

United States Heating Oil Fund, LP
Form 10-Q
August 14, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 30, 2012.**

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: 001-34016

United States Diesel-Heating Oil Fund, LP

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

1999 Harrison Street, Suite 1530

Oakland, California 94612

20-8837345
(I.R.S. Employer
Identification No.)

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(Address of principal executive offices) (Zip code)

(510) 522-9600

(Registrant's telephone number, including area code)

United States Heating Oil Fund, LP

1320 Harbor Bay Parkway, Suite 145

Alameda, California 94502

(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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, 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.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) 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

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Part I. FINANCIAL INFORMATION

Item 1. Condensed Financial Statements.

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Table of Contents*United States Diesel-Heating Oil Fund, LP**Condensed Statements of Financial Condition**At June 30, 2012 (Unaudited) and December 31, 2011*

	June 30, 2012	December 31, 2011
Assets		
Cash and cash equivalents (Note 5)	\$ 4,881,610	\$ 8,629,549
Equity in UBS Securities LLC trading accounts:		
Cash and cash equivalents	835,645	644,438
Unrealized gain on open commodity futures contracts	133,560	348,096
Receivable from General Partner (Note 3)	36,164	132,085
Dividend receivable	81	46
Interest receivable		5
Other assets	227,773	231,016
<i>Total assets</i>	\$ 6,114,833	\$ 9,985,235
Liabilities and Partners' Capital		
Professional fees payable	\$ 43,310	\$ 142,175
General Partner management fees payable (Note 3)	2,881	5,022
Brokerage commissions payable	177	171
Other liabilities	574	559
<i>Total liabilities</i>	46,942	147,927
Commitments and Contingencies (Notes 3, 4, and 5)		
Partners' Capital		
General Partner		
Limited Partners	6,067,891	9,837,308
<i>Total Partners' Capital</i>	6,067,891	9,837,308
<i>Total liabilities and partners' capital</i>	\$ 6,114,833	\$ 9,985,235
Limited Partners' units outstanding	200,000	300,000
Net asset value per unit	\$ 30.34	\$ 32.79
Market value per unit	\$ 30.17	\$ 32.87

See accompanying notes to condensed financial statements.

Table of Contents*United States Diesel-Heating Oil Fund, LP**Condensed Schedule of Investments (Unaudited)**At June 30, 2012*

	Number of Contracts		Unrealized Gain on Open Commodity Contracts	% of Partners Capital
Open Futures Contracts - Long				
United States Contracts				
NYMEX Heating Oil Futures HO August 2012 contracts, expiring July 2012	53	\$	133,560	2.20
	Principal Amount		Market Value	
Cash Equivalents				
United States Treasury Obligation				
U.S. Treasury Bill, 0.09%, 10/11/2012	\$ 400,000	\$	399,899	6.59
United States - Money Market Funds				
Fidelity Institutional Government Portfolio - Class I	1,400,087		1,400,087	23.07
Morgan Stanley Institutional Liquidity Fund - Government Portfolio	1,801,478		1,801,478	29.69
Total Money Market Funds			3,201,565	52.76
Total Cash Equivalents		\$	3,601,464	59.35

See accompanying notes to condensed financial statements.

Table of Contents*United States Diesel-Heating Oil Fund, LP**Condensed Statements of Operations (Unaudited)**For the three and six months ended June 30, 2012 and 2011*

	Three months ended June 30, 2012	Three months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
Income				
Gain (loss) on trading of commodity contracts:				
Realized gain (loss) on closed futures contracts	\$ (1,964,932)	\$ (490,845)	\$ (298,800)	\$ 1,795,740
Change in unrealized gain (loss) on open positions	544,862	(294,857)	(214,536)	(430,047)
Dividend income	277	212	456	973
Interest income	332	51	834	124
Other income	350	1,000	350	2,000
<i>Total income (loss)</i>	(1,419,111)	(784,439)	(511,696)	1,368,790
Expenses				
Professional fees	21,655	49,868	43,310	99,188
General Partner management fees (Note 3)	12,683	13,768	28,578	30,364
Brokerage commissions	1,417	1,398	3,114	3,197
Other expenses	2,545	2,682	5,174	5,671
<i>Total expenses</i>	38,300	67,716	80,176	138,420
Expense waiver (Note 3)	(18,485)	(46,426)	(36,164)	(91,597)
<i>Net expenses</i>	19,815	21,290	44,012	46,823
Net income (loss)	\$ (1,438,926)	\$ (805,729)	\$ (555,708)	\$ 1,321,967
Net income (loss) per limited partnership unit	\$ (5.40)	\$ (2.41)	\$ (2.45)	\$ 3.96
Net income (loss) per weighted average limited partnership unit	\$ (5.60)	\$ (3.11)	\$ (1.99)	\$ 4.38
Weighted average limited partnership units outstanding	257,143	259,341	278,571	301,657

See accompanying notes to condensed financial statements.

Table of Contents*United States Diesel-Heating Oil Fund, LP**Condensed Statement of Changes in Partners' Capital (Unaudited)**For the six months ended June 30, 2012*

	General Partner	Limited Partners	Total
Balances, at December 31, 2011	\$	\$ 9,837,308	\$ 9,837,308
Redemption of 100,000 partnership units		(3,213,709)	(3,213,709)
Net loss		(555,708)	(555,708)
Balances, at June 30, 2012	\$	\$ 6,067,891	\$ 6,067,891
Net Asset Value Per Unit:			
At December 31, 2011	\$	32.79	
At June 30, 2012	\$	30.34	

See accompanying notes to condensed financial statements.

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United States Diesel-Heating Oil Fund, LP

Condensed Statements of Cash Flows (Unaudited)

For the six months ended June 30, 2012 and 2011

	Six months ended June 30, 2012	Six months ended June 30, 2011
Cash Flows from Operating Activities:		
Net income (loss)	\$ (555,708)	\$ 1,321,967
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
(Increase) decrease in commodity futures trading account - cash and cash equivalents	(191,207)	10,341
Unrealized loss on futures contracts	214,536	