

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K/A-1

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the Fiscal year ended September 30, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 [No Fee Required]

For the transition period from _____ to _____

Commission File Number: 33-98490

STAR GAS PARTNERS, L.P.

(Exact name of registrant as specified in its charter)

Delaware

06-1437793

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

2187 Atlantic Street, Stamford, Connecticut

06902

(Address of principal executive office)

(Zip Code)

(203) 328-7300

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None
Securities registered pursuant to Section 12(g) of the Act:

Common Units

(Title of class)

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
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Indicate by check mark if disclosure of delinquent filer pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

The aggregate market value of Star Gas Partners, L.P. Common Units held by non-affiliates of Star Gas Partners, L.P. on November 13, 1996 was approximately \$64,328,000. At November 13, 1996 there were outstanding 2,875,000 Common Units and 2,396,078 Subordinated Units, each representing limited partner interests.

Documents Incorporated by Reference: None

ITEM 6. SELECTED HISTORICAL AND PRO FORMA FINANCIAL AND OPERATING DATA

The following table sets forth selected historical and pro forma and other data of the Partnership and the Star Gas Group and should be read in conjunction with the more detailed financial statements included elsewhere in this report. See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The Selected Pro Forma Financial Data is derived from the pro forma financial information of the Partnership and should be read in conjunction therewith. See Item 14, Note 14 - of Notes to Consolidated Financial Statements.

	Partnership/Star Gas Group--Historical					Partnership ProForma (b) Year Ended September 30, 1996
	Year Ended September 30,					
	1992	1993	1994	1995	1996 (a)	
	(In thousands, except per Unit data)					(unaudited)
Statement of Operations Data:						
Sales.....	\$124,113	\$143,216	\$128,040	\$104,550	\$119,634	\$119,634
Gross profit.....	65,902	69,861	69,487	54,890	61,077	61,077
Depreciation and amortization.....	13,750	16,703	13,039	10,073	9,808	9,870
Operating income (loss).....	7,474	(30,313) (d)	9,393	2,555	9,802	9,866
Interest expense (net).....	16,043	16,479	10,497	8,549	7,124	6,713
Net income (loss) (c).....	(7,282)	(47,049) (d)	(1,404)	(6,169)	2,593	3,128
Net income per Unit(e).....	-	-	-	-	\$.11 (g)	\$.58
Cash distribution declared per unit.....	-	-	-	-	\$ 1.17 (g)	
Balance Sheet Data (end of period):						
Current assets.....	\$23,284	\$ 20,637	\$ 17,374	\$ 14,266	\$ 17,842	\$ 17,842
Total assets.....	195,480	157,847	147,608	155,393	156,913	156,913
Long-term debt.....	123,488	123,992	70,163	1,389	85,000	85,000
Due to Petro.....	-	4,723	8,809	86,002	-	-
Predecessor's equity (deficiency)/Partners' Capital.....	42,804	(2,825)	44,328	44,305	61,398	61,398
Other Data:						
EBITDA (c) (f).....	\$20,991	\$ 19,652	\$ 21,946	\$ 13,541	\$ 19,870	\$ 19,996
Retail propane gallons sold.....	92,289	114,405	110,069	89,133	96,294	96,294

- (a) Reflects the results of operations of the Predecessor company for the period October 1, 1995 through December 20, 1995 and the results of Star Gas Partners, L.P. from December 20, 1995 through September 30, 1996. The operating results for the year September 30, 1996 were combined to facilitate an analysis of the fundamental operating data. For the actual results of the Partnership from December 20, 1995 through September 30, 1996, see Item 14, Page F-4.
- (b) For a description of the assumptions used in preparing the Summary Selected Pro Forma Financial and Operating Data, see Item 14, Note 14 - of Notes to Consolidated Financial Statements.
- (c) The decline in operating income, net income and EBITDA during the fiscal year 1995 was primarily due to the significantly warmer than normal weather conditions during the 1995 heating season. See Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations.
- (d) Includes a loss of approximately \$33.0 million in respect of a charge for the impairment of long-lived assets.
- (e) Net income per Unit is computed by dividing the limited partners' interest in net income by the limited partners' weighted average number of units outstanding.
- (f) EBITDA is defined as operating income plus depreciation, amortization, less net gain (loss) on sale of businesses and other non-cash charges (including the impairment of long-lived assets). EBITDA should not be considered as an alternative to net income (as an indicator of operating performance) or as an alternative to cash flow (as a measure of liquidity or ability to service debt obligations), but provides additional information for evaluating the Partnership's ability to make the Minimum Quarterly Distribution.
- (g) Represents net income per unit and cash distributions paid per unit for the

period December 20, 1995 through September 30, 1996.

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STAR GAS PARTNERS, L.P. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL/PREDECESSOR EQUITY
(in thousands)

Partners' Capital

For the period ended December 20, 1995 through September 30, 1996

	Number of Units		Common	Subordinated	General Partner	Total Partners' Capital
	Common	Subordinated				
Balance as of December 20, 1995	-	-	-	-	-	-
Contribution of assets, net	-	2,396	\$ -	\$10,956	\$ 225	\$11,181
Issuance of Common Units, net	2,875	-	55,875	-	56	55,931
Distributions (\$1.17 per unit)	-	-	(3,371)	(2,809)	(126)	(6,306)
Net income	-	-	317	263	12	592
Balance as of September 30, 1996	2,875	2,396	\$52,821	\$ 8,410	\$ 167	\$61,398

Predecessor's Equity

Years ended September 30, 1994 and 1995 and the period October 1, 1995 through December 20, 1995

	Preferred Stock Series A	8% Cumulative Convertible Preferred Stock		12.5% Preferred Stock	Capital in Excess of Par Value	Deficit	Common Treasury Stock (Old)	Total Predecessor's Equity (Deficiency)
		Old	New					
Balance as of Sept. 30, 1993	\$ 41	\$ 1	\$ -	\$ -	\$58,472	\$ (59,151)	\$ (2,188)	\$ (2,825)
Recapitalization	(41)	(1)	525	-	52,413	-	2,188	55,084
Redemption of preferred Stock	-	-	(56)	-	(5,685)	-	-	(5,741)
Stock dividends declared	-	-	31	-	3,136	(3,931)	-	(764)
Cash dividends preferred stock	-	-	-	-	-	(22)	-	(22)
Net loss	-	-	-	-	-	(1,404)	-	(1,404)
Balance as of Sept. 30, 1994	-	-	500	-	108,336	(64,508)	-	44,328
Conversion of preferred stock	-	-	(266)	319	(53)	-	-	-
Redemption of preferred stock	-	-	(49)	-	(5,042)	-	-	(5,091)
Stock dividends declared	-	-	4	-	368	(732)	-	(360)
Cash dividends preferred stock	-	-	-	-	-	(5,287)	-	(5,287)
Purchase accounting adjustment	-	-	-	-	(51,906)	68,790	-	16,884
Net loss	-	-	-	-	-	(6,169)	-	(6,169)
Balance as of Sept. 30, 1995	-	-	189	319	51,703	(7,906)	-	44,305
Dividends	-	-	-	-	-	(21,309)	-	(21,309)
Additional capital contribution	-	-	-	-	4,184	-	-	4,184
Net income	-	-	-	-	-	2,001	-	2,001
Balance as of Dec. 20, 1995	\$ -	\$ -	\$ 189	\$ 319	\$ 55,887	\$ (27,214)	\$ -	\$ 29,181

See accompanying notes to consolidated financial statements

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12) Unit Option Plan

On December 20, 1995, the General Partner adopted the 1995 Star Gas Corporation Unit Option Plan (the "Unit Option Plan"), which currently authorizes the issuance of options (the "Unit Options") and Unit Appreciation Rights ("UARS") covering up to 300,000 Subordinated Units to certain officers and employees of the General Partner. A total of 40,000 options were granted to key executives in December 1995. The Unit Options have the following characteristics: 1) an exercise price of \$22 per unit, which is an estimate of the fair market value of the Subordinated Units at the time of grant, 2) vest over a five year period, 3) are exercisable after January 1, 2001, assuming the subordination period has elapsed, and 4) expire on the tenth anniversary of the date of grant. Upon conversion of the Subordinated Units held by the General Partner and its affiliates, the Unit Options granted will convert to Common Unit Options. No UARS have been granted pursuant to the plan.

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SIGNATURE

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

Star Gas Partners, L.P.

By: Star Gas Corporation
(General Partner)

Signature -----	Title -----	Date -----
By: /s/ William G. Powers, Jr. ----- William G. Powers, Jr.	President Star Gas Corporation (Principal Executive Officer)	April 8, 1997
By: /s/ Richard F. Ambury ----- Richard F. Ambury	Vice President - Finance Star Gas Corporation (Principal Financial and Accounting Officer)	April 8, 1997