximum number of common units that may yet be purchased under the plans or programs
July	667	$ 42.66	667	13,340
August	6,008	$ 46.38	667	12,673
September	667	$ 41.77	667	12,006
	7,342	$ 45.63	2,001	

During the three months ended September 30, 2013, we purchased 2,001 common units, with approximately $85,000 of aggregate market value, in the open market pursuant to an amended purchase program announced on March 31, 2013. The purchase program establishes the purchase, from time to time, of our outstanding common units for purposes of making subsequent grants of restricted phantom units under the TransMontaigne Services Inc. Long-Term Incentive Plan to independent directors of our general partner. There is no guarantee as to the exact number of common units that will be purchased under the purchase program, and the purchase program may be amended or discontinued at any time. Unless we choose to terminate the purchase program earlier, the purchase program terminates on the earlier to occur of April 1, 2015; our liquidation, dissolution, bankruptcy or insolvency; the public announcement of a tender or exchange offer for the common units; or a merger, acquisition, recapitalization, business combination or other occurrence of a "Change of Control" under the TransMontaigne Services Inc. Long-Term Incentive Plan. We currently anticipate purchasing in future periods up to approximately 12,006 common units, in the aggregate, through the amended purchase program's scheduled termination date of April 1, 2015.

In addition to the foregoing purchases, on August 9, 2013, we purchased 5,341 common units from TransMontaigne Services Inc. for approximately $250,000 for the purpose of delivering these units to Charles L. Dunlap, the CEO of our general partner, upon the vesting of 10,000 restricted phantom units granted to Mr. Dunlap on August 10, 2009 under the Long-Term Incentive Plan.

ITEM 6. EXHIBITS

Exhibits:

10.1 Sixth Amendment to Terminaling Services Agreement—Southeast and Collins/Purvis, dated as of July 16, 2013 by and between TransMontaigne Partners L.P. and Morgan Stanley Capital Group Inc. (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed by TransMontaigne Partners L.P. with the SEC on July 17, 2013).

10.2 Fifth Amendment to Terminaling Services Agreement—Florida and Midwest, dated as of July 16, 2013 by and between TransMontaigne Partners L.P. and Morgan Stanley Capital Group Inc. (incorporated by reference to Exhibit 10.2 of the Current Report on Form 8-K filed by TransMontaigne Partners L.P. with the SEC on July 17, 2013).

10.3 First Amendment to Amended and Restated Omnibus Agreement, dated as of July 16, 2013 by and among TransMontaigne Inc., TransMontaigne GP L.L.C., TransMontaigne Partners L.P., TransMontaigne Operating GP L.L.C., and TransMontaigne Operating Company L.P. (incorporated by reference to Exhibit 10.3 of the Current Report on Form 8-K filed by TransMontaigne Partners L.P. with the SEC on July 17, 2013).

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, 2013, formatted in XBRL (eXtensible Business Reporting Language): (i) consolidated balance sheets, (ii) consolidated statements of comprehensive income, (iii) consolidated statements of partners' equity, (iv) consolidated statements of cash flows and (v) notes to the consolidated financial statements.

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 5, 2013

TRANSMONTAIGNE PARTNERS L.P.
(Registrant)

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

By: /s/ CHARLES L. DUNLAP

Charles L. Dunlap
Chief Executive Officer

By: /s/ FREDERICK W. BOUTIN

Frederick W. Boutin
Chief Financial Officer

EXHIBIT INDEX

Exhibit number	Description of exhibits
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Exhibit 31.1

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

I, Charles L. Dunlap, 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, 2013;

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 5, 2013

/s/ CHARLES L. DUNLAP

Charles L. Dunlap
Chief Executive Officer

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Exhibit 31.2

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

I, Frederick W. Boutin, 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, 2013;

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 5, 2013

/s/ FREDERICK W. BOUTIN

Frederick W. Boutin
Chief Financial Officer

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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, 2013, 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/ CHARLES L. DUNLAP

Charles L. Dunlap
Chief Executive Officer
November 5, 2013

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, 2013, 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 Financial Officer
November 5, 2013