

CONSOL Energy Inc
Form 10-Q
August 03, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2009 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: 001-14901

CONSOL Energy Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of

Incorporation or Organization)

1000 CONSOL Drive

Canonsburg, Pennsylvania
(Address of Principal Executive Offices)

51-0337383
(IRS Employer

Identification No.)

15317-6506
(Zip Code)

(724) 485-4000

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(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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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

Class	Shares outstanding as of July 24, 2009
Common stock, \$0.01 par value	180,700,590

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Sales Outside	\$ 994,141	\$ 1,111,410	\$ 2,144,385	\$ 1,997,735
Sales Gas Royalty Interests	8,666	22,515	21,298	39,019
Sales Purchased Gas	1,166	1,647	2,631	5,186
Freight Outside	27,087	63,927	58,003	108,671
Other Income	39,505	11,397	62,999	86,016
Total Revenue and Other Income	1,070,565	1,210,896	2,289,316	2,236,627
Cost of Goods Sold and Other Operating Charges (exclusive of depreciation, depletion and amortization shown below)	642,856	740,735	1,310,478	1,377,461
Gas Royalty Interests Costs	6,458	21,880	17,049	37,954
Purchased Gas Costs	390	1,522	1,920	4,943
Freight Expense	27,087	63,927	58,003	108,671
Selling, General and Administrative Expense	35,627	30,644	66,443	61,114
Depreciation, Depletion and Amortization	107,475	95,775	213,694	188,503
Interest Expense	6,945	8,526	15,457	18,704
Taxes Other Than Income	70,472	73,299	148,311	144,905
Total Costs	897,310	1,036,308	1,831,355	1,942,255
Earnings Before Income Taxes	173,255	174,588	457,961	294,372
Income Taxes	54,416	61,798	134,151	97,351
Net Income	118,839	112,790	323,810	197,021
Less: Net Income Attributable to Noncontrolling Interest	(5,500)	(11,778)	(14,652)	(20,927)
Net Income Attributable to CONSOL Energy Inc. Shareholders	\$ 113,339	\$ 101,012	\$ 309,158	\$ 176,094
Basic Earnings Per Share	\$ 0.63	\$ 0.55	\$ 1.71	\$ 0.96
Dilutive Earnings Per Share	\$ 0.62	\$ 0.54	\$ 1.69	\$ 0.95

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Weighted Average Number of Common Shares Outstanding:				
Basic	180,644,498	182,977,726	180,610,676	182,775,355
Dilutive	183,073,413	185,637,248	182,833,111	185,330,300
Dividends Paid Per Share	\$ 0.10	\$ 0.10	\$ 0.20	\$ 0.20

The accompanying notes are an integral part of these financial statements.

Table of Contents**CONSOL ENERGY INC. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS**

(Dollars in thousands, except per share data)

	(Unaudited)	
	June 30, 2009	December 31, 2008
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 108,311	\$ 138,512
Accounts and Notes Receivable:		
Trade	180,752	221,729
Other Receivables	20,921	79,552
Inventories	324,655	227,810
Deferred Income Taxes	63,103	60,599
Recoverable Income Taxes		33,862
Prepaid Expenses	228,462	221,750
Total Current Assets	926,204	983,814
Property, Plant and Equipment:		
Property, Plant and Equipment	10,265,654	9,980,288
Less Accumulated Depreciation, Depletion and Amortization	4,362,575	4,214,316
Total Property, Plant and Equipment Net	5,903,079	5,765,972
Other Assets:		
Deferred Income Taxes	301,511	333,543
Investment in Affiliates	77,706	72,996
Other	148,800	214,133
Total Other Assets	528,017	620,672
TOTAL ASSETS	\$ 7,357,300	\$ 7,370,458

The accompanying notes are an integral part of these financial statements.

Table of Contents**CONSOL ENERGY INC. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS**

(Dollars in thousands, except per share data)

	(Unaudited) June 30, 2009	December 31, 2008
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities:		
Accounts Payable	\$ 232,136	\$ 385,197
Short-Term Notes Payable	452,000	557,700
Current Portion of Long-Term Debt	22,231	22,401
Accrued Income Taxes	4,891	
Other Accrued Liabilities	554,190	546,442
Total Current Liabilities	1,265,448	1,511,740
Long-Term Debt:		
Long-Term Debt	391,856	393,312
Capital Lease Obligations	69,736	75,039
Total Long-Term Debt	461,592	468,351
Deferred Credits and Other Liabilities:		
Postretirement Benefits Other Than Pensions	2,494,054	2,493,344
Pneumoconiosis Benefits	194,984	190,261
Mine Closing	393,653	404,629
Gas Well Plugging	84,114	80,554
Workers Compensation	131,959	128,477
Salary Retirement	167,587	194,567
Reclamation	21,818	38,193
Other	155,300	185,996
Total Deferred Credits and Other Liabilities	3,643,469	3,716,021
Total Liabilities	5,370,509	5,696,112
Stockholders Equity:		
Common Stock, \$.01 par value; 500,000,000 Shares Authorized, 183,014,426 Issued and 180,665,103 Outstanding at June 30, 2009; 183,014,426 Issued and 180,549,851 Outstanding at December 31, 2008	1,830	1,830
Preferred Stock, 15,000,000 Shares Authorized; None Issued and Outstanding		
Capital in Excess of Par Value	1,013,810	993,478
Retained Earnings	1,279,979	1,010,902
Other Comprehensive Loss	(467,193)	(461,900)
Common Stock in Treasury, at Cost 2,349,323 Shares at June 30, 2009 and 2,464,575 Shares at December 31, 2008	(78,150)	(82,123)
Total Consol Energy Inc. Stockholders Equity	1,750,276	1,462,187
Noncontrolling Interest	236,515	212,159
Total Equity	1,986,791	1,674,346
TOTAL LIABILITIES AND EQUITY	\$ 7,357,300	\$ 7,370,458

The accompanying notes are an integral part of these financial statements.

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CONSOL ENERGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

(Dollars in thousands, except per share data)

	Common Stock	Capital in Excess of Par Value	Retained Earnings (Deficit)	Other Compre- hensive Income (Loss)	Treasury Stock	Total Consol Energy, Inc. Stockholders Equity	Noncont- rolling Interest	Total Equity
Balance December 31, 2008	\$ 1,830	\$ 993,478	\$ 1,010,902	\$ (461,900)	\$ (82,123)	\$ 1,462,187	\$ 212,159	\$ 1,674,346

(Unaudited)

Net Income			309,158			309,158	14,652	323,810
Treasury Rate Lock (Net of (\$24) tax)				(41)		(41)		(41)
FASB 158 Long-Term Liability Adjustment (Net of \$116 tax)								