

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended October 31, 1996

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 numbers: 1-11331  
333-06693

Ferrellgas Partners, L.P.  
Ferrellgas Partners Finance Corp.

(Exact name of registrants as specified in their charters)

Delaware  
Delaware

43-1698480  
43-1742520

-----  
(States or other jurisdictions of  
incorporation or organization)

-----  
(I.R.S. Employer  
Identification Nos.)

One Liberty Plaza, Liberty, Missouri 64068

(Address of principal executive offices) (Zip Code)

Registrants' telephone number, including area code: (816) 792-1600

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

At November 15, 1996, the registrants had units or shares outstanding as follows:

|                                   |            |                    |
|-----------------------------------|------------|--------------------|
| Ferrellgas Partners, L.P. -       | 14,612,580 | Common Units       |
|                                   | 16,593,721 | Subordinated Units |
| Ferrellgas Partners Finance Corp. | 1,000      | Common Stock       |

FERRELLGAS PARTNERS, L.P.  
FERRELLGAS PARTNERS FINANCE CORP.

Table of Contents

|   | Page |
|---|------|
| PART I - FINANCIAL INFORMATION  |      |
| ITEM 1. FINANCIAL STATEMENTS  |      |
| Ferrellgas Partners, L.P. and Subsidiaries<br>=====                                   |      |
| Consolidated Balance Sheets - October 31, 1996 and July 31, 1996                      | 1    |
| Consolidated Statements of Earnings -<br>Three months ended October 31, 1996 and 1995 | 2    |
| Consolidated Statement of Partners' Capital -<br>Three months ended October 31, 1996  | 3    |

|  |    |
|--|----|
| Consolidated Statements of Cash Flows -<br>Three months ended October 31, 1996 and 1995          | 4  |
| Notes to Consolidated Financial Statements   | 5  |
| Ferrellgas Partners Finance Corp.<br>=====   |    |
| Balance Sheets - October 31, 1996 and July 31, 1996  | 7  |
| Statement of Earnings - Three months ended October 31, 1996                                      | 7  |
| Statement of Cash Flows - Three months ended October 31, 1996                                    | 8  |
| Notes to Financial Statements  | 8  |
| ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION<br>AND RESULTS OF OPERATIONS | 9  |
| PART II - OTHER INFORMATION  |    |
| ITEM 1. LEGAL PROCEEDINGS  | 11 |
| ITEM 2. CHANGES IN SECURITIES  | 11 |
| ITEM 3. DEFAULTS UPON SENIOR SECURITIES  | 11 |
| ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS                                      | 11 |
| ITEM 5. OTHER INFORMATION  | 11 |
| ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K   | 11 |

## PART I - FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

## FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS  
(in thousands, except unit data)

|   | October 31,<br>1996 | July 31,<br>1996 |
|---|---------------------|------------------|
| ASSETS  | (unaudited)         |                  |
| -----   | -----               | -----            |
| Current Assets:   |                     |                  |
| Cash and cash equivalents   | \$ 20,809           | \$ 13,770        |
| Accounts and notes receivable   | 94,848              | 70,118           |
| Inventories   | 55,280              | 41,395           |
| Prepaid expenses and other current assets   | 8,816               | 5,685            |
|   | -----               | -----            |
| Total Current Assets  | 179,753             | 130,968          |
| Property, plant and equipment, net  | 401,079             | 403,732          |
| Intangible assets, net  | 109,032             | 107,960          |
| Other assets, net   | 11,669              | 11,635           |
|   | -----               | -----            |
| Total Assets  | \$701,533           | \$654,295        |
|   | =====               | =====            |
| LIABILITIES AND PARTNERS' CAPITAL   |                     |                  |
| -----   |                     |                  |
| Current Liabilities:  |                     |                  |
| Accounts payable  | \$ 88,637           | \$ 48,400        |
| Other current liabilities   | 47,123              | 41,754           |
| Short-term borrowings   | 40,773              | 25,520           |
|   | -----               | -----            |
| Total Current Liabilities   | 176,533             | 115,674          |
| Long-term debt  | 451,910             | 439,112          |
| Other liabilities   | 12,268              | 12,402           |
| Contingencies and commitments   |                     |                  |
| Minority interest   | 2,272               | 2,498            |
| Partners' Capital:  |                     |                  |
| Common unitholders (14,612,580 units outstanding<br>in both October 1996 and July 1996)       | 59,244              | 71,324           |
| Subordinated unitholders (16,593,721 units outstanding<br>in both October 1996 and July 1996) | 57,584              | 71,302           |
| General partner   | (58,278)            | (58,017)         |
|   | -----               | -----            |
| Total Partners' Capital   | 58,550              | 84,609           |
|   | -----               | -----            |
| Total Liabilities and Partners' Capital   | \$701,533           | \$654,295        |
|   | =====               | =====            |

See notes to consolidated financial statements

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS  
(in thousands, except unit data)  
(unaudited)

|   | For the three months ended |                     |
|---|----------------------------|---------------------|
|   | October 31,<br>1996        | October 31,<br>1995 |
| Revenues:   |                            |                     |
| Gas liquids and related product sales                                       | \$156,764                  | \$114,529           |
| Other   | 11,096                     | 10,059              |
| Total revenues  | 167,860                    | 124,588             |
| Cost of product sold (exclusive of<br>depreciation, shown separately below) | 101,075                    | 69,109              |
| Gross profit  | 66,785                     | 55,479              |
| Operating expense   | 48,967                     | 40,870              |
| Depreciation and amortization expense                                       | 10,831                     | 8,326               |
| General and administrative expense  | 3,767                      | 3,435               |
| Vehicle lease and tank expense  | 1,480                      | 1,086               |
| Operating income  | 1,740                      | 1,762               |
| Interest expense  | (11,602)                   | (9,012)             |
| Interest income   | 379                        | 256                 |
| Loss on disposal of assets  | (880)                      | (384)               |
| Loss before minority interest   | (10,363)                   | (7,378)             |
| Minority interest   | (65)                       | (75)                |
| Net loss  | (10,298)                   | (7,303)             |
| General partner's interest in net loss                                      | (103)                      | (73)                |
| Limited partners' interest in net loss                                      | \$(10,195)                 | \$(7,230)           |
| Net loss per limited partner unit   | \$(0.33)                   | \$(0.23)            |
| Weighted average number of units outstanding                                | 31,206.3                   | 31,036.1            |

See notes to consolidated financial statements

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL  
 (in thousands)  
 (unaudited)

|                         | Number of units |               | Common   | Sub-ordinated | General partner | Total partners' capital |
|-------------------------|-----------------|---------------|----------|---------------|-----------------|-------------------------|
|                         | Common          | Sub-ordinated |          |               |                 |                         |
| July 31, 1996           | 14,612.6        | 16,593.7      | \$71,324 | \$71,302      | (\$58,017)      | \$84,609                |
| Quarterly distributions |                 |               | (7,306)  | (8,297)       | (158)           | (15,761)                |
| Net loss                |                 |               | (4,774)  | (5,421)       | (103)           | (10,298)                |
| October 31, 1996        | 14,612.6        | 16,593.7      | \$59,244 | \$57,584      | \$(58,278)      | \$58,550                |

See notes to consolidated financial statements.

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS  
(in thousands)  
(unaudited)

|  | For the three months ended |                  |
|--|----------------------------|------------------|
|  | October 31, 1996           | October 31, 1995 |
| Cash Flows From Operating Activities:  |                            |                  |
| Net loss   | \$(10,298)                 | \$(7,303)        |
| Reconciliation of net loss to net cash from operating activities:                      |                            |                  |
| Depreciation and amortization  | 10,831                     | 8,326            |
| Other  | 1,730                      | 891              |
| Changes in operating assets and liabilities net of effects from business acquisitions: |                            |                  |
| Accounts and notes receivable  | (25,032)                   | (16,900)         |
| Inventories  | (13,864)                   | (9,130)          |
| Prepaid expenses and other current assets  | (3,080)                    | (4,699)          |
| Accounts payable   | 40,237                     | 16,196           |
| Other current liabilities  | 6,164                      | (1,434)          |
| Other liabilities  | (134)                      | (339)            |
| Net cash provided (used) by operating activities                                       | 6,554                      | (14,392)         |
| Cash Flows From Investing Activities:  |                            |                  |
| Business acquisitions  | (8,247)                    | (1,650)          |
| Capital expenditures   | (3,832)                    | (3,649)          |
| Other  | 933                        | 464              |
| Net cash used by investing activities  | (11,146)                   | (4,835)          |
| Cash Flows From Financing Activities:  |                            |                  |
| Net additions to short-term borrowings   | 15,253                     | 11,600           |
| Additions to long-term debt  | 12,747                     | 8,153            |
| Reductions of long-term debt   | (337)                      | (87)             |
| Distributions  | (15,761)                   | (15,813)         |
| Other  | (271)                      | 67               |
| Net cash provided by financing activities  | 11,631                     | 3,920            |
| Increase (decrease) in cash and cash equivalents                                       | 7,039                      | (15,307)         |
| Cash and cash equivalents - beginning of period  | 13,770                     | 29,877           |
| Cash and cash equivalents - end of period  | \$20,809                   | \$14,570         |
| Cash paid for interest   | \$10,795                   | \$13,117         |

See notes to consolidated financial statements

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
OCTOBER 31, 1996  
(unaudited)

- A. The financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the interim periods presented. All adjustments to the financial statements were of a normal, recurring nature.
- B. The preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.
- C. The propane industry is seasonal in nature with peak activity during the winter months. Therefore, the results of operations for the periods ended October 31, 1996 and October 31, 1995 are not necessarily indicative of the results to be expected for a full year.
- D. Inventories consist of:

|  | October 31,<br>1996 | July 31,<br>1996 |
|--|---------------------|------------------|
| (in thousands)                             |                     |                  |
| Liquefied propane gas and related products | \$47,523            | \$33,366         |
| Appliances, parts and supplies             | 7,757               | 8,029            |
|  | \$55,280            | \$41,395         |

In addition to inventories on hand, the Partnership enters into contracts to buy product for supply purposes. All such contracts have terms of less than one year and call for payment based on market prices at date of delivery.

Property, plant and equipment, net consist of:

|                                | October 31,<br>1996 | July 31,<br>1996 |
|--------------------------------|---------------------|------------------|
| (in thousands)                 |                     |                  |
| Property, plant and equipment  | \$598,380           | \$596,107        |
| Less: accumulated depreciation | 197,301             | 192,375          |
|                                | \$401,079           | \$403,732        |

Intangibles, net consist of:

|                                | October 31,<br>1996 | July 31,<br>1996 |
|--------------------------------|---------------------|------------------|
| (in thousands)                 |                     |                  |
| Intangibles                    | \$208,180           | \$203,761        |
| Less: accumulated amortization | 99,148              | 95,801           |
|                                | \$109,032           | \$107,960        |

- E. The Partnership is threatened with or named as a defendant in various lawsuits which, among other items, claim damages for product liability. It is not possible to determine the ultimate disposition of these matters; however, management is of the opinion that there are no known claims or contingent claims that are likely to have a material adverse effect on the results of operations or financial condition of the Partnership.

- F. On September 14, 1996, the Partnership paid a cash distribution of \$0.50 per unit for the quarter ended July 31, 1996. On November 18, 1996, the Partnership declared its first-quarter cash distribution of \$0.50 per unit, payable December 13, 1996.
- G. On April 30, 1996, Ferrellgas, Inc. (the "General Partner") consummated the purchase of all of the stock of Skelgas Propane, Inc. ("Skelgas"), a subsidiary of Superior Propane, Inc. of Toronto, Canada. The cash purchase price, after working capital adjustments, was \$86,400,000.

As of May 1, 1996, the General Partner (i) caused Skelgas and each of its subsidiaries to be merged into the General Partner and (ii) transferred all of the assets of Skelgas and its subsidiaries to the Ferrellgas, L.P. (the "Operating Partnership"). In exchange, the Operating Partnership assumed substantially all of the liabilities, whether known or unknown, associated with Skelgas and its subsidiaries and their propane business (excluding income tax liabilities). In consideration of the retention by the General Partner of certain income tax liabilities, Ferrellgas Partners, L.P. (the "Partnership") issued 41,203 Common Units to the General Partner. The liabilities assumed by the Operating Partnership included the loan agreement under which the General Partner borrowed funds to pay the purchase price for Skelgas. Immediately following the transfer of assets and related transactions described above, the Operating Partnership repaid the loan with cash and borrowings under the Operating Partnership's existing acquisition bank credit line. The total assets contributed to the Operating Partnership (at the General Partner's cost basis) have been preliminarily allocated as follows: (i) working capital of \$17,972,000, (ii) property, plant and equipment of \$63,068,000 and (iii) the balance to intangible assets. The transaction has been accounted for as a purchase and, accordingly, the results of operations of Skelgas have been included in the consolidated financial statements from the date of contribution.

The following pro forma financial information assumes that the acquisition of Skelgas and the issuance of the 9 3/8% \$160,000,000 Senior Secured Notes occurred as of August 1, 1995.

| (in thousands) | Three months ended  |                                  |
|----------------|---------------------|----------------------------------|
|                | October 31,<br>1996 | Pro Forma<br>October 31,<br>1995 |
| Total revenues | \$167,860           | \$138,634                        |
| Net loss       | (10,298)            | (10,778)                         |



FERRELLGAS PARTNERS FINANCE CORP.  
(a wholly owned subsidiary of Ferrellgas Partners, L.P.)

BALANCE SHEETS

|   | October 31, | July 31, |
|---|-------------|----------|
|   | 1996        | 1996     |
|   | (unaudited) |          |
| <b>ASSETS</b>   |             |          |
| Cash  | \$1,000     | \$1,000  |
| Total Assets  | \$1,000     | \$1,000  |
| <br><b>STOCKHOLDER'S EQUITY</b>   |             |          |
| Common stock, \$1.00 par value; 2,000 shares<br>authorized; 1,000 shares issued and outstanding | \$1,000     | \$1,000  |
| Additional paid in capital  | 93          | 42       |
| Accumulated deficit   | (93)        | (42)     |
| Total Stockholder's Equity  | \$1,000     | \$1,000  |

STATEMENT OF EARNINGS  
(unaudited)

|                                    | Three Months<br>Ended<br>October 31,<br>1996 |
|------------------------------------|--|
| General and administrative expense | \$ 51  |
| Net loss                           | \$(51)                                       |

See notes to financial statements.

FERRELLGAS PARTNERS FINANCE CORP.  
(A wholly owned subsidiary of Ferrellgas Partners, L.P.)

STATEMENT OF CASH FLOWS  
(unaudited)

|                                       | Three Months Ended<br>October 31,<br>1996 |
|---------------------------------------|---|
| Cash Flows From Operating Activities: |   |
| Net loss                              | \$(51)                                    |
| Cash used by operating activities     | (51)                                      |
| Cash Flows From Financing Activities: |   |
| Capital contribution                  | 51  |
| Cash provided by financing activities | 51  |
| Increase (decrease) in cash           | -   |
| Cash - beginning of period            | 1,000                                     |
| Cash - end of period                  | \$1,000                                   |

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 1996  
(unaudited)

- A. Ferrellgas Partners Finance Corp., a Delaware corporation, was formed on March 28, 1996, and is a wholly-owned subsidiary of Ferrellgas Partners, L.P.
- B. The financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the interim periods presented. All adjustments to the financial statements were of a normal, recurring nature.

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

The following is a discussion of the results of operations and liquidity and capital resources of Ferrellgas Partners, L.P. (the "Partnership" or "MLP"). Except for the \$160,000,000 of 9 3/8% Senior Secured Notes issued in April 1996 by the MLP (the "MLP Senior Notes") and the related interest expense, Ferrellgas, L.P. (the "Operating Partnership" or "OLP") accounts for nearly all of the consolidated assets, liabilities, sales and earnings of the MLP. When the discussion refers to the consolidated MLP, the term Partnership will be used.

Ferrellgas Partners Finance Corp. has nominal assets and does not conduct any operations. Accordingly, a discussion of the results of operations and liquidity and capital resources is not presented.

Results of Operations

The propane industry is seasonal in nature with peak activity during the winter months. Due to the seasonality of the business, results of operations for the three months ended October 31, 1996 and 1995, are not necessarily indicative of the results to be expected for a full year. Other factors affecting the results of operations include competitive conditions, demand for product, variations in weather and fluctuations in propane prices. As the Partnership has grown through acquisitions, fixed costs such as personnel costs, depreciation and interest expense have increased. Over time, these fixed cost increases have caused losses in the first and fourth quarters and net income in the second and third quarters to be more pronounced.

Three Months Ended October 31, 1996 vs. October 31, 1995

Total Revenues. Total revenues increased 34.7% to \$167,860,000 as compared to \$124,588,000 in the first quarter of fiscal 1996, primarily due to increased retail propane volumes, increased sales price per retail gallon and an increase in revenues from other operations (wholesale marketing, chemical feedstocks and net trading operations).

Retail volumes increased 23.5% to 162,281,000 gallons as compared to 131,368,000 gallons for the year ago quarter, primarily due to acquisitions, and to a lesser extent a strong crop drying season and slightly colder temperatures than the prior year. A volatile propane market during the quarter caused an increase to the cost of product which in turn caused an increase in sales price per gallon. Revenues from other operations increased by \$6,281,000 primarily due to increased wholesale marketing volumes and an increased price per gallon.

Gross Profit. Gross profit increased 20.4% to \$66,785,000 as compared to \$55,479,000 in the first quarter of fiscal 1996, primarily due to increased retail propane volumes attributed to acquisition related growth. Management is unable to assess whether the increases in product costs described above will continue or the potential impact of such cost increases on gross profit.

Operating Expenses. Operating expenses increased 19.8% to \$48,967,000 as compared to \$40,870,000 in the first quarter of fiscal 1996 primarily due to acquisition related increases in personnel costs, plant and office expenses, and vehicle and other expenses.

Depreciation and Amortization. Depreciation and amortization expense increased 30.1% to \$10,831,000 as compared to \$8,326,000 for the year ago period primarily due to acquisitions of propane businesses.

Interest expense. Interest expense increased 28.7% to \$11,602,000 as compared to \$9,012,000 in the first quarter of fiscal 1996. This increase is primarily the result of increased borrowings, partially offset by a small decrease in the overall average interest rate paid by the Partnership on its borrowings.

## Liquidity and Capital Resources

The ability of the MLP to satisfy its obligations is dependent upon future performance, which will be subject to prevailing economic, financial, business and weather conditions and other factors, many of which are beyond its control. For the fiscal year ending July 31, 1997, the General Partner believes that the OLP will have sufficient funds to meet its obligations and enable it to distribute to the MLP sufficient funds to permit the MLP to meet its obligations with respect to the MLP Senior Notes issued in April 1996, and enable it to distribute the Minimum Quarterly Distribution (\$0.50 per Unit) on all Common Units and Subordinated Units. Future maintenance and working capital needs of the MLP are expected to be provided by cash generated from future operations, existing cash balances and the working capital borrowing facility. In order to fund expansive capital projects and future acquisitions, the OLP may borrow on existing bank lines or the MLP may issue additional Common Units. Toward this purpose the MLP maintains a shelf registration statement with the Securities and Exchange Commission for 1,887,420 Common Units representing limited partner interests in the MLP. The Common Units may be issued from time to time by the MLP in connection with the OLP's acquisition of other businesses, properties or securities in business combination transactions.

**Operating Activities.** Cash provided by operating activities was \$6,554,000 for the three months ended October 31, 1996, compared to \$(14,392,000) for the prior period. This increase is primarily due to the timing of payments on increased purchases of inventory.

**Investing Activities.** During the three months ended October 31, 1996, the Partnership made total acquisition capital expenditures of \$7,724,000 (including working capital acquired of \$21,000). This amount was funded by \$8,247,000 cash payments (including \$1,115,000 for transition costs previously accrued for fiscal 1996 acquisitions) and \$592,000 in other costs and consideration.

During the three months ended October 31, 1996, the Partnership made growth and maintenance capital expenditures of \$3,832,000 consisting primarily of the following: 1) additions to Partnership-owned customer tanks and cylinders, 2) vehicle lease buyouts, 3) relocating and upgrading district plant facilities, and 4) development and upgrading computer equipment and software. Capital requirements for repair and maintenance of property, plant and equipment are relatively low since technological change is limited and the useful lives of propane tanks and cylinders, the Partnership's principal physical assets, are generally long. The Partnership maintains its vehicle and transportation equipment fleet by leasing light and medium duty trucks and tractors. The General Partner believes vehicle leasing is a cost effective method for meeting the Partnership's transportation equipment needs. The Partnership continues seeking to expand its operations through strategic acquisitions of smaller retail propane operations located throughout the United States. These acquisitions will be funded through internal cash flow, external borrowings or the issuance of additional Partnership interests. The Partnership does not have any material commitments of funds for capital expenditures other than to support the current level of operations. In fiscal 1997, the Partnership expects growth and maintenance capital expenditures to increase slightly over fiscal 1996 levels.

**Financing Activities.** During the three months ended October 31, 1996, the Partnership borrowed \$28,000,000 from its Credit Facility to fund working capital, business acquisitions, and capital expenditure needs. At October 31, 1996, \$72,500,000 of borrowings were outstanding under the revolving portion of the Credit Facility. Letters of credit outstanding, used primarily to secure obligations under certain insurance arrangements, totaled \$26,430,000. At October 31, 1996, the Operating Partnership had \$106,070,000 available for general corporate, acquisition and working capital purposes under the Credit Facility. On November 18, 1996, the Partnership declared a cash distribution of \$0.50 per unit, payable December 13, 1996.

PART II - OTHER INFORMATION

- ITEM 1. LEGAL PROCEEDINGS.  
None.
- ITEM 2. CHANGES IN SECURITIES.  
None.
- ITEM 3. DEFAULTS UPON SENIOR SECURITIES.  
None.
- ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.  
None.
- ITEM 5. OTHER INFORMATION.  
None.
- ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.
- (a) Exhibits
- 3.1 Agreement of Limited Partnership of Ferrellgas Partners, L.P.  
(Incorporated by reference to the same numbered Exhibit to the Partnership's Current Report on Form 8-K filed August 15, 1994.)
- 3.2 Articles of Incorporation for Ferrellgas Partners Finance Corp.
- 27.1 Financial Data Schedule - Ferrellgas Partners, L.P.  
(filed in electronic format only)
- 27.2 Financial Data Schedule - Ferrellgas Partners Finance Corp.  
(filed in electronic format only)
- (b) Reports on Form 8-K
- None.

SIGNATURES

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

FERRELLGAS PARTNERS, L.P.

By Ferrellgas, Inc. (General Partner)

Date: December 13, 1996

By /s/ Danley K. Sheldon  
-----  
Danley K. Sheldon  
Senior Vice President and  
Chief Financial Officer (Principal  
Financial and Accounting Officer)

FERRELLGAS PARTNERS FINANCE CORP.

Date: December 13, 1996

By /s/ Danley K. Sheldon  
-----  
Danley K. Sheldon  
Senior Vice President and  
Chief Financial Officer (Principal  
Financial and Accounting Officer)

CERTIFICATE OF INCORPORATION

OF

FERRELLGAS PARTNERS FINANCE CORP.

The undersigned, for the purpose of incorporating and organizing a corporation under the General Corporation Law of the State of Delaware, hereby adopts the following Articles of Incorporation:

FIRST: The name of the corporation is

FERRELLGAS PARTNERS FINANCE CORP.

SECOND: The address of the corporation's initial registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle, Delaware 19801. The name of the corporation's initial registered agent at such address is The Corporation Trust Company.

THIRD: The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The corporation shall have authority to issue 2000 shares of Common Stock having a par value of \$1.00 per share.

FIFTH: The name and mailing address of the incorporator are Michael J. Beal, 1200 Main Street, Suite 3500, Kansas City, Missouri 64105.

SIXTH: The name of the person who is to serve as the sole director until the first annual meeting of stockholders, or until his successor is elected and shall qualify, is James E. Ferrell, whose mailing address is One Liberty Plaza, Liberty, Missouri 64068.

SEVENTH: The duration of the corporation is perpetual.

Elimination of Certain Liability of Directors.

A director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law of the State of Delaware, or (iv) for any transaction from which the director derived an improper personal benefit. If the General Corporation Law of the State of Delaware is amended subsequent to the date hereof to authorize corporate action further limiting or eliminating the personal liability of directors, then the liability of a director of the corporation shall be limited or eliminated to the fullest extent permitted by the General Corporation Law of the State of Delaware, as so amended. Any repeal or modification of the foregoing paragraph by the stockholders of the corporation shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

Indemnification and Insurance.

Right to Indemnification.

Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer, of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or

agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the corporation to the fullest extent authorized by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators: provided, however, that, except as provided in paragraph (b) hereof, the corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the board of directors of the corporation. The right to indemnification conferred in this Section shall be a contract right and shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition: provided, however, that, if the General Corporation Law of the State of Delaware required, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Section or otherwise. The corporation may, by action of its Board of Directors, provide indemnification to employees and agents of the corporation with the same scope and effect as the foregoing indemnification of directors and officers.

#### Right of Claimant to Bring Suit.

If a claim under paragraph (a) of this Section is not paid in full by the corporation within thirty days after a written claim has been received by the corporation, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the corporation. Neither the failure of the corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard or conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

#### Non-Exclusivity of Rights.

The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

#### Insurance.

The corporation may at its option maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law of the State of Delaware.

NINTH: The Board of Directors of the corporation is authorized and empowered to make, alter, amend or repeal any or all of the Bylaws of the corporation, subject to the power of the stockholders of the corporation to make, alter, amend or repeal any or all of the



Bylaws of the corporation.

TENTH: The Corporation reserves the right to any time and from time to time to amend, alter, change, or repeal any provision contained in these Articles of Incorporation, in the manner now or hereafter prescribed by law; and all rights conferred upon stockholders, directors, or any other persons whomsoever by and pursuant to these Articles of Incorporation in their present form or as hereafter amended are granted subject to this reservation.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 28th day of March, 1996.

Michael J. Beal, Incorporator

THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM FERRELLGAS PARTNERS, L.P. SUBSIDIARIES BALANCE SHEET ON OCTOBER 31, 1996 AND THE STATEMENT OF EARNINGS ENDED OCTOBER 31, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS

0000922358  
 FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES  
 1,000  
 US Dollars

|         |             |         |
|---------|-------------|---------|
| 3-mos   |             |         |
|         | JUL-31-1997 |         |
|         | AUG-01-1996 |         |
|         | OCT-31-1996 |         |
|         | 1           |         |
|         |             | 20809   |
|         |             | 0       |
|         |             | 96180   |
|         |             | 0       |
|         |             | 55280   |
|         | 179753      |         |
|         |             | 598380  |
|         | 197301      |         |
|         | 701533      |         |
| 176533  |             |         |
|         |             | 451910  |
|         |             | 116828  |
| 0       |             | 0       |
|         |             | (58278) |
| 701533  |             |         |
|         |             | 156764  |
|         | 167860      |         |
|         |             | 101075  |
|         | 162353      |         |
|         |             | 0       |
|         |             | 0       |
|         | 11602       |         |
|         | (10298)     |         |
|         |             | 0       |
| (10298) |             |         |
|         |             | 0       |
|         |             | 0       |
|         |             | 0       |
|         |             | (10298) |
|         |             | (0.33)  |
|         |             | (0.33)  |

THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM FERRELLGAS PARTNERS FINANCE CORP. BALANCE SHEET ON OCTOBER 31, 1996 AND THE STATEMENT OF EARNINGS ENDED OCTOBER 31, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS

0001012493  
FERRELLGAS PARTNERS FINANCE CORP.  
1  
US Dollars

3-MOS

|      | JUL-31-1997 | AUG-01-1996 | OCT-31-1996 |
|------|-------------|-------------|-------------|
|      |             | 1           | 1000        |
|      |             | 0           |             |
|      |             | 0           |             |
|      |             | 0           |             |
|      |             | 0           |             |
|      | 1000        |             | 0           |
|      | 0           |             |             |
|      | 1000        |             |             |
| 0    |             |             | 0           |
|      |             |             | 0           |
|      |             |             | 1000        |
| 0    |             |             |             |
|      |             | 0           |             |
|      |             | 0           |             |
| 1000 |             |             |             |
|      |             |             | 0           |
|      | 0           |             |             |
|      |             |             | 0           |
|      |             |             |             |
|      | 0           |             |             |
|      | 51          |             |             |
|      | 0           |             |             |
| 0    |             |             |             |
|      | (51)        |             |             |
|      | 0           |             |             |
| (51) |             |             |             |
|      | 0           |             |             |
|      | 0           |             |             |
|      |             | 0           |             |
|      | (51)        |             |             |
|      | 0           |             |             |
|      | 0           |             |             |