FORM 10-Q/A

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

[x] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended November 30, 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 number 1-11727

HERITAGE PROPANE PARTNERS, L.P.
(Exact name of registrant as specified in its charter)

DELAWARE	73-1493906
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

8801 SOUTH YALE AVENUE, SUITE 310
TULSA, OKLAHOMA 74137
(Address of principal executive offices and zip code)

(918) 492-7272
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ____

At January 10, 1997, the registrant had units outstanding as follows:

Heritage Propane Partners, L.P.	4,285,000	Common Units
	3,702,943	Subordinated Units

FORM 10-Q/A

HERITAGE PROPANE PARTNERS, L.P.

TABLE OF CONTENTS

FORM 10-Q/A

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

HERITAGE PROPANE PARTNERS, L.P. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AND UNIT DATA)

	November 30, 1996	August 31, 1996	November 30, 1995
	(unaudited)		(unaudited) (Predecessor)
ASSETS			
CURRENT ASSETS:			
Cash	$ 1,987	$1,170	$ 1,329
Accounts receivable, net	23,985	10,859	15,412
Inventories	12,600	11,115	10,399
Prepaid expenses	1,373	870	1,591
Deferred income taxes	---	---	1,483
Total current assets	39,945	24,014	30,214
PROPERTY, PLANT AND EQUIPMENT, net	110,982	110,342	101,094
INVESTMENT IN AFFILIATES	4,927	4,882	4,823
INTANGIBLES AND OTHER ASSETS, net	48,153	48,612	40,497
Total assets	$ 204,007	$ 187,850	$ 176,628
LIABILITIES AND PARTNERS' CAPITAL			
CURRENT LIABILITIES:			
Working capital facilities	$ 10,600	$ 5,600	$ 11,000
Accounts payable	23,326	13,155	13,817
Accrued and other current liabilities	9,730	5,730	8,918
Current maturities of long-term debt	254	243	19,058
Total current liabilities	43,910	24,728	52,793
LONG-TERM DEBT	132,598	132,521	99,633
DEFERRED INCOME TAXES	---	---	19,326
Total liabilities	176,508	157,249	171,752
COMMITMENTS AND CONTINGENCIES			
5% CUMULATIVE REDEEMABLE PREFERRED STOCK, $.01 par value, 19,262 shares authorized, 9,487 issued	---	---	12,488
PARTNERS' CAPITAL:			
Common unit holders (4,285,000 units outstanding)	14,759	16,392	---
Subordinated unit holders (3,702,943 units outstanding)	12,493	13,902	---
General Partner	247	307	---
Total partners' capital	27,499	30,601	---
STOCKHOLDERS' DEFICIT:			
Class A common stock, $.01 par value 2,648,517 authorized, 1,284,105 issued	---	---	13
Class B common stock, $.01 par value, 441,419 authorized, 357,500 issued	---	---	3
Additional paid-in capital	---	---	4,234
Accumulated deficit	---	---	(11,862)
Total stockholders' deficit	---	---	(7,612)
Total liabilities and partners' capital	$204,007	$187,850	$176,628

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED BALANCE SHEETS.

HERITAGE PROPANE PARTNERS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT UNIT DATA)
(UNAUDITED)

	Three Months Ended November 30, 1996	Three Months Ended November 30, 1995 (Predecessor)
REVENUES		
Retail	$ 30,086	$ 21,755
Wholesale	15,481	9,557
Other	5,076	4,629
Total revenues	50,643	35,941
COST AND EXPENSES		
Cost of products sold	34,482	21,770
Depreciation and amortization	2,611	2,381
Selling, general and administrative	1,210	1,044
Operating expenses	9,661	8,293
Total costs and expenses	47,964	33,488
OPERATING INCOME	2,679	2,453
GAIN ON DISPOSAL OF ASSETS	132	57
OTHER INCOME	150	116
EQUITY IN EARNINGS OF AFFILIATES	40	48
INTEREST EXPENSE	(2,942)	(3,276)
INCOME (LOSS) BEFORE MINORITY INTEREST	59	(602)
MINORITY INTEREST	(155)	(97)
NET LOSS	(96)	$ (699)
GENERAL PARTNER'S INTEREST IN NET LOSS	(1)	
LIMITED PARTNERS' INTEREST IN NET LOSS	$ (95)	
NET LOSS PER LIMITED PARTNER UNIT	$ (.01)	
WEIGHTED AVERAGE NUMBER OF UNITS OUTSTANDING	7,987,943	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED STATEMENTS.

HERITAGE PROPANE PARTNERS, L.P., AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)
(UNAUDITED)

	For the Three Months Ended November 30, 1996	1995 (Predecessor)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	$ (95)	$ (699)
Reconciliation of net loss to net cash used in operating activities--		
Depreciation and amortization	2,471	2,381
Provision for losses on accounts receivable	114	36
Gain on disposal of assets	(132)	(57)
Increase in deferred income taxes	---	24
Undistributed earnings of affiliates	(45)	(82)
Changes in assets and liabilities, net of effect of acquisitions:		
Accounts receivable	(13,235)	(7,363)
Inventories	(1,485)	(268)
Prepaid expenses	(502)	(756)
Intangibles and other assets	(32)	(333)
Accounts payable	6,761	2,268
Accrued and other current liabilities	3,998	3,448
Net cash used in operating activities	(2,182)	(1,401)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for acquisitions, net of cash acquired	(366)	(4,150)
Capital expenditures	(2,193)	(2,091)
Proceeds from asset sales	248	76
Net cash used in investing activities	(2,311)	(6,165)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	15,844	16,964
Principal payments on debt	(7,528)	(9,521)
Unit distribution to partners	(2,878)	---
Capital adjustment for MLP costs	(128)	---
Issuance of common stock	---	59
Deferred tax adjustment	---	170
Minority interest	---	(14)
Net cash provided by financing activities	5,310	7,658
INCREASE IN CASH	817	92
CASH, beginning of period	1,170	1,237
CASH, end of period	$ 1,987	$ 1,329
NONCASH FINANCING ACTIVITIES:		
Notes payable incurred on noncompete agreements	$ 182	$ 40
5% preferred stock dividend	---	150
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for--		
Interest	$ 491	$ 364

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED STATEMENTS.

HERITAGE PROPANE PARTNERS, L.P. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL:

The accompanying unaudited consolidated financial statements have been prepared by Heritage Propane Partners, L.P. (the Company) and should be read in conjunction with the Company's consolidated financial statements as of August 31, 1996 and the notes thereto included in the Company's consolidated financial statements included in Form 10-K as filed with the Securities and Exchange Commission. The foregoing financial statements include only normal recurring accruals and all adjustments which the Company considers necessary for a fair presentation.

2. DETAILS TO CONSOLIDATED BALANCE SHEETS:

Inventories are valued at the lower of cost or market. The cost of fuel inventories is determined using average cost while the cost of appliances, parts and fittings is determined by the first-in, first-out method. Inventories consist of the following:

	NOV. 30, 1996 (UNAUDITED)	AUG. 31, 1996	NOV. 30, 1995 (UNAUDITED) (PREDECESSOR)
Fuel	$ 9,511	$ 7,735	$ 7,244
Appliances, parts and fittings	3,089	3,380	3,155
	$ 12,600	$ 11,115	$ 10,399

3. LOSS PER LIMITED PARTNER UNIT:

Loss per limited partner unit is computed by dividing net loss, after considering the General Partner's one percent interest, by the weighted average number of Common and Subordinated Units outstanding.

4. CASH DISTRIBUTIONS:

A cash distribution of $2,820, or $.353 per Common and Subordinated unit, was paid on October 15, 1996 to Unitholders of record on October 1, 1996 and $58 was distributed to the General Partner.

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

ANALYSIS OF UNAUDITED HISTORICAL RESULTS OF OPERATIONS

On June 28, 1996, Heritage Propane Partners, L.P. (the Partnership) acquired certain assets of Heritage Holdings, Inc. (the Company) and completed an initial public offering. The following discussion reflects for the periods indicated the results of operations and operating data for the Partnership and its predecessor, the Company. During fiscal year 1996, the Company consummated eight acquisitions which affect the comparability of prior period financial results as they are included in all three months of the quarter ending November 30, 1996, yet for the most part were not included in the same period a year ago. Amounts discussed below reflect 100% of the results of operations of M-P Oils Partnership, a general partnership in which the Company owns a 60% interest. Because M-P Oils Partnership is primarily engaged in lower-margin wholesale propane distribution, its contribution to the Partnership's net income and EBITDA is not significant.

Three Months Ended November 30, 1996 Compared to Three Months Ended November 30, 1995.

Volume. During the three months ended November 30, 1996, the Company sold 31.5 million retail gallons, an increase of 5.4 million retail gallons or 20.7% from the 26.1 million retail gallons sold in the three months ended November 30, 1995. This increase was primarily attributable both to the effect of acquisitions and internal growth and, to a lesser extent, colder weather.

The Company also sold approximately 30.0 million wholesale gallons in the three months ended November 30, 1996, a 2.2 million gallon or 7.9% increase from the 27.8 million wholesale gallons sold in the prior year three-month period. The increase in wholesale volumes was largely attributable to increased wholesale volumes in the United States.

Revenues. Total revenues increased $14.7 million or 40.9% to $50.6 million for the three months ended November 30, 1996, as compared to $35.9 million for the prior year three-month period. Domestic revenues increased $10.4 million or 37.7% to $38.0 million for the three months ended November 30, 1996, as compared to $27.6 million for the three-month period ended November 30, 1995. Foreign revenues increased $4.3 million or 51.8% to $12.6 million for the three months ended November 30, 1996, as compared to $8.3 million for the three-month period ended November 30, 1995. The increase in foreign revenues was attributable entirely to increased selling prices where as the increased domestic revenues were due in equal parts from higher selling prices and greater volumes.

Cost of Sales. Total cost of sales increased $12.7 million or 58.3% to $34.5 million for the three months ended November 30, 1996, as compared to $21.8 million for the three months ended November 30, 1995. Domestic costs of sales increased $8.5 million or 61.6% to $22.3 million for the three months ended November 30, 1996, as compared to $13.8 million for the three-month period ended November 30, 1995. Foreign cost of sales increased $4.2 million or 52.5% to $12.2 million for the three months ended November 30, 1996, as compared to $8.0 million for the three-month period ended November 30, 1995. The increase was primarily attributable to higher propane costs and increased volumes sold.

Gross Profit. Gross profit increased $2.0 million or 14.2% to $16.1 million for the three months ended November 30, 1996, as compared to $14.1 million for the prior year three-month period. This increase was attributable to an increase in volumes sold, partially offset by a margin decline caused primarily by an increase in propane costs from suppliers.

Operating Expenses. Operating expenses increased $1.4 million or 16.9% to $9.7 million in the three months ended November 30, 1996, as compared to $8.3 million in the three months ended November 30, 1995. The entire amount of this increase was attributable to increased volumes.

Selling, General and Administrative. Selling, general and administrative expenses were $1.2 million for the three months ended November 30, 1996, an increase from $1.0 million for the prior year three-month period. This increase resulted from costs associated with being a public entity and a master limited partnership.

Depreciation and Amortization. Depreciation and amortization increased approximately $.2 million or 8.3% to $2.6 million in the three months ended November 30, 1996, as compared to $2.4 million for the three months ended November 30, 1995. This increase was the result of additional depreciation associated with acquisitions.

Operating Income. Operating income increased $.2 million or 8.0% to $2.7 million for the three months ended November 30, 1996, as compared to $2.5 million for the prior year three-month period. This increase was due primarily to increased volumes, partially offset by a decline in margins.

Net Loss. The Partnership's net loss was approximately $.1 million for the three months ended November 30, 1996 and $.7 million for the three months ended November 30, 1995, as a result of higher operating income and lower interest expense for the three months ended November 30, 1996.

EBITDA. EBITDA increased $.6 million or 12.2% to $5.5 million in the three months ended November 30, 1996, as compared to $4.9 million for the prior year three-month period. This increase was due to an increase in volumes attributable to acquisitions, favorable weather conditions and internal growth, partially offset by a decrease in gross margins.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

Cash used by operating activities during the three months ended November 30, 1996 was $2.2 million compared with $1.4 million during the three months ended November 30, 1995. The cash flows from operations before changes in working capital actually increased during the three months ended November 30, 1996 but were offset by increases in accounts receivable and inventory resulting from higher supplier propane prices.

Cash used in investing activities during the three months ended November 30, 1996 included capital expenditures for acquisitions amounting to $.4 million. An additional $2.2 million was spent for remaining maintenance needed to sustain operations at current levels, new customer tanks to support growth of operations and other miscellaneous capitalized items.

Cash provided by financing activities during the three months ended November 30, 1996 of $5.3 million primarily reflects net borrowings under the credit facilities available to the Company.

Financing and Sources of Liquidity

In June 1996, the Partnership entered into a Bank Credit Facility, which includes a Working Capital Facility, a revolving credit facility providing for up to $15.0 million of borrowings to be used for working capital and other general partnership purposes, and an Acquisition Facility, a revolving credit facility providing for up to $25.0 million of borrowings to be used for acquisitions and improvements.

The Partnership uses almost all of its cash provided by operating and financing activities to fund acquisition, maintenance and growth capital expenditures. Acquisition capital expenditures, which include expenditures related to the acquisition of retail propane operations and a portion of the purchase price allocated to intangibles associated with such acquired businesses, were $.4 million for the three months ended November 30, 1996, as compared to $4.2 million during the three months ended November 30, 1995.

The assets utilized in the propane business do not typically require lengthy manufacturing process time nor complicated, high technology components. Accordingly, the Partnership does not have any significant financial commitments for capital expenditures. In addition, the Partnership has not experienced any significant increases attributable to inflation in the cost of these assets.

The ability of the Partnership to satisfy its obligations will depend on its future performance, which will be subject to prevailing economic, financial, business and weather conditions and other factors, many of which are beyond its control. Future capital needs of the Partnership are expected to be provided by future operations, existing cash balances and the Working Capital Facility. The Partnership may incur additional indebtedness or issue additional Units in order to fund possible future acquisitions.

FORM 10-Q/A

PART II -- OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS OF FORM 8-K

(a) The following exhibits are filed as part of this Report. Exhibits required by Item 601 of Regulation S-K, but which are not listed below, are not applicable.

Exhibit Number	Description
10.1*	Bank Credit Facility ("BCF")
10.1.1*	Amendment of BCF dated as of July 9, 1996.
10.2*	Note Purchase Agreement ("NPA")
10.2.1*	Amendment of NPA dated as of July 25, 1996.
27.1	Financial Data Schedule - Filed with EDGAR version only

- ------------
* Filed previously

(b) No reports on Form 8-K have been filed by the registrant for the quarter for which this report is filed.

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.

HERITAGE PROPANE PARTNERS, L.P.

By: Heritage Holdings, Inc., General Partner

Date: January 21, 1997

By: /s/ H. Michael Krimbill

H. Michael Krimbill
(Chief Accounting Officer and
officer duly authorized to
sign on behalf of the registrant)

EXHIBIT INDEX

Exhibit Number	Description
10.1*	Bank Credit Facility ("BCF")
10.1.1*	Amendment of BCF dated as of July 9, 1996.
10.2*	Note Purchase Agreement ("NPA")
10.2.1*	Amendment of NPA dated as of July 25, 1996.
27.1	Financial Data Schedule - Filed with EDGAR version only

- ------------
* Filed previously

5
1,000

3-MOS
AUG-31-1997
SEP-01-1996
NOV-30-1996
1,987
0
24,300
315
12,600
39,945
133,374
22,392
204,007
43,910
132,598
27,499
0
0
0
204,007
50,643
50,643
34,482
47,964
322
0
2,942
59
0
(96)
0
0
0
(96)
(.01)
0