GENERAL ELECTRIC CO
Form 8-K
February 19, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) January 1, 2010

General Electric Company
(Exact name of registrant as specified in its charter)

New York (State or other jurisdiction of incorporation)	001-00035 (Commission File Number)	14-0689340 (IRS Employer Identification No.)
3135 Easton Turnpike, Fairfield, Connecticut (Address of principal executive offices)		06828-0001 (Zip Code)

Registrant's telephone number, including area code (203) 373-2211

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

¨ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

¨ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

¨ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

¨ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 7.01 Regulation FD Disclosure.

General Electric Company is furnishing this Form 8-K to provide revised unaudited summary segment financial information for the years ended December 31, 2009, 2008 and 2007 and each of the quarters in 2009 and 2008, to reflect the results of our segment reorganization that became effective January 1, 2010.

Effective January 1, 2010, we reorganized our segments to better align our Consumer & Industrial and Energy businesses for growth. As a result of this reorganization, we created a new segment called Home & Business Solutions that includes the Appliances and Lighting businesses from our previous Consumer & Industrial segment and the retained portion of the GE Fanuc Intelligent Platforms business of our previous Enterprise Solutions business (a business formerly within our Technology Infrastructure segment). In addition, the Industrial business of our previous Consumer & Industrial segment and the Sensing & Inspection Technologies and Digital Energy businesses of Enterprise Solutions are now part of the Energy business within the Energy Infrastructure segment. The Security business of Enterprise Solutions is now reported in GE Corporate Items and Eliminations pending its expected sale. Also, effective January 1, 2010, the Capital Finance segment was renamed GE Capital and includes all of the continuing operations of General Electric Capital Corporation.

As a result of this reorganization, our five operating segments as of January 1, 2010, are as follows:

- Technology Infrastructure – our Aviation, Healthcare and Transportation businesses
- Energy Infrastructure – our Energy business (including the Sensing & Inspection Technology and Digital Energy businesses) and our Oil & Gas business
- Home & Business Solutions – our Appliances and Lighting, and Intelligent Platforms businesses
- GE Capital – Our Commercial Lending and Leasing, Consumer, Real Estate, Energy Financial Services and GE Capital Aviation Services businesses and General Electric Capital Corporation Corporate
- NBC Universal – unchanged

In this Form 8-K, we are providing prior-period reclassified segment information resulting from these organizational changes. GE's consolidated financial statements covering periods beginning on January 1, 2010 will reflect modifications to our previous reportable segments resulting from this reorganization, including reclassification of all comparative prior period segment information.

The information furnished pursuant to Item 7.01, including Exhibit 99, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Exchange Act.

Item 9.01 Financial Statements and Exhibits.

Exhibit 99 – Unaudited revised summary operating segment financial information for General Electric Company and its consolidated affiliates for the fiscal years ended December 31, 2009, December 31, 2008 and December 31, 2007, and each of the quarters in 2009 and 2008.

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 hereunto duly authorized.

	General Electric Company (Registrant)
Date: February 19, 2010	/s/ Jamie S. Miller
	Jamie S. Miller Vice President and Controller

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Crude oil pipeline services segment

Our crude oil pipeline services segment operations include both service and product sales revenue. Service revenue generally consists of tariffs and other fees associated with transporting crude oil products on pipelines. Product sales revenue is comprised of (i) revenues recognized for the sale of crude oil to our customers that we purchase at production leases and (ii) revenue recognized in buy/sell transactions with our customers. Product sales revenue is recognized for products upon delivery and when the customer assumes the risks and rewards of ownership.

The following table sets forth our operating results from our crude oil pipeline services segment for the periods indicated:

Operating results	Three Months ended March 31,		Favorable/(Unfavorable)	
(dollars in thousands)	2017	2018	$	%
Service revenue:				
Third-party revenue	$2,605	$2,061	$ (544)	(21)%
Related-party revenue	310	—	(310)	(100)%
Product sales revenue:				
Third-party revenue	3,650	3,508	(142)	(4)%
Lease revenue:				
Third-party revenue	—	235	235	N/A
Total revenue	6,565	5,804	(761)	(12)%
Operating expense, excluding depreciation and amortization	3,242	2,785	457	14 %
Operating expense (intersegment)	170	442	(272)	(160)%
Cost of product sales	3,139	2,637	502	16 %
Operating margin, excluding depreciation and amortization	$14	$(60)	$ (74)	(529)%
Average throughput volume (in thousands of barrels per day)				
Mid-Continent	22	23	1	5 %
East Texas	3	—	(3)	(100)%

The following is a discussion of items impacting crude oil pipeline services segment operating margin for the periods indicated:

- In late April 2016, as a precautionary measure we suspended service on our Mid-Continent pipeline system due to discovery of a pipeline exposure caused by heavy rains and the erosion of a riverbed in southern Oklahoma. There was no damage to the pipe and no loss of product. In the second quarter of 2016, we took action to mitigate the service suspension and worked with customers to divert volumes and, in certain circumstances, transported volumes to a third-party pipeline system via truck. In addition, the term of the throughput and deficiency agreement on our Eagle North pipeline system expired on June 30, 2016, and in July 2016 we completed a connection of the southeastern-most portion of our Mid-Continent pipeline system to our Eagle North pipeline system and concurrently reversed the Eagle North pipeline system. This enabled us to recapture diverted volumes and deliver those barrels to Cushing, Oklahoma. We are currently operating one Oklahoma mainline system, which is a combination of both the Mid-Continent and Eagle North pipeline systems, instead of two separate systems, providing us with a current capacity of approximately 20,000 to 25,000 Bpd. We are working to restore service of the second Oklahoma pipeline system and expect to put the line back in service by the end of the second quarter of 2018, increasing the transportation capacity of our pipeline systems by approximately 20,000 Bpd. The ability to fully utilize the capacity of these systems may be impacted by the market price of crude oil and producers’ decisions to increase or decrease production in the areas we serve.

- Revenues for the three months ended March 31, 2018, decreased as compared to the three months ended March 31, 2017, due to more volumes being moved under contracts with lower rates, which more than offset the increase in throughput.

- On April 18, 2017, we sold the East Texas pipeline system. We received cash proceeds at closing of approximately $4.8 million and recorded a gain of less than $0.1 million. The sale of the East Texas pipeline system resulted in

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decreased service revenues of $0.3 million for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017.

- Operating expenses decreased for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017, by $0.4 million as a result of the sale of the East Texas pipeline system and by $0.2 million as a result of the sale of our investment in Advantage Pipeline, for which we provided operational and administrative services through August 1, 2017.

Crude oil trucking and producer field services segment

Our crude oil trucking and producer field services segment operations generally consist of fee-based activity associated with transporting crude oil products on trucks. Revenues are generated primarily through transportation fees.

The following table sets forth our operating results from our crude oil trucking and producer field services segment for the periods indicated:

Operating results	Three Months ended March 31,		Favorable/(Unfavorable)	
(dollars in thousands)	2017	2018	$	%
Service revenue:				
Third-party revenue	$6,710	$5,540	$ (1,170)	(17)%
Intersegment revenue	170	442	272	160 %
Product sales revenue:				
Third-party revenue	385	6	(379)	(98)%
Lease revenue:				
Third-party revenue	—	97	97	N/A
Total revenue	7,265	6,085	(1,180)	(16)%
Operating expense, excluding depreciation and amortization	7,268	6,375	893	12 %
Operating margin, excluding depreciation and amortization	$(3)	$(290)	$ (287)	(9,567)%
Average volume (in thousands of barrels per day)	22	23	1	5 %

The following is a discussion of items impacting crude oil trucking and producer field services segment operating margin for the periods indicated:

- Service revenues have decreased despite an increase in volumes as the volumes hauled in 2018 were, on average, over a shorter distance than in 2017, which results in lower revenue per barrel transported.

- Employment costs and vehicle-related expenses decreased for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017, as we reduced our headcount and fleet size to better match demand.

- Product sales revenues for the three months ended March 31, 2017, were the result of crude oil sales in our field services business, and there were minimal such sales in the three months ended March 31, 2018.

Other Income and Expenses

Depreciation and amortization expense. Depreciation and amortization decreased by $0.7 million to $7.4 million for the three months ended March 31, 2018, compared to $8.1 million for the three months ended March 31, 2017. This decrease is primarily the result of certain assets reaching the end of their depreciable lives.

General and administrative expenses. General and administrative expenses were relatively consistent at $4.2 million for the three months ended March 31, 2018, compared to $4.6 million for the three months ended March 31, 2017, with the change primarily consisting of decreases in legal, audit, and compensation expenses.

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Asset impairment expense. Asset impairment expense was $0.6 million and less than $0.1 million for the three months ended March 31, 2018 and 2017, respectively. Asset impairment expense for 2018 included approximately $0.4 million related to the value of obsolete trucking stations, as well as $0.2 million related to an intangible customer contract asset that was not renewed.

Loss on sale of assets. Loss on sale of assets was $0.2 million and $0.1 million for the three months ended March 31, 2018 and 2017, respectively. Losses in both periods were primarily comprised of sales of surplus, used property and equipment.

Equity earnings in unconsolidated affiliate/Gain on sale of unconsolidated affiliate. The equity earnings are attributable to our former investment in Advantage Pipeline. On April 3, 2017, we sold our investment in Advantage Pipeline and received cash proceeds at closing from the sale of approximately $25.3 million, recognizing a gain on sale of unconsolidated affiliate of $4.2 million. Approximately 10% of the gross sale proceeds were held in escrow, subject to certain post-closing settlement terms and conditions. We received approximately $1.1 million of the funds held in escrow in August 2017, for which we recognized an additional gain on sale of unconsolidated affiliate during the three months ended September 30, 2017. We received approximately $2.2 million for the pro rata portion of the remaining net escrow proceeds in January 2018, for which we recognized an additional gain on sale of unconsolidated affiliate during the three months ended March 31, 2018.

Interest expense. Interest expense represents interest on borrowings under our credit agreement as well as amortization of debt issuance costs and unrealized gains and losses related to the change in fair value of interest rate swaps.

Total interest expense for the three months ended March 31, 2018, increased by $0.5 million compared to the three months ended March 31, 2017. The increase was driven by additional interest on our credit agreement of $0.6 million due to increases in our average debt outstanding and the weighted average interest rate under our credit agreement. In addition, during the three months ended March 31, 2018, we recorded unrealized gains of $0.4 million due to the change in fair value of interest rate swaps compared to unrealized gains of $0.8 million during the three months ended March 31, 2017. These increases in interest expense were partially offset by a decrease in monthly net interest payments on the interest rate swaps of $0.4 million for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017. Also included in interest expense is the amortization of debt issuance costs of $0.3 million for both periods.

Effects of Inflation

In recent years, inflation has been modest and has not had a material impact upon the results of our operations.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements as defined by Item 303 of Regulation S-K.

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Liquidity and Capital Resources

Cash Flows and Capital Expenditures

The following table summarizes our sources and uses of cash for the three months ended March 31, 2017 and 2018:

	Three Months ended March 31,	
	2017	2018
	(in millions)	
Net cash provided by operating activities	$7.5	$9.9
Net cash used in investing activities	$(1.2)	$(24.3)
Net cash provided by (used in) financing activities	$(6.8)	$13.9

Operating Activities. Net cash provided by operating activities increased to $9.9 million for the three months ended March 31, 2018, as compared to $7.5 million for the three months ended March 31, 2017, due to increased net income.

Investing Activities. Net cash used in investing activities was $24.3 million for the three months ended March 31, 2018, as compared to $1.2 million for the three months ended March 31, 2017. On March 7, 2018, we acquired an asphalt terminalling facility from a third party for $22.0 million. Capital expenditures for the three months ended March 31, 2018 and 2017, included gross maintenance capital expenditures of $1.8 million and $1.6 million, respectively, and expansion capital expenditures of $2.8 million and $2.4 million, respectively.

Financing Activities. Net cash provided by financing activities was $13.9 million for the three months ended March 31, 2018, as compared to net cash used in financing activities of $6.8 million for the three months ended March 31, 2017. Cash provided by financing activities for the three months ended March 31, 2018, consisted primarily of net borrowings on long-term debt of $27.0 million partially offset by $12.6 million in distributions to our unitholders. Net cash used in financing activities for the three months ended March 31, 2017, consisted primarily of $12.3 million in distributions to our unitholders partially offset by net borrowings on long-term debt of $6.0 million.

Our Liquidity and Capital Resources

Cash flows from operations and from our credit agreement are our primary sources of liquidity. At March 31, 2018, we had a working capital deficit of $0.4 million. This is primarily a function of our approach to cash management.

At March 31, 2018, we had approximately $113.9 million of availability under our credit agreement, and we could borrow an additional $23.7 million and still remain within our covenant restrictions As of May 3, 2018, we have aggregate unused commitments under our revolving credit facility of approximately $119.9 million and cash on hand of approximately $1.8 million. The credit agreement is scheduled to mature on May 11, 2022. As previously indicated, because the current forward price curve for crude oil is slightly backwardated and total Cushing storage volumes are below the 5-year average, we are anticipating a relatively weak recontracting environment which may impact both the volume of storage and the storage rate we are able to successfully recontract in 2018. These periods are typically fairly short-lived, but there can be no assurance as to the timing of a rebound in the Cushing storage market. As of May 3, 2018, we had approximately 2.7 million barrels of crude oil storage under service contracts of our total capacity of 6.6 million barrels, including 1.9 million barrels of crude oil storage contracts that expire in 2018.

As discussed in Note 7 to our unaudited condensed consolidated financial statements, our credit agreement includes financial covenants that are tested on a quarterly basis, based on the rolling four-quarter period that ends on the last day of each fiscal quarter. As of the end of the first quarter of 2018, we were in full compliance with all financial covenants. However, with the current weakness in crude oil storage rates, we believe that it is possible that we may fall out of compliance with these financial covenants as early as the third quarter of 2018. Failure to remain in compliance with the financial covenants could constrain our operating flexibility, our ability to fund our business operations and could cause the amounts outstanding under the credit agreement, which was $334.6 million as of March 31, 2018, to become immediately due and payable.

In light of this, we are considering options to enhance our financial flexibility and fund our operations, including a potential sale of assets, a reduction in the distribution rate that would be paid to the Partnership's common unitholders, and/or the need to amend the financial covenants under the credit agreement. Any amendment of the credit agreement may increase the cost of credit provided under the credit agreement and related expenses, which may adversely impact our profitability.

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Capital Requirements. Our capital requirements consist of the following:

- maintenance capital expenditures, which are capital expenditures made to maintain the existing integrity and operating capacity of our assets and related cash flows, further extending the useful lives of the assets; and
- expansion capital expenditures, which are capital expenditures made to expand the operating capacity or revenue of existing or new assets, whether through construction, acquisition or modification.

Expansion capital expenditures for organic growth projects, net of reimbursable expenditures of $0.1 million, totaled $2.7 million in the three months ended March 31, 2018, compared to $2.3 million in the three months ended March 31, 2017. We currently expect our expansion capital expenditures for organic growth projects to be approximately $17.0 million to $22.0 million, inclusive of anticipated crude oil purchases for pipeline linefill and the Cushing terminal operational needs and net of reimbursable expenditures, for all of 2018. Maintenance capital expenditures totaled $1.6 million, net of reimbursable expenditures of $0.2 million, in the three months ended March 31, 2018, compared to $1.3 million in the three months ended March 31, 2017. We currently expect maintenance capital expenditures to be approximately $8.0 million to $10.0 million, net of reimbursable expenditures, for all of 2018.

Our Ability to Grow Depends on Our Ability to Access External Expansion Capital. Our partnership agreement requires that we distribute all of our available cash to our unitholders. Available cash is reduced by cash reserves established by our General Partner to provide for the proper conduct of our business (including for future capital expenditures) and to comply with the provisions of our credit agreement. We may not grow as quickly as businesses that reinvest their available cash to expand ongoing operations because we distribute all of our available cash.

Recent Accounting Pronouncements

For information regarding recent accounting developments that may affect our future financial statements, see Note 17 to our unaudited condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

We are exposed to market risk due to variable interest rates under our credit agreement.

As of May 3, 2018, we had $328.6 million outstanding under our credit agreement that was subject to a variable interest rate. Borrowings under our credit agreement bear interest, at our option, at either the reserve adjusted eurodollar rate (as defined in the credit agreement) plus an applicable margin or the alternate base rate (the highest of the agent bank's prime rate, the federal funds effective rate plus 0.5%, and the 30-day eurodollar rate plus 1%) plus an applicable margin. Interest rate swap agreements are used to manage a portion of the exposure related to changing interest rates by converting floating-rate debt to fixed-rate debt. In March 2014, we entered into two interest rate swap agreements with an aggregate notional value of $200.0 million. The first agreement became effective June 28, 2014, and matures on June 28, 2018. Under the terms of the first interest rate swap agreement, we pay a fixed rate of 1.45% and receive one-month LIBOR with monthly settlement. The second agreement became effective January 28, 2015, and matures on January 28, 2019. Under the terms of the second interest rate swap agreement, we pay a fixed rate of 1.97% and receive one-month LIBOR with monthly settlement. The fair market value of the interest rate swaps at March 31, 2018, consists of a current asset of $0.2 million and is recorded in other current assets on our unaudited condensed consolidated balance sheets. The interest rate swaps do not receive hedge accounting treatment under ASC 815 - Derivatives and Hedging. Changes in the fair value of the interest rate swaps are recorded in interest expense in the unaudited condensed consolidated statements of operations.

During the three months ended March 31, 2018, the weighted average interest rate under our credit agreement was 4.96%.

Changes in economic conditions could result in higher interest rates, thereby increasing our interest expense and reducing our funds available for capital investment, operations or distributions to our unitholders. Based on borrowings as of March 31, 2018, the terms of our credit agreement, current interest rates and the effect of our interest rate swaps, an increase or decrease of 100 basis points in the interest rate would result in increased or decreased annual interest expense of approximately $1.3 million.

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Item 4. Controls and Procedures.

Evaluation of disclosure controls and procedures. Our General Partner's management, including the Chief Executive Officer and Chief Financial Officer of our General Partner, evaluated, as of the end of the period covered by this report, the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer of our General Partner concluded that our disclosure controls and procedures, as of March 31, 2018, were not effective because of the material weakness in our internal control over financial reporting described in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A of Part II of our Annual Report on Form 10-K for the year ended December 31, 2017.

Remediation Plan for the Material Weakness. Our management is actively engaged in remediation efforts to address the material weakness identified. Specifically, our management is in the process of providing additional training of financial reporting personnel with respect to the preparation and review of the consolidated statements of cash flows with specific focus on the control that identifies non-cash components of transactions on the statement of cash flows. Our management believes that these actions will remediate the material weakness in internal control over financial reporting.

Changes in internal control over financial reporting. Except for the remediation efforts noted above, there were no changes in our internal control over financial reporting during the quarter ended March 31, 2018, which materially affected, or were reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

The information required by this item is included under the caption "Commitments and Contingencies" in Note 15 to our unaudited condensed consolidated financial statements and is incorporated herein by reference thereto.

Item 1A. Risk Factors.

See the risk factors set forth in Part I, Item 1A, of our Annual Report on Form 10-K for the year ended December 31, 2017.

Item 6. Exhibits.

The information required by this Item 6 is set forth in the Index to Exhibits accompanying this quarterly report and is incorporated herein by reference.

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SIGNATURES

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

		BLUEKNIGHT ENERGY PARTNERS, L.P.	
		By:	Blueknight Energy Partners, G.P., L.L.C its General Partner
Date:	May 10, 2018	By:	/s/ Alex G. Stallings Alex G. Stallings Chief Financial Officer and Secretary
Date:	May 10, 2018	By:	/s/ James R. Griffin James R. Griffin Chief Accounting Officer

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INDEX TO EXHIBITS

Exhibit Number	Description
3.1	Amended and Restated Certificate of Limited Partnership of the Partnership, dated November 19, 2009, but effective as of December 1, 2009 (filed as Exhibit 3.1 to the Partnership's Current Report on Form 8-K, filed November 25, 2009 (Commission File No. 001-33503), and incorporated herein by reference).
3.2	Fourth Amended and Restated Agreement of Limited Partnership of the Partnership, dated September 14, 2011 (filed as Exhibit 3.1 to the Partnership's Current Report on Form 8-K, filed September 14, 2011, and incorporated herein by reference).
3.3	Amended and Restated Certificate of Formation of the General Partner, dated November 20, 2009 but effective as of December 1, 2009 (filed as Exhibit 3.2 to the Partnership's Current Report on Form 8-K, filed November 25, 2009 (Commission File No. 001-33503), and incorporated herein by reference).
3.4	Second Amended and Restated Limited Liability Company Agreement of the General Partner, dated December 1, 2009 (filed as Exhibit 3.2 to the Partnership's Current Report on Form 8-K, filed December 7, 2009 (Commission File No. 001-33503), and incorporated herein by reference).
4.1	Registration Rights Agreement, dated October 5, 2016, by and among Blueknight Energy Partners, L.P., Ergon Asphalt & Emulsions, Inc., Ergon Terminaling, Inc. and Ergon Asphalt Holdings, LLC (filed as Exhibit 4.1 to the Partnership's Current Report on Form 8-K, filed October 5, 2016, and incorporated herein by reference).
31.1#	Certifications of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2#	Certifications of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1#	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C., Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Pursuant to SEC Release 34-47551, this Exhibit is furnished to the SEC and shall not be deemed to be "filed."
101#	The following financial information from Blueknight Energy Partners, L.P.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, formatted in XBRL (eXtensible Business Reporting Language): (i) Document and Entity Information; (ii) Unaudited Condensed Consolidated Balance Sheets as of December 31, 2017 and March 31, 2018; (iii) Unaudited Condensed Consolidated Statements of Operations for the three months ended March 31, 2017 and 2018; (iv) Unaudited Condensed Consolidated Statement of Changes in Partners' Capital for the three months ended March 31, 2018; (v) Unaudited Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2017 and 2018; and (vi) Notes to Unaudited Condensed Consolidated Financial Statements.

Furnished herewith

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