FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1995-07-28** | Period of Report: **1995-06-30**
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BUCKEYE PARTNERS L P
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SIC: **4610** Pipe lines (no natural gas)

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SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 10-Q

(Mark One)

x Quarterly report pursuant to Section 13 or 15(d) of the Securities
- ----- Exchange Act of 1934

For the quarterly period ended June 30, 1995 or

_____ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _______________ to _______________

Commission file number 1-9356

BUCKEYE PARTNERS, L.P.

(Exact name of registrant as specified in its charter)

Delaware	23-2432497
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
3900 Hamilton Boulevard Allentown, PA	18103
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 610-770-4000

Not Applicable
- --
(Former name, former address and former fiscal year, if changed since last report).

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 x No _____

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at July 13, 1995
Limited Partnership Units	12,026,060 Units

BUCKEYE PARTNERS, L. P.

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Part I - Financial Information

Item 1. Consolidated Financial Statements

Buckeye Partners, L.P.
Consolidated Statements of Income
(In thousands, except per Unit amounts)
(Unaudited)

Three Months Ended June 30, 1995	Three Months Ended June 30, 1994		Six Months Ended June 30, 1995	Six Months Ended June 30, 1994
$46,011	$46,114	Revenue	$ 90,245	$ 91,733
		Costs and expenses		
22,700	22,744	Operating expenses	44,654	44,745
2,824	2,809	Depreciation and amortization	5,656	5,621
2,600	2,507	General and administrative expenses	5,204	5,112
28,124	28,060	Total costs and expenses	55,514	55,478
17,887	18,054	Operating income	34,731	36,255
		Other income (expense)		
267	317	Interest income	478	537
(5,397)	(6,139)	Interest and debt expense	(10,840)	(12,584)
(222)	(219)	Minority interests and other	(429)	(411)
(5,352)	(6,041)	Total other income (expense)	(10,791)	(12,458)
12,535	12,013	Income before extraordinary charge	23,940	23,797
-	-	Extraordinary charge on early extinguishment of debt	-	(1,569)
$12,535	$12,013	Net income	$ 23,940	$ 22,228
$ 125	$ 120	Net income allocated to General Partner	$ 239	$ 222
$12,410	$11,893	Net income allocated to Limited Partners	$ 23,701	$ 22,006

		Income allocated to General and Limited Partners per Partnership Unit:		
$ 1.03	$ 0.99	Income before extraordinary charge	$ 1.97	$ 1.96
-	-	Extraordinary charge on early extinguishment of debt	-	(0.13)
$ 1.03	$ 0.99	Net income	$ 1.97	$ 1.83

</TABLE>

See notes to consolidated financial statements.

Buckeye Partners, L.P.
Consolidated Balance Sheets
(In thousands)

<TABLE>
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<S>	June 30, 1995 (Unaudited) <C>	December 31, 1994 <C>
Assets		
Current assets		
Cash and cash equivalents	$ 15,461	$ 6,071
Temporary investments	594	1,400
Trade receivables	14,071	17,057
Inventories	1,403	1,320
Prepaid and other current assets	5,231	5,474
Total current assets	36,760	31,322
Property, plant and equipment, net	506,166	503,083
Other non-current assets	466	360
Total assets	$543,392	$534,765
Liabilities and partners' capital		
Current liabilities		
Accounts payable	$ 3,240	$ 2,325
Accrued and other current liabilities	23,666	23,247
Total current liabilities	26,906	25,572
Long-term debt	214,000	214,000

Minority interests	2,694	2,616
Other non-current liabilities	46,600	46,601
Commitments and contingent liabilities	-	-
Total liabilities	290,200	288,789
Partners' capital		
General Partner	2,532	2,460
Limited Partners	250,660	243,516
Total partners' capital	253,192	245,976
Total liabilities and partners' capital	$543,392	$534,765

</TABLE>

See notes to consolidated financial statements.

Buckeye Partners, L.P.
Consolidated Statements of Cash Flows
Increase (Decrease) in Cash and Cash Equivalents
(In thousands)
(Unaudited)

<TABLE>
<CAPTION>

	Six Months Ended June 30, 1995	Six Months Ended June 30, 1994
<S>	<C>	<C>
Cash flows from operating activities:		
Income before extraordinary charge	$ 23,940	$ 23,797
Adjustments to reconcile income to net cash provided by operating activities:		
Extraordinary charge on early extinguishment of debt	-	(1,569)
Depreciation and amortization	5,656	5,621
Minority interests	248	231
Distributions to minority interests	(170)	(173)
Changes in assets and liabilities:		
Temporary investments	806	(8,735)
Trade receivables	2,986	(534)
Inventories	(83)	45
Prepaid and other current assets	243	356
Accounts payable	915	(694)

Accrued and other current liabilities	419	4,030
Other non-current assets	(106)	100
Other non-current liabilities	(1)	(239)
Total adjustments	10,913	(1,561)
Net cash provided by operating activities	34,853	22,236
Cash flows from investing activities:		
Capital expenditures	(8,695)	(5,119)
Expenditures for disposal of property, plant and equipment, net	(44)	(605)
Net cash used in investing activities	(8,739)	(5,724)
Cash flows from financing activities:		
Capital contribution	3	4
Proceeds from exercise of unit options	272	428
Proceeds from issuance of long-term debt	-	15,000
Payment of long-term debt	-	(23,000)
Distributions to Unitholders	(16,999)	(16,975)
Net cash used in financing activities	(16,724)	(24,543)
Net increase (decrease) in cash and cash equivalents	9,390	(8,031)
Cash and cash equivalents at beginning of period	6,071	22,748
Cash and cash equivalents at end of period	$ 15,461	$ 14,717
Supplemental cash flow information:		
Cash paid during the period for interest (net of amount capitalized)	$ 11,016	$ 12,669

</TABLE>

See notes to consolidated financial statements.

BUCKEYE PARTNERS, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. BASIS OF PRESENTATION

In the opinion of management, the accompanying consolidated financial state ments of Buckeye Partners, L.P. (the "Partnership"), which are unaudited except for the Balance Sheet as of December 31, 1994, which is derived from audited financial statements, include all adjustments necessary to present fairly the Partnership's financial position as of June 30, 1995 and the results of operations and cash flows for the three month and six month periods ended June 30, 1995 and 1994. Certain amounts in the consolidated financial statements for 1994 have been reclassified to conform to the current presentation.

Pursuant to the rules and regulations of the Securities and Exchange Commis sion, the financial statements do not include all of the information and notes normally included with financial statements prepared in accordance with gener ally accepted accounting principles. These financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Partnership's Annual Report on Form 10-K for the year ended December 31, 1994.

2. CONTINGENCIES

The Partnership and its subsidiaries (the "Operating Partnerships"), in the ordinary course of business, are involved in various claims and legal proceed ings, some of which are covered in whole or in part by insurance. Buckeye Management Company (the "General Partner") is unable to predict the timing or outcome of these claims and proceedings. Although it is possible that one or more of these claims or proceedings, if adversely determined, could, depending on the relative amounts involved, have a material effect on the Partnership's results of operations for a future period, the General Partner does not believe that their outcome will have a material effect on the Partnership's consolidated financial condition.

Environmental

Certain Operating Partnerships (or their predecessors) have been named as a defendant in lawsuits or have been notified by federal or state authorities that they are a potentially responsible party ("PRP") under federal laws or a respondent under state laws relating to the generation, disposal, or release of hazardous substances into the environment. These proceedings generally relate to potential liability for clean-up costs. The total potential reme diation costs relating to these clean-up sites cannot be reasonably estimated. With respect to each site, however, the Operating Partnership involved is one of several or as many as several hundred PRPs that would share in the total costs of clean-up under the principle of joint and several liability. The General Partner believes that the generation, handling and disposal of hazardous substances by the Operating Partnerships and their predecessors have been in material compliance with applicable environmental and regulatory requirements. Additional claims for the cost of cleaning up releases of hazardous substances and for damage to the environment resulting from the activities of the Operating Partnerships or their predecessors may be asserted in the future under various federal and state laws. Although the Partnership has made a provision for certain legal expenses relating to these matters, the General Partner is unable to determine the timing or outcome of these pending proceedings or of any future claims and proceedings.

Guaranteed Investment Contract

The Buckeye Pipe Line Company Retirement and Savings Plan (the "Plan") held a guaranteed investment contract ("GIC") issued by Executive Life Insurance Company ("Executive Life"), which entered conservatorship proceedings in the state of California in April 1991. The GIC was purchased in July 1989, with an initial principal investment of $7.4 million earning interest at an effec tive rate per annum of 8.98 percent through June 30, 1992. Pursuant to the Executive Life Plan of Rehabilitation, the Plan has received an interest only contract from Aurora National Life Assurance Company in substitution for its Executive Life GIC. The contract provides for semi-annual interest payments at a rate of 5.61 percent per annum through September 1998, the maturity date of the contract. In addition, the Plan is to receive certain additional cash payments through the maturity date of the contract pursuant to the Plan of Rehabilitation. The timing and amount of these addi tional cash payments cannot be estimated accurately at this time. In May 1991, the General Partner, in order to safeguard the basic retirement and savings benefits of its employees, announced its intention to enter an arrangement with the Plan that would guarantee that the Plan would receive at least its initial principal investment of $7.4 million plus interest at an effective rate per annum of 5 percent from July 1, 1989. The General Partner's present intention is to effectuate its commitment no later than September 1998. The costs and ex penses of the General Partner's employee benefit plans are reimbursable by the Partnership under the applicable limited partnership and management agree ments. The General Partner believes that an adequate provision has been made for costs which may be incurred by the Partnership in connection with the guarantee.

3. EARLY EXTINGUISHMENT OF DEBT

In March 1994, Buckeye Pipe Line Company, L.P. ("Buckeye") entered into an agreement to issue $15 million of additional First Mortgage Notes, Series N, bearing interest at 7.93 percent. The proceeds from the issuance of these First Mortgage Notes, plus additional amounts approximating $1.6 million, were used to purchase U.S. Government securities. These securities were deposited into an irrevocable trust to complete an in-substance defeasance of $15 million of Buckeye's 9.72 percent, Series I, First Mortgage Notes. In addi tion, during December 1994, Buckeye purchased approximately $10.7 million of U.S. Government securities. These securities were deposited into an irrevo cable trust to complete an in-substance defeasance of $5 million of Buckeye's 9.72 percent, Series I, First Mortgage Notes and $5 million of Buckeye's 11.18 percent, Series J, First Mortgage Notes. The funds placed in trust in 1994 will be used solely to satisfy the interest due and principal amounts of $20 million Series I Notes due December 1996 and $5 million Series J Notes due serially through December 2006. Accordingly, these U.S. Government securi ties, the Series I First Mortgage Notes and $5 million of the Series J First Mortgage Notes have been excluded from the December 31, 1994 and June 30, 1995 balance sheets. This debt extinguishment resulted in an extraordinary charge of $2,269,000 in 1994, of which $1,569,000 was incurred during the three months ended March 31, 1994.

BUCKEYE PARTNERS, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

4. PARTNERS' CAPITAL

Partners' capital consists of the following:

	General Partner	Limited Partners	Total
	(In thousands)		
Partners' Capital - 1/1/95	$2,460	$243,516	$245,976
Net Income	239	23,701	23,940
Distributions	(170)	(16,829)	(16,999)
Exercise of unit options and capital contributions	3	272	275
Partners' Capital - 6/30/95	$2,532	$250,660	$253,192

Earnings per unit is calculated on the basis of the weighted average number of units outstanding. The potential dilution represented by units issuable from the exercise of outstanding unit options is less than three percent and is therefore not reflected in the earnings per unit presentation. The weighted average number of units outstanding used to calculate earnings per unit was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	1995	1994	1995	1994
Units outstanding from beginning of period	12,143,191	12,121,212	12,137,434	12,121,212
Weighted average number of units issued upon exercise of unit options	2,961	9,268	5,203	4,633
Weighted average number of units outstanding	12,146,152	12,130,480	12,142,637	12,125,845

5. CASH DISTRIBUTIONS

The Partnership will generally make quarterly cash distributions of substan tially all of its available cash, generally defined as consolidated cash receipts less consolidated cash expenditures and such retentions for working capital, anticipated cash expenditures and contingencies as the General Partner deems appropriate or as are required by the terms of the Mortgage Note Indenture.

The Partnership has declared a cash distribution of $.70 per unit payable on August 31, 1995 to unitholders of record on August 4, 1995. The total distri bution will amount to approximately $8,503,000.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is a discussion of the liquidity and capital resources and the results of operations of the Partnership for the periods indicated below. Amounts in the Management's Discussion and Analysis of Financial Condition and Results of Operations relate to continuing operations unless otherwise indi cated. This discussion should be read in conjunction with the consolidated financial statements and notes thereto, which are included elsewhere in this report.

RESULTS OF OPERATIONS

Second Quarter

Revenue for the second quarter 1995 was $46.0 million, $0.1 million or 0.2 percent less than revenue of $46.1 million for the second quarter 1994. Volume transported during the second quarter 1995 was 994,900 barrels per day, 27,400 barrels per day or 2.7 percent less than volume of 1,022,300 barrels per day during the second quarter 1994. Both gasoline and distillate volumes fell below second quarter 1994 levels. Gasoline volumes declined by 2.2 per cent while distillate volumes declined by 5.7 percent. The drop in distillate volumes reflects reduced inventory stocking of both heating oil and diesel fuel during the second quarter 1995 as compared to last year. Offsetting these declines were a 2.3 percent increase in turbine fuel shipments to air ports serviced by the Partnership and the favorable impact of certain tariff increases in December 1994 and June 1995.

Costs and expenses for the second quarter 1995 were $28.1 million, equal to costs and expenses for the second quarter 1994. Declines in the use of out side services and declines in casualty loss expense were offset by increases in payroll, payroll overhead and property tax expense.

Other income (expense), which is the net of non-operating income and expenses, was a net expense of $5.4 million for the second quarter 1995 as compared to a net expense of $6.0 million for the second quarter 1994. This decrease reflects a decline in interest expense due to lower debt outstanding this year as compared to last year. Substantially all of other income (expense) is related to interest expense.

First Six Months
- ----------------

Revenue for the first six months 1995 was $90.2 million, $1.5 million or 1.6 percent less than revenue of $91.7 million for the first six months 1994. Volume transported during the first six months 1995 was 1,002,200 barrels per day, 30,000 barrels per day or 2.9 percent less than volume of 1,032,200 barrels per day during the first six months 1994. Declines in revenue and volumes are principally due to an 11.0 percent decrease in distillate volumes transported this year as compared to 1994. Lower distillate volumes reflect the impact of mild winter weather throughout the Partnership's service area during the first quarter 1995 and lower inventory building during the second quarter 1995 as compared to last year. Temperatures during the winter heating season averaged 9 percent above normal and 16 percent above temperatures encountered during the 1994 heating season. Gasoline deliveries were slightly lower than last year. Partially offsetting these declines were a 4.3 percent increase in turbine fuel deliveries as airline travel increased in connection with improved economic activity and mild winter conditions and the favorable impact of certain tariff increases in December 1994 and June 1995.

Costs and expenses for the first six months 1995 were $55.5 million, equal to costs and expenses for the first six months 1994. Declines in the use of out side services and declines in casualty loss expense were offset by increases in payroll, payroll overhead and property tax expense.

Other income (expense) was a net expense of $10.8 million for the first six months 1995 as compared to a net expense of $12.5 million for the first six months 1994. This decrease reflects a decline in interest expense due to lower debt outstanding this year as compared to last year and debt refinancing which occurred early in 1994. Substantially all of other income (expense) is related to interest expense.

The extraordinary charge of $1.6 million incurred during the first quarter 1994 was related to a partial in-substance defeasance of previously issued First Mortgage Notes. See Note 3 to the Consolidated Financial Statements.

LIQUIDITY AND CAPITAL RESOURCES
- -------------------------------

The Partnership's financial condition at June 30, 1995 is highlighted in the following comparative summary:

Liquidity and Capital Indicators
- --------------------------------

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	As of 6/30/95	As of 12/31/94
Current ratio	1.4 to 1	1.2 to 1
Ratio of cash and cash equivalents, temporary investments and trade receivables to current liabilities	1.1 to 1	1.0 to 1
Working capital (in thousands)	$9,854	$5,750
Ratio of total debt to total capital	.46 to 1	.46 to 1
Book value (per Unit)	$20.84	$20.27

</TABLE>

The Partnership's cash flow from operations is generally sufficient to meet current working capital requirements. In addition, the Partnership maintains $26.0 million in short-term credit facilities under which there are no current outstanding borrowings.

Cash Provided by Operations

For the six months ended June 30, 1995, cash provided by operations of $34.9 million was derived principally from income from continuing operations of $23.9 million, depreciation of $5.7 million and operating working capital decreases of $5.4 million. Changes in operating working capital were primar ily due to a decrease in temporary investments and trade receivables and an increase in accounts payable. Remaining net cash uses, which amounted to $0.1 million, were related to an increase in non-current assets.

For the six months ended June 30, 1994, cash provided by operations of $22.2 million was derived principally from income from continuing operations of $23.8 million, depreciation of $5.6 million and operating working capital in creases of $5.5 million. Working capital changes included increases in tempo rary investments and accrued and other current liabilities of $8.7 million and $4.0 million, respectively. Remaining net cash uses, which amounted to $1.7 million, were largely related to an extraordinary charge on the extinguishment of debt. See "Debt Obligation and Credit Facilities" below.

Debt Obligation and Credit Facilities

At June 30, 1995, the Partnership had $214.0 million in outstanding long-term debt representing the First Mortgage Notes of Buckeye. There was no current debt outstanding. The First Mortgage Notes are collateralized by substantially all of Buckeye's property, plant and equipment.

The indenture, as amended and pursuant to which the First Mortgage Notes were issued, permits Buckeye, under certain circumstances, to issue additional First Mortgage Notes provided that the aggregate principal amount of First Mortgage Notes outstanding after such issuance does not exceed $275 million.

In March 1994, Buckeye issued $15.0 million of First Mortgage Notes, Series N, bearing interest at 7.93 percent and maturing in December 2010. The proceeds from the issuance of these First Mortgage Notes, plus additional amounts approximating $1.6 million, were used to purchase U.S. Government securities. These securities were deposited into an irrevocable trust to complete an in-substance defeasance of $15 million of Buckeye's 9.72 percent, Series I, First Mortgage Notes due December 1996.

In December 1994, Buckeye completed in-substance defeasances of $5 million of 9.72 percent, Series I, First Mortgage Notes due December 1996 and $5 million of 11.18 percent, Series J, First Mortgage Notes due serially from December 1997 through December 2006.

The Partnership maintains a $15 million unsecured revolving credit facility with a commercial bank. This facility, which has options to extend borrowings through September 1999, is available to the Partnership for general purposes, including capital expenditures and working capital. In addition, Buckeye has a $10 million short-term line of credit secured by accounts receivable. Laurel Pipe Line Company, L.P. has an unsecured $1 million line of credit. At June 30, 1995, there were no outstanding borrowings under these facilities.

At June 30, 1995, the ratio of total debt to total capital was 46 percent. For purposes of the calculation of this ratio, total capital consists of current and long-term debt, minority interests in subsidiaries and partners' capital.

Capital Expenditures

At June 30, 1995, approximately 93 percent of total consolidated assets consisted of property, plant and equipment.

Capital expenditures during the six months ended June 30, 1995 totaled $8.7 million compared to $5.1 million during the six months ended June 30, 1994. During both periods, capital expenditures were paid from internally generated funds.

Certain Relationships and Related Transactions

On July 18, 1995, the General Partner amended the Amended and Restated Limited Partnership Agreement of the Partnership (the "Partnership Agreement"), to reflect its agreement to continue to act as general partner of the Partnership until December 23, 2006, a ten-year extension of its current term. In connection therewith, the General Partner, the Partnership and American Financial Group, Inc. (formerly The Penn Central Corporation) amended the Distribution Support, Incentive Compensation and APU Redemption Agreement which provides for incentive compensation payable to the General Partner in the event quarterly or special distributions to Unitholders exceed specified targets. Both amendments were approved on behalf of the Partnership by a special committee of disinterested directors of the General Partner. The foregoing amendments are not expected to have a material effect on the financial condition or results of operations of the Partnership. For further information, see Exhibit 3.1 and Exhibit 10.1 to this Form 10-Q.

Environmental Matters
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For information concerning the Partnership's environmental matters subsequent to the Partnership's Annual Report on Form 10-K, see Part II - Other Information, Item 1 - Legal Proceedings.

Part II - Other Information

Item 1. Legal Proceedings
- ---------------------------

In January 1995, the U.S. Attorney's office in Pittsburgh filed a complaint against Buckeye alleging two misdemeanor violations of environmental laws. In May 1995, Buckeye pleaded guilty and paid a fine of $125,000 in respect of the alleged violation of the strict liability provisions of the Rivers and Harbors Act and reimbursed the government $100,000 towards its costs of the investiga tion of the incident. The government dismissed the charge alleging a viola tion of the Clean Water Act.

For additional information concerning the Partnership's legal proceedings, see Item 3 of the Partnership's Form 10-K for the fiscal year ended December 31, 1994.

Item 6. Exhibits and Reports on Form 8-K
- --

(a) Exhibits

3.1 - Amendment No. 1 to Amended and Restated Agreement of Limited Partnership of Buckeye Partners, L.P.

10.1 - Amendment No. 1 to Distribution Support, Incentive Compensation and APU Redemption Agreement

11 - Computation of Earnings Per Unit

27 - Financial Data Schedule

(b) No reports on Form 8-K were filed during the quarter ended June 30, 1995.

SIGNATURE

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.

BUCKEYE PARTNERS, L.P.
(Registrant)

By: Buckeye Management Company,
as General Partner

Dated: July 18, 1995

By: /s/ E. R. Varalli

E. R. Varalli
Executive Vice President,
Chief Financial Officer and
Treasurer
(Principal Accounting and
Financial Officer)

INDEX TO EXHIBITS

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10.1	Amendment No. 1 to Distribution Support, Incentive Compensation and APU Redemption Agreement	
11	Computation of Earnings Per Unit	

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EXHIBIT (3.1)

AMENDMENT NO. 1 TO AMENDED AND RESTATED AGREEMENT
OF LIMITED PARTNERSHIP OF BUCKEYE PARTNERS, L.P.

THIS AMENDMENT is made as of this 18th day of July, 1995 by Buckeye Management Company, a Delaware corporation ("BMC" or the "General Partner").

WHEREAS, BMC is the general partner of Buckeye Partners, L.P., a Delaware limited partnership (the "Partnership");

WHEREAS, the Board of Directors of BMC, on behalf of the General Partner, and a special committee of disinterested directors of the Board of Directors of BMC, on behalf of the Partnership, have resolved to amend the Partnership Agreement to extend the period of time in which BMC has agreed to act as General Partner for an additional ten years;

WHEREAS, the Partnership is governed under an Amended and Restated Agreement of Limited Partnership dated as of December 23, 1986 (the "Partnership Agreement");

WHEREAS, on October 16, 1992, Laurel Pipe Line Company, L.P., a Delaware limited partnership ("Laurel LP"), was formed and is the successor by merger to the business of LE Holdings, Inc., a Delaware corporation and a subsidiary of the Partnership ("LEH"), and Laurel Pipe Line Company, an Ohio corporation and a subsidiary of LEH;

WHEREAS, Section 15.1 of the Partnership Agreement provides that the General Partner may amend any provision of the Partnership Agreement without the consent of the limited partners of the Partnership to reflect any change that in the good faith opinion of the General Partner does not adversely affect such limited partners in any material respect;

WHEREAS, the General Partner desires to amend the Partnership Agreement to include Laurel LP as an "Operating Partnership" for purposes of the Partnership Agreement and to reflect the extension of the term of the General Partner; and

WHEREAS, the General Partner has determined that such amendments do not adversely affect the limited partners of the Partnership in any material respect.

NOW THEREFORE, intending to be legally bound, the Partnership Agreement is hereby amended as follows:

1. The definition of "Operating Partnership" in Article I of the Partnership Agreement is hereby amended in its entirety as follows:

> "Operating Partnerships" means Buckeye Pipe Line Company, L.P., Buckeye Pipe Line Company of Michigan, L.P., Buckeye Tank Terminals Company, L.P., Everglades Pipe Line Company, L.P. and Laurel Pipe Line Company, L.P., each a Delaware limited partnership."

2. The first sentence of Section 13.1(a) of the Partnership Agreement is hereby amended in its entirety as follows:

> BMC hereby agrees to act as General Partner of the Partnership until the date which is twenty years after the Time of Delivery, subject to its right to transfer all of its GP Units pursuant to Section 11.1.

3. All terms used herein but not otherwise defined herein shall have the meaning set forth for such terms in the Partnership Agreement.

4. Any provision of the Partnership Agreement which is inconsistent with the provisions of this Amendment shall be deemed amended to effectuate the intention expressed herein. Every other provision of the Partnership Agreement shall remain unchanged and in full force and effect.

5. This Amendment shall be governed by and construed and enforced in accordance with the laws of the State of Delaware.

IN WITNESS WHEREOF, this Amendment has been executed as of the day and year first above written.

BUCKEYE MANAGEMENT COMPANY,
as General Partner

By: ________________________
Name:
Title:

EXHIBIT (10.1)

AMENDMENT NO. 1 TO DISTRIBUTION SUPPORT,
INCENTIVE COMPENSATION AND APU REDEMPTION AGREEMENT

THIS AMENDMENT is made as of the 18th day of July, 1995 by Buckeye Management Company, a Delaware corporation (the "General Partner"), Buckeye Partners, L.P., a Delaware limited partnership (the "Partnership") and American Financial Group, Inc., previously known as The Penn Central Corporation ("AFG").

WHEREAS, the General Partner, the Partnership and AFG previously entered into the Distribution Support, Incentive Compensation and APU Redemption Agreement, dated as of December 15, 1986 (the "Agreement");

WHEREAS, the Board of Directors of BMC, on behalf of the General Partner, and a special committee of disinterested directors of the Board of Directors of BMC (the "Special Committee"), on behalf of the Partnership, have approved an amendment to the Agreement in accordance with the terms and conditions set forth below;

WHEREAS, Section 5.8 of the Agreement provides that the Agreement may be amended only after complying with Section 17.4(a) of the Partnership Agreement, which provides that, without the prior approval of a two-thirds interest of the limited partners of the Partnership, the General Partner shall not amend the Agreement, unless such amendment does not, in the good faith opinion of the General Partner, adversely affect the limited partners of the Partnership (the "Limited Partners") in any material respect; and

WHEREAS, the Special Committee has determined that this Amendment does not adversely affect the Limited Partners in any material respect.

NOW THEREFORE, intending to be legally bound, the Agreement is hereby amended as follows:

1. Section 3.1 of the Agreement is hereby amended in its entirety as follows:

<u>Quarterly Incentive Compensation.</u> If Quarterly Cash To Be Distributed for any calendar quarter exceeds the Aggregate Target Quarterly Amount, the Partnership shall, subject to Section 3.3, pay the General Partner incentive compensation equal to the sum of (a) 25% of the portion of the Quarterly Cash To Be Distributed which (i) exceeds $.65 per LP Unit and (ii) is not more than $.70

per LP Unit; (b) 30% of the portion of the Quarterly Cash To Be Distributed which (i) exceeds $.70 per LP Unit and (ii) does not exceed $.80 per LP Unit; (c) 40% of the portion of the Quarterly Cash To Be Distributed which (i) exceeds $.80 per LP Unit per quarter and (ii) does not exceed $.90 per LP Unit; and (d) 50% of the portion of the Quarterly Cash To Be Distributed which exceeds $.90 per LP Unit per quarter.

2. All terms used herein but not otherwise defined herein shall have the meaning set forth for such terms in the Agreement.

3. Any provision of the Agreement which is inconsistent with the provisions of this Amendment shall be deemed amended to effectuate the intention expressed herein. Every other provision of the Agreement shall remain unchanged and in full force and effect.

4. This Amendment shall be governed by and construed and enforced in accordance with the laws of the State of Delaware.

IN WITNESS WHEREOF, this Amendment has been executed as of the day and year first above written.

BUCKEYE MANAGEMENT COMPANY,
as General Partner

By:____________________________

Name:

Title:

BUCKEYE PARTNERS, L.P.

By:____________________________
Name:
Title:

AMERICAN FINANCIAL GROUP, INC.

By:____________________________
Name:
Title:

EXHIBIT (11)

BUCKEYE PARTNERS, L.P.
COMPUTATION OF EARNINGS PER UNIT
(In thousands, except for Units and per Unit amounts)
(Unaudited)

	Quarter Ended June 30, 1995	Quarter Ended June 30, 1994	Six Months Ended June 30, 1995	Six Months Ended June 30, 1994
Income before extraordinary charge	$ 12,535	$ 12,013	$ 23,940	$ 23,797
Extraordinary charge on early extinguishment of debt	-	-	-	(1,569)
Net income	$ 12,535	$ 12,013	$ 23,940	$ 22,228
Primary earnings per Unit:				
Income before extraordinary charge	$ 1.03	$ 0.99	$ 1.97	$ 1.96
Extraordinary charge on early extinguishment of debt	-	-	-	(0.13)
Net income	$ 1.03	$ 0.99	$ 1.97	$ 1.83
Fully-diluted earnings per Unit:				
Income before extraordinary charge	$ 1.03	$ 0.99	$ 1.97	$ 1.96
Extraordinary charge on early extinguishment of debt	-	-	-	(0.13)
Net income	$ 1.03	$ 0.99	$ 1.97	$ 1.83
Weighted average number of Units outstanding:				
Units outstanding at June 30	12,146,152	12,130,480	12,142,637	12,125,845
Exercise of Options reduced by the number of Units purchased with proceeds (Primary)	15,982	20,611	16,610	23,225
Total Units outstanding - Primary	12,162,134	12,151,091	12,159,247	12,149,070
Units outstanding at June 30	12,146,152	12,130,480	12,142,637	12,125,845
Exercise of Options reduced by the number of Units purchased with proceeds (Fully-diluted)	15,990	20,592	17,632	23,067
Total Units outstanding - Fully-diluted	12,162,142	12,151,072	12,160,269	12,148,912

Although not required to be presented in the income statement under provisions

of APB Opinion No. 15, this calculation is submitted in accordance with
Regulations S-K item 601(b)(11).

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